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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June 30, 2019**

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
incorporation or organization)

75-2100622

(I.R.S. Employer
Identification No.)

117 West 9th Street Suite 316 Los Angeles California

(Address of principal executive offices)

90015

(Zip Code)

310-392-5606

(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, a smaller reporting company or, an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company", in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if 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 June 30, 2019, there were 275,858,986 shares of the registrant's common stock, \$0.001 par value per share, issued and outstanding.

PACIFIC VENTURES GROUP, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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PACIFIC VENTURES GROUP, INC.
Consolidated Balance Sheets

	For the six months ended June 30, 2019 (unaudited)	December 31, 2018 (audited)
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and cash equivalents	\$ (11,345)	\$ 118,579
Accounts receivable	243,847	280,142
Inventory Asset	371,220	160,858
Other Current Asset	124,000	32,479
Deposits	1,500	1,500
Total Current Assets	729,222	593,558
<u>Fixed Assets</u>		
Fixed assets, net	\$ 104,136	\$ 112,793
Total Fixed Assets	104,136	112,793
<u>Other Assets</u>		
Intangible Assets	\$ 950,000	\$ 950,000
Rent Deposit	11,520	11,520
	961,520	961,520
TOTAL ASSETS	\$ 1,794,878	\$ 1,667,871
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Bank overdraft	\$ -	\$ -
Accounts payable	802,181	597,888
Accrued expenses	302,880	286,598
Deferred revenue		
Current portion, notes payable	813,118	772,334
Current portion, notes payable - related party	274,585	203,786
Current portion, leases payable	88,896	88,896
Total Current Liabilities	2,281,659	1,949,502
<u>Long-Term Liabilities:</u>		
Notes payable	\$ 2,331,876	\$ 2,259,081
Notes payable - related party	123,620	42,000
Total Long-Term Liabilities	2,455,496	2,301,081
Total Liabilities	\$ 4,737,155	\$ 4,250,582
<u>STOCKHOLDERS' EQUITY (DEFICIT)</u>		
Preferred stock, \$.001 par value, 10,000,000 shares authorized, 1,000,000 Series E, issued and outstanding	\$ 1,000	\$ 1,000
Common stock, \$.001 par value, 1,000,000,000 shares authorized, and 275,858,986 issued and outstanding, respectively.	275,033	236,511
Additional paid in capital	4,817,853	4,678,823
Accumulated deficit	(8,036,161)	(7,499,045)
Total Stockholders' Equity (Deficit)	\$ (2,942,276)	\$ (2,582,711)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 1,794,878	\$ 1,667,871

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

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

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Sales, net of discounts	\$ 1,127,028	\$ 690,135	\$ 2,418,994	\$ 690,135
Cost of Goods Sold	716,870	481,673	1,729,107	481,673
Gross Profit	410,158	208,462	689,887	208,462
Operating Expenses				
Selling, general and administrative	273,006	198,515	520,214	370,071
Marketing and Advertising	15,431	6,208	23,871	54,895
Penalty on Payroll Taxes				
Depreciation expense	5,997	531	12,473	1,598
Financing Cost				
Professional fees	186,289	72,508	327,937	265,369
Salaries and wages				
Operating Expenses/(Loss)	480,724	277,762	884,495	691,933
Loss from Operations	(70,566)	(69,300)	(194,607)	(483,471)
Other Non-Operating Income and Expenses				
Gain on shares issued for services	-	-	-	-
Interest expense	(167,170)	(189,148)	(356,737)	(255,113)
Forgiveness of Debt				
Extraordinary Items				
Net Income/(Loss) before Income Taxes	(237,737)	(258,448)	(551,344)	(738,583)
Provision for income taxes	-	-	-	-
Net Ordinary Loss	(237,737)	(258,448)	(551,344)	(738,583)
Other Income / Expense				
Other Income - Other	208		10,382	
Net Loss	\$ (237,529)	\$ (258,448)	\$ (540,962)	\$ (738,584)
Basic and Diluted Loss per Share - Common Stock	\$ (0.00086)	\$ 0.00313	\$ (0.00196)	\$ 0.00894
Weighted Average Number of Shares Outstanding:				
Basic and Diluted Class A Common Stock	275,858,986	82,626,293	275,858,986	82,626,293

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

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

	For the six months ended June 30,	
	2019	2018
OPERATING ACTIVITIES		
Net loss	\$ (540,962)	\$ (738,584)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued for services	6,500	58,051
Accumulated Depreciation	12,473	(34,628)
Changes in operating assets and liabilities		
Accounts receivable	36,295	(220,074)
Inventory	(210,362)	(70,412)
Trucks	-	88,896
Deposits	-	(6,000)
Accounts payable	223,226	209,841
Accrued expenses	(2,651)	53,299
Repayment of Notes Payable		(208,500)
Capitalized interest or penalty fees	82,583	
Retirement of fixed assets	-	85,488
Net Cash Used in Operating Activities	(392,899)	(782,622)
INVESTING ACTIVITIES		
Receivable - Related	(124,000)	(1,600)
Computers	-	(10,426)
Purchase of equipment, building & improvements	(3,816)	(141,413)
Goodwill and Intangible Assets	-	(950,000)
Net Cash Used In Investing Activities	(127,816)	(1,103,439)
FINANCING ACTIVITIES		
Proceeds from notes payable	179,000	2,058,778
Proceeds from notes payable - Related	97,620	
Repayment of notes payable	72,796	(175,000)
Repayment of notes payable - Related		(70,416)
Debt Conversion	(166,000)	
Shares issued for debt conversion	171,051	224,096
Common stocks issued for cash		
Prior period adjustment to retained earnings	3,846	(4,884)
Net Cash Provided by Financing Activities	358,312	2,032,574
NET DECREASE IN CASH	(162,403)	146,514
CASH AT BEGINNING OF PERIOD	151,058	69
CASH AT END OF PERIOD	\$ (11,345)	\$ 146,583
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest and penalty fees	\$ 118,395	\$ 29,563
NON CASH FINANCING ACTIVITIES:		
Issuance of shares for debt conversion	\$ 171,051	\$ -

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

Pacific Ventures Group, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(Unaudited)

1. NATURE OF OPERATIONS

Pacific Ventures Group, Inc. (the “Company,” “we,” “us” or “our”) 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.”.

The current structure of the Company resulted from a share exchange with Snöbar Holdings, Inc. (“Snöbar Holdings”), which was treated as a reverse merger for accounting purposes. On August 14, 2015, the Company entered into a share exchange agreement (the “Share Exchange Agreement”) with Snöbar Holdings, pursuant to which the Company acquired 100% of the issued and outstanding shares of Snöbar Holdings’ Class A and Class B common stock in exchange for 22,500,000 restricted shares of the Company’s common stock, while simultaneously issuing 2,500,000 restricted shares of the Company’s common stock to certain other persons, including for services provided and to a former officer of the Company (the “Share Exchange”).

As the result of the Share Exchange, Snöbar Holdings became the Company’s wholly owned operating subsidiary and the business of Snöbar Holdings became the Company’s sole business operations and MAS Global Distributors, Inc., a California corporation (“MGD”), became an indirect subsidiary of the Company.

Prior to the Share Exchange, the Company operated as an insurance holding company and through its subsidiaries, which marketed and underwrote specialized property and casualty coverage in the general aviation insurance marketplace. However, in 1997, after selling several of its divisions, the Company’s remaining insurance operations were placed into receivership and the Company ceased operating its insurance business.

Since the Share Exchange represented a change in control of the Company and a change in business operations, the Company’s business operations changed to that of Snöbar Holdings and the discussions of business operations accompanying this filing are solely that of Snöbar Holdings and its affiliates and subsidiaries comprising of Snöbar Trust , International Production Impex Corporation, a California corporation (“IPIC”) , and MGD.

Snöbar Holdings was formed under the laws of the State of Delaware on January 7, 2013. Snöbar Holdings is the trustor and sole beneficiary of Snöbar Trust, a California trust (“Trust”), which was formed in June 1, 2013. The current trustee that holds legal title to the Trust is Clark Rutledge, the father of Shannon Masjedi, the Company’s President, Chief Executive Officer, Interim Chief Financial Officer, Treasurer, and majority stockholder. The Trust owns 100% of the shares of IPIC, which was formed on August 2, 2001. IPIC is in the business of selling alcohol-infused ice cream and ice-pops and holds all of the rights to the liquor licenses to sell such products and trade names “Snöbar”. As such, the Trust holds all ownership interest of IPIC and its liquor licenses, permitting IPIC to sell its product to distributors, with all income, expense, gains and losses rolling up to the Trust, of which Snöbar Holdings is the sole beneficiary. Snöbar Holdings also owns 99.9% of the shares of MGD. MGD is in the business of selling and leasing freezers and providing marketing services. As a result of the foregoing, Snöbar Holdings is the primary beneficiary of all assets, liabilities and any income received from the business of the Trust and IPIC through the Trust and is the parent company of MGD.

The Trust and IPIC are considered variable interest entities (“VIEs”) and Snöbar Holdings is identified as the primary beneficiary of the Trust and IPIC. Under the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Snöbar Holdings performs ongoing reassessments of whether it is the primary beneficiary of a VIE. As the assessment of Snöbar Holdings’ management is that Snöbar Holdings has the power to direct the activities of a VIE that most significantly impact the VIE’s activities (it is responsible for establishing and operating IPIC), and the obligation to absorb losses of the VIE that could potentially be significant to the VIE and the right to receive benefits from the VIE that could potentially be significant to the VIE’s economic performance, it was therefore concluded by management that Snöbar Holdings is the primary beneficiary of the Trust and IPIC. As such, the Trust and IPIC were consolidated in the financial statements of Snöbar Holdings since the inception of the Trust, in the case of the Trust, and since the inception of Snöbar Holdings, in the case of IPIC.

On May 1, 2018, Royalty Foods Partners, LLC – a Florida Limited Liability Corporation and a subsidiary of Pacific Ventures Group, Inc. – completed an asset acquisition of San Diego Farmers Outlet, Inc. (SDFO), a California Corporation. San Diego Farmers Outlet was started in over thirty-five years ago to provide primarily restaurants customers in southern California’s three largest counties with quality food and produce and does business under the name of Farmers Outlet and San Diego Farmers Outlet.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, Snöbar Holdings and its subsidiaries, in which Snöbar Holdings has a controlling voting interest and entities consolidated under the variable interest entities (“VIE”) provisions of ASC 810, “Consolidation” (“ASC 810”). Inter-company balances and transactions have been eliminated upon consolidation.

The Company applies the provisions of ASC 810 which provides a framework for identifying VIEs and determining when a company should include the assets, liabilities, non-controlling interests and results of activities of a VIE in its consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the Company, Snöbar Holdings, San Diego Farmers Outlet, MGD, IPIC and the Trust, which was established to hold IPIC, which in turn holds liquor licenses. All inter-company accounts have been eliminated during consolidation. See the discussion in Note 1 above for variable interest entity treatment of the Trust and IPIC.

Use of Estimates

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

Revenue Recognition

Sales revenues are generally recognized in accordance with the SAB 104 Public Company Guidance, when an agreement exists and price is determinable, the products are shipped to the customers or services are rendered, net of discounts, returns and allowance and collectability is reasonably assured. We are often entitled to bill our customers and receive payment from our customers in advance of recognizing the revenue. In the instances in which we have received payment from our customers in advance of recognizing revenue, we include the amounts in deferred or unearned revenue on our consolidated balance sheet.

Unearned Revenue

Certain amounts are received pursuant to agreements or contracts and may only be used in the conduct of specified transactions or the related services are yet to be performed. These amounts are recorded as unearned or deferred revenue and are recognized as revenue in the year/period the related expenses are incurred or services are performed. As of June 30, 2019, the Company has \$ 0 in deferred revenue. As of December 31, 2018, the Company also had \$0 deferred revenue.

Shipping and Handling Costs

The Company’s shipping costs are all recorded as operating expenses for all periods presented.

Disputed Liabilities

The Company is involved in a variety of disputes, claims, and proceedings concerning its business operations and certain liabilities. We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. We assess our potential liability by analyzing our litigation and regulatory matters using available information. We develop our views on estimated losses in consultation with outside counsel handling our defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs. As of June 30, 2019, the Company has \$31,858 in disputed liabilities on its balance sheet.

Cash Equivalents

The Company considers highly liquid instruments with original maturity of three months or less to be cash equivalents. As of June 30, 2019, the Company has a cash balance of \$(11,345) in cash and cash equivalents, compared to \$118,579 at December 31, 2018.

Accounts Receivable

As of June 30, 2019, Accounts Receivable are stated at net realizable value of \$243,847. This value includes an appropriate allowance for estimated uncollectible accounts. The allowance is calculated based upon the level of past due accounts and the relationship with and financial status of our customers. As of December 31, 2018, the Company wrote off \$3,820 of bad debt expense. The Company wrote off \$208 of bad debts during the six (6) months ended June 30, 2019, and thus has not set an allowance for doubtful accounts.

Inventories

Inventories are stated at the lower of cost or market value. Cost has been determined using the first-in, first-out method. Inventory quantities on-hand are regularly reviewed, and where necessary, reserves for excess and unusable inventories are recorded. Inventory consists of finished goods and includes ice cream, popsicles and the related packaging materials. As of December 31, 2018, the Company had \$160,858 of inventory assets consisting of San Diego Farmers Outlet, Inc.'s fresh produce and food products. As of June 30, 2019, the Company has \$371,220 in inventories.

Income Taxes

Deferred taxes are provided on an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net Income/(Loss) Per Common Share

Income/(loss) per share of common stock is calculated by dividing the net income/(loss) by the weighted average number of shares of common stock outstanding during the period. The Company has no potentially dilutive securities. Accordingly, basic and dilutive income/(loss) per common share are the same.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and includes expenditures that substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are expensed as incurred. Upon sale or retirement of property and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the results of operations. The Company provides for depreciation of property and equipment using the straight-line method over the estimated useful lives or the term of the lease, as appropriate. The estimated useful lives are as follows: vehicles, five years; office furniture and equipment, three to fifteen years; equipment, three years.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash, accounts receivable, accounts payable, and accrued expenses are representative of their fair values due to the short-term maturity of these instruments.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and accounts receivable. The Company maintains cash balances at financial institutions within the United States which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to limits of approximately \$250,000. The Company has not experienced any losses with regard to its bank accounts and believes it is not exposed to any risk of loss on its cash bank accounts.

Critical Accounting Policies

The Company considers revenue recognition and the valuation of accounts receivable, allowance for doubtful accounts, and inventory and reserves as its significant accounting policies. Some of these policies require management to make estimates and assumptions that may affect the reported amounts in the Company's financial statements.

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Recent Accounting Pronouncements

In June 2009, the FASB established the Accounting Standards Codification (“Codification” or “ASC”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). Rules and interpretive releases of the Securities and Exchange Commission (the “SEC”) issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact our financial statements. The ASC does change the way the guidance is organized and presented.

In April 2015, FASB issued Accounting Standards Update (“ASU”) No. 2015-03, “Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs”, to simplify presentation of debt issuance costs by requiring that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The ASU does not affect the recognition and measurement guidance for debt issuance costs. For public companies, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted.

In April 2015, FASB issued ASU No. 2015-04, “Compensation – Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets”, which permits the entity to measure defined benefit plan assets and obligations using the month-end that is closest to the entity’s fiscal year-end and apply that practical expedient consistently from year to year. The ASU is effective for public business entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted.

In April 2015, FASB issued ASU No. 2015-05, “Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement”, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If such includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If the arrangement does not include a software license, the customer should account for it as a service contract. For public business entities, the ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Early application is permitted. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In April 2015, FASB issued ASU No. 2015-06, “Earnings Per Share (Topic 260): Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions”, which specifies that, for purposes of calculating historical earnings per unit under the two-class method, the earnings (losses) of a transferred business before the date of a drop down transaction should be allocated entirely to the general partner. In that circumstance, the previously reported earnings per unit of the limited partners (which is typically the earnings per unit measure presented in the financial statements) would not change as a result of the dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required. The ASU is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Earlier application is permitted.

In June 2014, FASB issued ASU No. 2014-10, “Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation”. The update removes all incremental financial reporting requirements from GAAP for development stage entities, including the removal of Topic 915 from the FASB Accounting Standards Codification. In addition, the update adds an example disclosure in Risks and Uncertainties (Topic 275) to illustrate one way that an entity that has not begun planned principal operations could provide information about the risks and uncertainties related to the company’s current activities. Furthermore, the update removes an exception provided to development stage entities in Consolidations (Topic 810) for determining whether an entity is a variable interest entity-which may change the consolidation analysis, consolidation decision, and disclosure requirements for a company that has an interest in a company in the development stage. The update is effective for the annual reporting periods beginning after December 15, 2014, including interim periods therein. Early application is permitted with the first annual reporting period or interim period for which the entity’s financial statements have not yet been issued (Public business entities) or made available for issuance (other entities). Our company adopted this pronouncement.

In June 2014, FASB issued ASU No. 2014-12, “Compensation – Stock Compensation (Topic 718); Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period”. The amendments in this ASU apply to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. For all entities, the amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this ASU either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition.

In August 2014, the FASB issued ASU 2014-15 on “Presentation of Financial Statements Going Concern (Subtopic 205-40) – Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern”. Currently, there is no guidance in GAAP about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity’s ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management’s plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management’s plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued).

All other newly issued accounting pronouncements which are not yet effective have been deemed either immaterial or not applicable.

We reviewed all other recently issued accounting pronouncements and determined these have no current applicability to the Company or their effect on the financial statements would not have been significant.

3. GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company has incurred a net loss of \$540,962 for the six (6) months ended June 30, 2019, and has an accumulated deficit of \$8,036,161 as of June 30, 2019.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is significantly dependent upon its ability, and will continue to attempt, to secure equity and/or additional debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

The unaudited consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These unaudited consolidated financial statements do not include any adjustments that might arise from this uncertainty.

4. INVENTORIES

As of June 30, 2019, the Company had inventory assets for a total of \$371,220. The Company had inventory assets of \$160,858 as of December 31, 2018.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 2019 and December 31, 2018, consisted of:

	June 30, 2019	December 31, 2018
Computers	\$ 11,788	\$ 11,788
Freezers		
Office Furniture		
Rugs		
Software-Accounting		
Telephone System		
Building & Improvement	25,000	25,000
Forklift 1	3,000	3,000
Forklift 2	2,871	2,871
Truck 2004 Hino 1	10,000	10,000
Truck 2004 Hino 2	10,000	10,000
Truck 2018 Hino 155 5347	30,181	30,181
Truck 2018 Hino 155 5647	30,181	30,181
Truck 2018 Hino 155 5680	30,181	30,181
Warehouse Equipment	3,816	
Accumulated Depreciation	(52,881)	(40,408)
	<u>\$ 104,136</u>	<u>\$ 112,793</u>

Depreciation expense for the six (6) months ended June 30, 2019 was \$12,473 compared to \$1,598 for the same period of June 30, 2018.

6. ACCRUED EXPENSE

As of June 30, 2019, the Company had accrued expenses of \$302,880 compared to \$286,598, for the year-end December 31, 2018.

7. INCOME TAX

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

8. RELATED PARTY TRANSACTIONS

The following table presents a summary of the Company's promissory notes issued to related parties as of June 30, 2019:

<i>Noteholder</i>	<i>Note Amount</i>	<i>Issuance Date</i>	<i>Unpaid Amount</i>
S. Masjedi	\$ 150,000	12/10/2010	\$ 68,692
A. Masjedi	500,000	6/1/2013	205,893
Shannon Masjedi	81,620	3/2019	81,620
M. Shenkman	10,000	2/21/2012	10,000
M. Shenkman	10,000	2/23/2012	10,000
M. Shenkman	10,000	3/14/2013	6,000
M. Shenkman (Entrust)	16,000	9/9/2014	16,000
	<u>\$ 777,620</u>		<u>\$ 398,205</u>

The following description represent note payable-related party transaction pre-Share Exchange that were assumed by the Company as a condition to the Share Exchange:

In January 2011, MGD, which is now a majority owned subsidiary of Snöbar Holdings, entered into an unsecured promissory note with Mrs. Masjedi, who is now the Company's President, Chief Executive Office, director and majority stockholder. The note had a principal balance of \$150,000 with an interest rate of 3% and has a maturity date of December 31, 2020. Interest under the note was extinguished in a subsequent extension of the term of the note. The balance of the note at June 30, 2019 was \$68,692.

On February 21, 2012, Snöbar Holdings entered into an unsecured promissory note with Mr. Shenkman, who is Chairman of the Board of Directors and a shareholder of the Company. The note had a principal balance of \$10,000 with an interest rate of 5% and is due on demand. The note's maturity date has subsequently been extended to December 31, 2020. Interest against the note was extinguished in a subsequent extension of the term. The note had a principal balance of \$10,000 as of June 30, 2019.

On February 23, 2012, Snöbar Holdings entered into a promissory note with Mr. Shenkman for \$10,000, maturing in one year at an interest of 8%. The note has subsequently been extended to December 31, 2020. Interest under the note was extinguished in a subsequent extension of the term. The note had an outstanding balance of \$10,000 as of June 30, 2019.

On March 14, 2013, Snöbar Holdings entered into an unsecured promissory note with a Mr. Shenkman, the Company's Chairman of the Board of Directors. The note had a principal balance of \$10,000 with an interest rate of 5% and an original maturity date of March 14, 2014, subsequently extended to December 31, 2020 with a lower interest rate of 2%/year. Mr. Shenkman also agreed to make all interest retroactive and deferred. The note had an outstanding balance of \$6,000 as of June 30, 2019.

On June 1, 2013, Snöbar Holdings entered into a promissory note with Azizollah Masjedi, father-in-law to Shannon Masjedi who's the Company's President, Chief Executive Officer, Interim Chief Financial Officer, director and majority stockholder, in an amount of \$500,000 to purchase all the shares and interests of IPIC. The note matured on June 31, 2017. As of June 30, 2019, the outstanding balance under this note was \$205,893, which includes interest and penalty charges.

On September 9, 2014, Snobar Holdings entered into a second unsecured promissory note with Mr. Shenkman, through his affiliate company Entrust Group for a total amount of \$6,000 and a third unsecured promissory note for a total amount of \$10,000, both at an annual interest rate of 2%. No term was provided for in each note, but Mr. Shenkman has agreed to a maturity date of December 31, 2020 and the accrual of interest rates and deferral to maturity. The notes had an aggregate outstanding balance of \$16,000 as of June 30, 2019.

In March 2019, Pacific Ventures Group entered into an unsecured promissory note with Mrs. Masjedi, who is now the Company's President, Chief Executive Officer, director and majority stockholder. The note had a principal balance of \$46,000 with an interest rate of 8% and has a maturity date of December 31, 2023. The balance of the note at June 30, 2019 was \$81,620.

As of June 30, 2019, the Company had total short-term notes payable of \$1,087,703 and long-term notes payable of \$2,455,496.

The following table presents a summary of the Company's promissory notes issued to unrelated third parties as of June 30, 2019:

	<i>Note Amount</i>	<i>Issuance Date</i>	<i>Balance</i>
A. Rodriguez	\$ 86,821	3/14/13	\$ 86,821
A. Rodriguez	15,000	7/22/13	15,000
A. Rodriguez	10,000	2/21/14	10,000
TRA Capital	106,112	3 loans	106,112
BNA Inv	223,499	6 loans	223,499
Brian Berg	30,000	2/1/12	25,000
Classic Bev	73,473	5/1/17	249,506
JSJ, Investments	75,000	7/12/17	55,000
Power Up	119,000	7/25/17	179,000
TCA Global fund	2,150,000	5/1/18	2,291,597
	<u>\$ 2,888,905</u>		<u>\$ 3,241,536</u>

The following description represent unrelated notes payable transactions pre-reverse merger between Snöbar and the Company that were assumed by the Company as a condition to the Share Exchange Agreement:

In February, 2012, MGD entered into an unsecured promissory note with a certain unrelated party, now a shareholder of the Company for a principal balance of \$30,000 at an interest rate of 8% per year and maturity date of August 1, 2014. The note's maturity date has been extended to December 31, 2020 and the interest rate under the extinguished as part of the extension. The note had an outstanding balance of \$25,000 as of June 30, 2019.

On March 14, 2013, Snöbar Holdings entered into an unsecured promissory note with a certain unrelated third party, now a shareholder of the Company. The note had a principal balance of \$86,821 with an interest rate of 5% and had a maturity date of March 14, 2014. The note's maturity date has subsequently been extended to February 1, 2020. Interest under the note was extinguished in a subsequent extension of the term. The note is current and the entire balance is owed and outstanding as of June 30, 2019.

On July 22, 2013, Snöbar Holdings entered into an unsecured promissory note with a certain unrelated third party. The note had a principal balance of \$15,000 with an original interest rate of 5%. Maturity date has been extended to December 31, 2018, and interest rate has been reduced to 2%, and lender agreed to make all interest retroactive and deferred. The balance of the note was \$15,000 as of June 30, 2019.

In February 2014, MGD entered into a secured promissory note with a certain unrelated third party for \$10,000. The note was secured by interests in tangible and intangible property of MGD. The Company is to make payments of \$181 each business day (Monday through Friday) until the loan is paid off. The effective interest rate on the note is 137%. The outstanding balance of the note is \$1,000 as of June 30, 2019.

On May 19, 2014, Snöbar Holdings entered into a secured convertible promissory note with a principal balance of \$500,000. The note was secured by interests in cash, accounts receivable, other receivables, inventory, supplies, other assets of Snöbar Holdings including general intangibles and rights of each liquor license owned by Snöbar Trust. The note has an interest rate of 10% and an original maturity date of December 31, 2015. The Company was to make interest only payments beginning July 1, 2014. The lender determined Snöbar Holdings to be in default and on January 29, 2015, entered into a mutually agreed loan modification. The agreement increased the principal balance of the note as of December 31, 2014 to \$527,333 and all interest due and payable was deemed to have been paid and the conversion rights of the note were removed. The modification also removed and deleted, in its entirety, all secured interests in cash, accounts receivable, other receivables, inventory, supplies, and other assets of Snöbar Holdings, including intangibles, and rights of each liquor license owned by Snöbar Trust. The maturity date was December 31, 2015 if Snöbar Holdings is not in default, the maturity date of the note should automatically be extended to December 31, 2017 ("First Extended Maturity Date"). Commencing on January 1, 2016, Snöbar Holdings was to make monthly payments of \$15,000 until the First Extended Maturity Date. Assuming Snöbar Holdings was not in default with respect to its obligations as of the First Extended Maturity Date, the note would have automatically been extended to December 31, 2018 ("Second Extended Maturity Date"). Commencing on January 1, 2017, the monthly payments increased to \$25,000 for every month until the Second Extended Maturity Date. All accrued but unpaid interest, charges and the remaining principal balance of the note was fully due and payable on the Second Extended Maturity Date. In January of 2016 the company decided to enter into renegotiation period for the repayment terms of the modification dated January 29, 2015.

The following description represents unrelated note payable transactions post-merger between Snöbar and the Company:

On February 13, 2017, Pacific Ventures entered settlement with one of its creditors for \$527,333 of its long-term notes payable. The agreement called for issuance of 400,000 shares of PACV restricted common stocks and \$200,000 in future cash payment comprising of \$25,000 on March 31, 2017, \$25,000 on March 31, 2018, \$25,000 on March 31, 2019, and \$125,000 on March 31, 2020. As of March 10, 2019, Pacific Ventures has issued to the creditor, 400,000 shares of PACV restricted common stocks, and has also paid the \$200,000 for the required cash portion of the settlement agreement. As of June 30, 2019 the cash balance of the settlement agreement is \$0.00.

On July 12, 2017, the issued a Convertible Promissory Note to JSJ Investments Inc. for total gross proceeds of \$75,000. As of June 30, 2019 the balance of the note was \$70,557.90. On June 4, 2019 the company went to mediation with JSJ in order to settle the debt owed. Both parties mutually agreed in an executed settlement agreement the following terms: JSJ shall receive the sum of \$4,000.00 on or before June 24, 2019; the balance due Plaintiff of \$70,557.90 shall be paid in 21 monthly installments of \$3,359.90 per month. The first payment shall be due on August 15, 2019 and the remaining balance due on the Settlement Sum shall be paid in installments due on the 15th day of each month thereafter until the entire balance due on the Settlement Sum is paid in full

Effective September 30, 2017, the Company entered into amended promissory notes with a certain unrelated third party in an amount of \$372,500, one for \$172,500, and four others for \$50,000 each. All of the notes have an interest rate of 8% and had a maturity date of August 13, 2017 but have been extended to November 15, 2017 for a fee of \$15,000. The notes had a principal outstanding balance of \$348,601 as of June 30, 2019, including the \$15,000 extension fee. The note is currently in default and there is a pending complaint.

In September of 2018, the Company entered into a financing arrangement pursuant to which the Company borrowed a total principal of \$126,000 secured by shares of the Company's common stock. The notes were subject to a 6 month hold before any stock was issued. The current balance is \$126,000.

Over the past year Classic Beverage has periodically issued loans to the Company. The Company has agreed to pay interest 10% per year and has agreed on penalty fees if late on payments. The note is due on demand. The current balance is \$249,506, which includes interest and penalty charges.

On May 1, 2018, Pacific Ventures Group entered into a secured promissory note with TCA Global Fund for \$1,750,000. The note was secured by interests in tangible and intangible property of Pacific Ventures Group. The Company is to make interest only payments of \$24,462 for 2 month; \$10,000 for the next 4 months; subsequent payments of \$45,500 until the loan is paid off. The effective interest rate on the note is 16%. On July 26, 2018, the Company entered into a second loan with TCA Global Fund for \$400,000. The outstanding balance of the notes with TCA Global Fund is \$2,291,597 as of June 30, 2019.

As of June 30, 2019, the Company had total short-term notes payable of \$1,087,703 and long-term notes payable of \$2,455,496.

9. STOCKHOLDERS' EQUITY

Share Exchange

On August 14, 2015, Snöbar Holdings entered into the Share Exchange Agreement with the Company and Snöbar Holdings' shareholders (the "Snöbar Shareholders") who held of record (i) at least 99% and up to 100% of the total issued and outstanding shares of Class A Common Stock and (ii) 100% of the total issued and outstanding shares of Class B Common Stock, of Snöbar Holding. In accordance with the terms and provisions of the Share Exchange Agreement, the Company acquired all of the issued and outstanding shares of Snöbar Holdings' Class A and Class B Common Stock from Snöbar Shareholders, with Snöbar Holdings becoming a wholly owned subsidiary of the Company, in exchange for the issuance to the Snöbar Shareholders of 22,500,000 shares of restricted common stock of the Company and the issuance of 2,500,000 restricted shares of the Company's common stock to certain other persons (as set forth below).

The 200,907,197 restricted shares of the Company's common stock issued during the fiscal year ended December 31, 2018 were for the following: issued 135,230, 803 for repayment of stocks, issued 71,350,098 shares of its common stock, cancelled 6,500,000 shares issued in the first quarter of 2018 and issued stock dividends for 826,296 shares.

Common Stock and Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of its preferred stock, \$0.001 par value per share. Effective as of October 2016, the Company designated 1,000,000 shares of preferred stock as Series E Preferred Stock (the "Series E Preferred Stock"). Under the rights, preferences and privileges of the Series E Preferred Stock, for every share of Series E Preferred Stock held, the holder thereof has the voting rights equal to 10 shares of common stock. The Series E Preferred Stock is not convertible into any class of stock of the Company and has no preferences to dividends or liquidation rights. As of June 30, 2019, there were 1,000,000 shares of Series E Preferred Stock issued and outstanding.

From January 1, 2019 through June 30, 2019, the Company issued 38,521,541 shares of its common stock to various investors for cash and other considerations.

From January 1, 2018 through June 30, 2019, the Company issued 37,888,541 shares of its common stock for repayment of debt and issued 633,000 for various considerations.

During the second quarter ending June 30, 2019, there was no share issued to various investors for cash or for other considerations.

The Company is authorized to issue up to 1,000,000,000 shares of its common stock, \$0.001 par value per share. Holders of common stock have one vote per share. As of June 30, 2019, and December 30, 2018, there were 275,858,986 and 237,337,445 shares of the Company's common stock issued and outstanding, respectively.

10. COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

Operating Lease

The Company is currently obligated under two operating leases for office spaces and associated building expenses. Both leases are on a month-to-month basis at a monthly rate of \$450 and \$330, respectively.

San Diego Farmers Outlet currently operates under a 5 year lease with 2 optional extensions for an additional 5 year term and is obligated to pay \$6,000.00 a month.

11. SUBSEQUENT EVENTS

ASC 855-16-50-4 establishes accounting and disclosure requirements for subsequent events. ASC 855 details the period after the balance sheet date during which we should evaluate events or transactions that occur for potential recognition or disclosure in the financial statements, the circumstances under which we should recognize events or transactions occurring after the balance sheet date in its financial statements and the required disclosures for such events.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements. The Securities and Exchange Commission (the "SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results.

We caution that the factors described herein and other factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

General

The Company was incorporated under the laws of the State of Delaware on October 3, 1986, under the name "AOA Corporation". On October 22, 2012, the Company changed its name to "Pacific Ventures Group, Inc.". Prior to the Share Exchange described below, the Company operated as an insurance holding company and through its subsidiaries, marketed and underwrote specialized property and casualty coverage in the general aviation insurance marketplace. However, in 1997, after selling several of its divisions, the Company's remaining insurance operations were placed into receivership and the Company ceased operating its insurance business.

The current structure of the Company resulted from a share exchange with Snöbar Holdings, Inc. ("Snöbar"), which was treated as a reverse merger for accounting purposes. On August 14, 2015, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Snöbar Holdings, Inc. ("Snöbar Holdings"), pursuant to which the Company acquired 100% of the issued and outstanding shares of Snöbar Holdings' Class A and Class B common stock in exchange for 22,500,000 restricted shares of the Company's common stock, as well as issuing 2,500,000 restricted shares of the Company's common stock to certain other persons (the "Share Exchange"). As the result of the Share Exchange, Snöbar Holdings became the Company's wholly owned operating subsidiary and the business of Snöbar Holdings became the Company's sole business operations. In addition, Snöbar Holdings' majority owned subsidiary, MAS Global Distributors, Inc., a California corporation ("MGD"), became an indirect subsidiary of the Company.

Since the Share Exchange represented a change in control of the Company and a change in its business operations, the Company's business operations changed to that of Snöbar Holdings and the discussions of the Company's business operations contained in this Quarterly Report are solely that of Snöbar Holdings and its affiliates and subsidiaries comprising of the Snöbar Trust, IPIC and MGD.

Snöbar Holdings was formed under the laws of the State of Delaware on January 7, 2013. Snöbar Holdings is the trustor and sole beneficiary of Snöbar Trust, a California trust (the "Trust"), which was formed in June 1, 2013. The current trustee that holds legal title to the Trust is Azita Davidiyan. The Trust owns 100% of the shares of International Production Impex Corporation, a California corporation ("IPIC"), which was formed on August 2, 2001. IPIC is in the business of selling alcohol-infused ice cream and ice-pops, and holds all of the rights to the liquor licenses to sell such products and trade names "SnöBar". Accordingly, the Trust holds all ownership interest of IPIC and its liquor licenses, permitting IPIC to sell its product to distributors, with all income, expense, gains and losses rolling up to the Trust, of which Snöbar Holdings is the sole beneficiary. Snöbar Holdings also owns 99.9% of the shares of MAS Global Distributors, Inc., a California corporation ("MGD"). MGD is in the business of selling and leasing freezers and providing marketing services. As a result of the foregoing structure, Snöbar Holdings is the primary beneficiary of all assets, liabilities and any income received from the business of the Trust and IPIC through the Trust and is the parent company of MGD.

The Trust and IPIC are considered variable interest entities (“VIEs”) and Snöbar Holdings is identified as the primary beneficiary of the Trust and IPIC. Under the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Snöbar Holdings performs ongoing reassessments of whether it is the primary beneficiary of a VIE. As the assessment of Snöbar Holdings’ management is that Snöbar Holdings has the power to direct the activities of a VIE that most significantly impact the VIE’s activities (it is responsible for establishing and operating IPIC), and the obligation to absorb losses of the VIE that could potentially be significant to the VIE and the right to receive benefits from the VIE that could potentially be significant to the VIE’s economic performance, it was therefore concluded by management that Snöbar Holdings is the primary beneficiary of the Trust and IPIC. As such, the Trust and IPIC were consolidated in the financial statements of Snöbar Holdings since the inception of the Trust, in the case of the Trust, and since the inception of Snöbar Holdings, in the case of IPIC.

The Trust and IPIC are considered variable interest entities (“VIEs”) and Snöbar Holdings is identified as the primary beneficiary of the Trust and IPIC. Under the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Snöbar Holdings performs ongoing reassessments of whether it is the primary beneficiary of a VIE. As the assessment of Snöbar Holdings’ management is that Snöbar Holdings has the power to direct the activities of a VIE that most significantly impact the VIE’s activities (it is responsible for establishing and operating IPIC), and the obligation to absorb losses of the VIE that could potentially be significant to the VIE and the right to receive benefits from the VIE that could potentially be significant to the VIE’s economic performance, it was therefore concluded by management that Snöbar Holdings is the primary beneficiary of the Trust and IPIC. As such, the Trust and IPIC were consolidated in the financial statements of Snöbar Holdings since the inception of the Trust, in the case of the Trust, and since the inception of Snöbar Holdings, in the case of IPIC.

Description of the Business Operations of Snöbar Holdings

Snöbar Holdings is the trustor and sole beneficiary of the Trust. The Trust owns 100% of the shares of IPIC. IPIC is the owner of liquor licenses and the trade name “SnöBar” and is in the business of selling and distributing alcohol-infused ice creams and ice-pops through its distributors. Snöbar Holdings also owns 99.9% of the shares of MGD. MGD is in the business of selling and leasing freezers and providing marketing services. As a matter of law, IPIC may not be engaged in any business similar to MGD. As a result of the foregoing, Snöbar Holdings is the beneficiary of all assets, liabilities and any income received from the business of IPIC through the Trust and is the parent company of MGD.

IPIC is a food, beverage and alcohol distribution company that is in the business of selling alcohol-infused ice cream and ice-pops, and holds all of the rights to the liquor licenses to sell such products and trade names “SnöBar”. IPIC is initially marketing two products: SnöBar alcohol infused ice pops, and SnöBar alcohol infused ice cream and sorbet. SnöBar ice pops are original frozen alcohol beverage bars, similar to popsicles on a stick, but made with premium liquor such as premium tequila and vodka and are currently manufactured in three flavors, Margarita, Cosmopolitan and Mojito. The alcohol freezing technology used to produce these beverage bars can be applied to almost any alcohol type and mixture, presenting significant market potential and an almost unlimited variety of flavors and employment of premium brands. Each ice pop is the equivalent of a full cocktail.

SnöBar ice cream is an additional innovative product that the Company is marketing using proprietary formulas and technology. These products are premium ice cream and sorbets that are distilled spirit cocktails containing up to 15% quality liqueurs and liquors. Currently, there are four flavors available: Brandy Alexander; Brandy Alexander with chocolate chips; Grasshopper; and Pink Squirrel. There are also numerous different liquor ice cream flavors in development in classic ice cream drink styles such as Coffee Liqueur Ice Cream, Piña Colada Sorbet, Sherry Ice Cream, and Strawberry Margarita Sorbet. The product contains ultra premium dairy and the highest quality of ingredients.

What makes the SnöBar products unique in the Company’s view is the proprietary formulation and method of manufacturing. SnöBar ice pops and SnöBar ice cream use a system to stabilize the alcohol molecule, whereby the alcohol content, quality and flavor is not degraded during the production process. The technology is also applicable to other food and beverage products such as yogurt, water ice creations and alcohol based goods. IPIC has begun the process of obtaining trade secret and other intellectual property protections as to these unique technologies. The SnöBar brand is fully trademarked within the USA and is currently seeking worldwide trademark rights.

SnöBar brand products have been through extensive consumer testing across all age groups and sexes over 21 years of age. According to the results of the consumer testing, there is a large untapped market potential for frozen alcohol desserts. Market research shows that there are very few alcohol infused ice-creams and ice pops available in the U.S. markets and the few that are out there are of lower quality ingredients and are not mass produced. IPIC holds several Federal and State granted liquor licenses. These licenses allow the SnöBar product line to be introduced and distributed in 95% of the United States. IPIC desires to be the first to mass market the SnöBar alcohol-infused products in this untapped and sizeable market segment and capitalize on these two exclusive products. IPIC only uses the finest of ingredients and dairy to produce SnöBar products and strives to achieve the highest quality of texture and taste for all of the SnöBar products. IPIC believes that the SnöBar brand has the potential to scale on a national and international level with worldwide distribution capabilities.

As of June 30, 2019, Snöbar products are currently being sold in the east coast by our distributor. The Company’s management has been actively constructing an online platform that will allow Snöbar distribution on a national level. Please see “Plan of Operations” below for further detail.

Plan of Operations

As of the date of this Quarterly Report, Snöbar products are currently being sold in the east coast of United States by the Company's distributor. The Company's management has been actively constructing an online platform that will allow Snöbar distribution on a national level. The Company's platform is complete and ready to "go live" and, with the aim of purchasing inventory as well as increasing sales and marketing efforts, the Company seeks to raise additional capital to execute on its business plan.

The Company will need approximately \$500,000 to sustain its operations for the next 12 months. The Company's plan of action in the next 12 months is to continue development of the Snöbar Product Line and fulfill the current orders that the brand has in hand from the Company's distributor in South Carolina as well as from other accounts. The Snöbar Product Line will have two fulfillment centers to ship the online orders, one in California to service west of the Mississippi and another fulfillment center in South Carolina to service east of the Mississippi. These fulfillment centers are established and ready to proceed as soon as inventory is purchased.

The Company's anticipated general and administrative costs can be expected to increase due to additional marketing costs associated with online sales. Specifically, the Company expects to utilize marketing and promotions through social media, radio and other avenues to create more brand awareness. The Company expects to continue to utilize independent contractors and not increase the number of employees.

The Company's plan is to increase sales revenue from the sales of San Diego Farmers Outlet retail and wholesale. Although the Company has been able to extend the maturity dates as well as repayment terms of a substantial amount of such debt, there is no assurance that the Company will be able to further extend such repayments or maturity dates to avoid a default, as such further extension depends on the consent of the holders of such debt. If the Company is unable to make such payments and repayments and unable to extend and delay required payments or maturities of such debt, the holders of such debt will have the right to take legal action seeking enforcement of the debt. If any legal action is taken against it, the Company would face the risk of having to deplete our limited cash resources to defend against such suit or face the entry of a default judgment. In either event, such action would have grave impact on the Company's operations. The Company's ability to continue operations will be dependent upon the successful completion of additional long-term or permanent equity financing, the support of creditors and shareholders, and, ultimately, the achievement of profitable operations. There can be no assurances that the Company will be successful, which would in turn significantly affect our ability to be successful in its new business plan. If not, the Company will likely be required to reduce operations or liquidate assets. The Company will continue to evaluate its projected expenditures relative to its available cash and to seek additional means of financing in order to satisfy the Company's working capital and other cash requirements.

The Company has recently signed an agreement with a new co-packer to produce and manufacture the Snobar Product Line. The new factory will produce the Snobar Product Line for a reduced price which will allow a greater margin for the company. The new factory has all of the necessary licensing in place required to manufacture the Snobar Product Line.

Results of Operations

Six Months ended June 30, 2019, as Compared to Six Months Ended June 30, 2018

Revenues — The Company recorded \$2,418,994 sales revenue for the six months ended June 30, 2019 as compared to \$690,135 for the same period of June 30, 2018. The Company had \$371,220 inventory of saleable merchandise as of June 30, 2019 as compared to \$160,858 for the period ending December 31, 2018.

Operating Expenses — Total operating expenses for the six months ended June 30, 2019 were \$884,495 as compared to \$691,933 in the same period in, 2018, due to increased operating activities during the period ended June 30, 2019, and an increase in general and administrative expenses, marketing and advertising and professional fees.

Selling, General and Administrative Expenses — Selling, general and administrative expenses for the six months ended June 30, 2019 increased by \$150,143 to \$520,214 from \$370,071 in the same period in 2018, which was due to an increase in marketing and business development expenses and professional fees.

Marketing and Advertising Expenses — Marketing and advertising expenses for the six months ended June 30, 2019 was \$23,871 which includes marketing and business development expenses compared to \$54,895 in June 30, 2018.

Professional fees — Professional fees expenses for the six months ended June 30, 2019 was \$327,937, which includes accounting, legal fees and consulting services compared to \$265,369 during the same period in 2018.

Depreciation Expense — Depreciation expense for the six months ended June 30, 2019 and 2018 was \$12,473 and \$1,598, respectively.

Salaries and Wages — Salaries and wages expense, in the form of payroll expenses for the six months ended June 30, 2019 was \$242,827, which is included under selling & general expenses as compared to \$56,198 for the prior same period.

Other Non-Operating Income and Expenses — For the six months period ended June 30, 2019, the Company recorded interest and penalty expenses in the amount of \$356,737 for a non-operating loss in the same amount. In the six months ended June 30, 2018, the Company recorded other non-operating expenses of \$ 255,113 in interest expense for a non-operating loss in the same amount.

Net Loss — Net loss for six months ended June 30, 2019 was \$540,962, as compared to net loss of \$738,584 for the six months ended June 30, 2018.

Financial Condition, Liquidity and Capital Resources

As of June 30, 2019, the Company had a working capital deficit of \$1,552,437, consisting of (\$11,345) in cash, \$243,857 in accounts receivable, \$371,220 in inventory, \$124,000 in other assets and \$1,500 in deposits, offset by accounts payable \$802,181, accrued expenses of \$302,879, \$88,896 in equipment and \$1,087,703 in the current portion of notes payable.

For the six months period ended June 30, 2019, the Company used \$392,899 of cash in operating activities, used cash of \$127,816 for investing activities and obtained \$358,312 cash from financing activities, resulting in a decrease in total cash of \$162,403 and a deficit balance of \$11,345 for the period. For the six months period ended June 30, 2018, the Company used cash of \$782,622 in operating activities, used cash of \$1,103,439 for investing activities and obtained cash of \$2,032,574 from financing activities, resulting in an increase in cash of \$146,514 and a cash balance of \$146,583 at the end of such period.

Total current assets as of June 30, 2019 were \$729,222, while current liabilities for the six months period ended June 30, 2019 were \$2,281,659. The Company has incurred an operating loss of \$540,962 for the six months period ended June 30, 2019, largely due the increase in operating expenses and increase in interest expense and professional fees. During the six months period ended June 30, 2019, the Company had an accumulated deficit of \$8,036,161. These factors raise substantial doubt about our ability to continue as a going concern.

Changes in the composition of our Notes Payable and Notes Payable-Related Parties are presented in the table below:

	<i>As of June 30, 2019</i>		<i>As of December 31, 2018</i>	
	<u>\$ Current</u>	<u>\$ Long-Term</u>	<u>\$ Current</u>	<u>\$ Long Term</u>
<i>Notes Payable</i>	813,118	2,428,418	772,334	2,355,623
<i>Notes Payable - Related</i>	274,585	123,620	203,786	42,000
	<u>\$ 1,087,703</u>	<u>\$ 2,552,038</u>	<u>\$ 976,120</u>	<u>\$ 2,397,623</u>

Total Notes Payable for related and unrelated parties increased by \$265,998 from the fiscal year ended December 31, 2018 from \$3,373,743 to \$3,639,741 in the six months period ended June 30, 2019.

As of June 30, 2019, total stockholders' equity deficit increased to \$2,942,276 from \$2,582,711 as of December 31, 2018. Accumulated deficit increased from \$7,499,045 in the fiscal year ended December 31, 2018 to \$8,036,161 for the six months period ended June 30, 2019.

As of June 30, 2019, the Company had cash deficit \$11,345 (i.e. cash is used to fund operations). The Company does not believe our current cash balances will be sufficient to allow us to fund our operating plan for the next twelve months. Our ability to continue as a going concern is dependent on us obtaining adequate capital to fund operating losses until we become profitable. If we are unable to obtain adequate capital, we could be forced to cease operations or substantially curtail its drug development activities. These conditions raise substantial doubt as to our ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities should we be unable to continue as a going concern.

Our principal sources of liquidity in the past has been cash generated by issuing new shares of the Company's common stock and cash generated from loans to us. In order to be able to achieve our strategic goals, we need to further expand our business and financing activities. Expanding market awareness of the SnöBar products and our international distribution networks, together with further improvement of the SnöBar products will require future capital and liquidity expansion. Since our inception in January 2013, our shareholders have contributed a significant amount of capital making it possible for us to develop and market the SnöBar products. To continue to develop our product offerings and generate sales, significant capital has been and will continue to be required. Management intends to fund future operations through additional private or public equity and/or debt offerings. We continue to engage in preliminary discussions with potential investors and broker-dealers, but no terms have been agreed upon. There can be no assurances, however, that additional funding will be available on terms acceptable to us, or at all. Any equity financing may be dilutive to existing shareholders. We do not currently have any contractual restrictions on our ability to incur debt and, accordingly we could incur significant amounts of indebtedness to finance operations. Any such indebtedness could contain covenants which would restrict our operations.

Off-Balance Sheet Arrangements

There are no 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 is material to investors.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain.

Based on this definition, we have identified the critical accounting policies and judgments addressed which are described in Note 2 to our condensed consolidated financial statements included elsewhere in this Quarterly Report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information presently available. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rule 13a-15(b), we have carried out an evaluation (the “Evaluation”), under the supervision and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer, of the effectiveness of the design and operation of our management, and the design and operation of our disclosure controls and procedures as of June 30, 2019. Based upon an evaluation of the effectiveness of disclosure controls and procedures, our Chief Executive Officer and Interim Chief Financial Officer has concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act) were not effective because of the material weaknesses described below, in order to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the SEC and is accumulated and communicated to management, including the Chief Executive Officer and Interim Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure (see below for further discussion). We had neither the resources, nor the personnel, to provide an adequate control environment.

Due to our limited resources, the following material weaknesses in our internal control over financial reporting continued to exist at June 30, 2019:

- we do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);
- we do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our limited size and early stage nature of operations, segregation of all conflicting duties may not always be possible and may not be economically feasible; however, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals;
- we do not have an independent audit committee of our Board of Directors;
- insufficient monitoring and review controls over the financial reporting closing process, including the lack of individuals with current knowledge of GAAP that led to the restatement of our previously issued financial statements; and
- we continue to outsource the functions of controller on an interim basis to assist us in implementing the necessary financial controls over the financial reporting and the utilization of internal management and staff to effectuate these controls.

We believe that these material weaknesses primarily related, in part, to our lack of sufficient staff with appropriate training in GAAP and SEC rules and regulations with respect to financial reporting functions, and the lack of robust accounting systems, as well as the lack of sufficient resources to hire such staff and implement these accounting systems.

If and when our financial resources allow, we plan to take a number of actions to correct these material weaknesses including, but not limited to, establishing an audit committee of our Board of Directors comprised of three independent directors, hiring a full-time Chief Financial Officer, adding experienced accounting and financial personnel and retaining third-party consultants to review our internal controls and recommend improvements.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control Over Financial Reporting

There were no material changes in our internal control over financial reporting (as defined in Rule 13a- 15(f) under the Exchange Act) that occurred as of June 30, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CEO and CFO Certifications

Exhibits 31.1 and 31.2 to this Quarterly Report are the Certifications of the Chief Executive Officer and the Interim Chief Financial Officer, respectively. These Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act (the "Section 302 Certifications"). This Item 4 of this Quarterly Report, which you are currently reading, is the information concerning the Evaluation referred to above and in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

There are no legal proceedings that have occurred within the past ten years concerning our directors or officers which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations. Except for Mrs. Masjedi, who filed for Chapter 7 personal bankruptcy in 2010, which was discharged in August 2011, and Mr. Shenkman, who filed for Chapter 11 personal bankruptcy in 2010, which was dismissed but not discharged in May 2012, none of our directors or officers have filed for or have been affiliated with any company that has filed for bankruptcy within the last ten years.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results. The company is not aware of any other legal proceedings except what is listed below.

On November 29, 2018, assignees of certain convertible redeemable promissory notes of the Company with an aggregate principal balance of \$223,499 commenced an action in the New York Supreme Court for New York County against the Company (BNA Investment Capital, LLC and TRA Capital, LLC v. Pacific Ventures Group, Inc., Index Number 655927 (Supreme Court, New York County 2018)). The suit was brought by the plaintiff's by a motion for summary judgment in lieu of complaint. The motion asserts breaches of contract due to failure to honor certain conversion notices allegedly tendered pursuant to the convertible notes and cross-default. The Company has opposed the motion, but the court has not scheduled arguments or rendered any decision.

We intend to vigorously defend against the lawsuits described above. There is no assurance, however, that we will be successful in the defense of these lawsuits. Moreover, we are unable to predict the outcome or reasonably estimate a range of possible losses at this time. A resolution of these lawsuits in a manner adverse to us, however, could have a material effect on our financial position and results of operations.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**Recent Sales of Unregistered Securities**

During the six months ended June 30, 2019, the Company issued 38,521,541 shares of its common stock, of which (i) 633,000 shares were issued for services valued at \$6,500, and (ii) 37,888,541 shares were issued as repayment of debt in the amount of \$171,051. No shares were issued during the second quarter, from the period April 1, 2019 to June 30, 2019.

The Company believes the offers, sales and issuances of the securities described above were exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) of the Securities Act and/or Rule 506 promulgated under Regulation D under the Securities Act as transactions by an issuer not involving a public offering. The purchasers of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Each of the purchasers of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access, through employment, business or other relationships, to information about us. The offer, sale and issuance of these securities were made without any general solicitation or advertising.

Use of Proceeds of Registered Securities

Not applicable.

Purchases of Equity Securities by Us and Affiliated Purchasers

During the six months ended June 30, 2019, the Company has not purchased any equity securities nor have any officers or directors of the Company.

ITEM 3. Defaults Upon Senior Securities

The Company is not aware of any defaults upon its senior securities.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information.

None.

ITEM 6. Exhibits

Exhibit Number	Description
2.1	<u>Share Exchange Agreement, dated August 14, 2015, by and among the Company, Snöbar Holdings, Inc., and certain shareholders of Snöbar Holdings, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed with the SEC on August 14, 2015).</u>
2.2	<u>Amendment No. 1 to Share Exchange Agreement, dated August 21, 2015, by and among the Company, Snöbar Holdings, Inc., and certain shareholders of Snöbar Holdings, Inc. (Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
3.1	<u>Fourth Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the SEC on November 16, 2017).</u>
3.2	<u>By-laws of the Company (Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1/A, as filed with the SEC on June 14, 2017).</u>
3.3	<u>Amendment No. 1 to the Bylaws of the Company (Incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1/A, as filed with the SEC on June 14, 2017).</u>
10.1	<u>Co-Packaging Letter Agreement dated April 24, 2013, by and between International Production Impex Corporation and Brothers International Desserts, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.2	<u>Distribution Agreement, dated March 16, 2015, between International Production Impex Corporation and Spectrum Entertainment & Events LLC (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.3	<u>Distribution Agreement, dated June 5, 2015, between International Production Impex Corporation and Eddie Holman (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.4	<u>Exclusive Distribution Agreement, dated February 3, 2015, between International Production Impex Corporation and Yes Consolidated, LLC (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.5	<u>Distribution Agreement, dated May 1, 2015, between International Production Impex Corporation and Dejako Trading Company (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.6	<u>Form of Lock-Up/Leak-Out Agreement between the Company and certain Snöbar Shareholders party thereto (Incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.7	<u>Anti-Dilution Agreement, dated September 25, 2015, among the Company and Brett Bertolami and Danzig Ltd. (Incorporated by reference to Exhibit 10.7 to the Company's Current Report Form on Form 8-K, as filed with the SEC on September 25, 2015).</u>
10.8	<u>Piggyback Registration Rights Agreement, dated September 25, 2015, by and among the Company, Snöbar Shareholders and other persons thereto (Incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K, Amendment No. 1, as filed with the SEC on October 16, 2017).</u>
10.9	<u>Trust Agreement, dated June 1, 2013 by and between Snobar Holding, Inc. and Azizollah Masjedi(Incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K, Amendment No. 1, as filed with the SEC on October 16, 2017).</u>
10.10	<u>Form of Promissory Note by and between the Company and certain related parties (Incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K/A, as filed with the SEC on October 16, 2017).</u>

Exhibit Number	Description
10.11	Form of Pacific Ventures Group, Inc. Nonqualified Stock Option Agreement (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, as filed with the SEC on November 8, 2017).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
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.

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 thereunto duly authorized.

PACIFIC VENTURES GROUP, INC.

Date: August 19, 2019

By: /s/ Shannon Masjedi

Shannon Masjedi
President, Chief Executive Officer and Interim Chief Financial
Officer (Principal Executive Officer, Principal Financial Officer
and Principal Accounting Officer)

**CERTIFICATION OF CEO PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Shannon Masjedi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pacific Ventures Group, Inc.;

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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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. The registrant's other certifying officer(s) and I have disclosed, based on our 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.

/s/ Shannon Masjedi

Shannon Masjedi
President and Chief Executive Officer

Date: August 19, 2019

**CERTIFICATION OF CFO PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Shannon Masjedi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pacific Ventures Group, Inc.;

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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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. The registrant's other certifying officer(s) and I have disclosed, based on our 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.

/s/ Shannon Masjedi

Shannon Masjedi
Interim Chief Financial Officer

Date: August 19, 2019

**CERTIFICATION OF CEO AND CFO 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 Quarterly Report of Pacific Ventures Group, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Shannon Masjedi, the Chief Executive Officer and Interim Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Shannon Masjedi

Shannon Masjedi
President, Chief Executive Officer and
Interim Chief Financial Officer

Date: August 19, 2019

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.
