Pacific Ventures Group, Inc.
Form 424B3
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Registration No. 333-228936

Pacific Ventures Group, Inc.

400,000 Shares of 11% Series G Cumulative Redeemable Perpetual Preferred Stock

$25.00 Per Share

Liquidation Preference $25.00 Per Share

We are offering to the public on a self-underwritten, best-efforts basis a total of 400,000 shares of our 11% Series G Cumulative Redeemable Perpetual Preferred Stock, also referred to as "Series G Preferred Stock" (the "Offering"). There is no minimum number of shares of Series G Preferred Stock required in order the close the Offering. The Offering will end 180 days after the effective date of this registration statement, subject to one extension of up to 90 additional days.

The Offering will be made using the services of our management, who will not be compensated for their services and efforts related to the Offering of our Series G Preferred Stock. We also contemplate utilizing the services of one or more placement agents (collectively, the "Placement Agents"), which means our management and Placement Agent(s) will attempt to sell the Series G Preferred Stock being offered hereby on behalf of the Company. There is no underwriter for this Offering. To date, we have not yet retained any Placement Agent nor are we in negotiations with any Placement Agent but expect that we will utilize one or more Placement Agent(s) and expect that will enter into a Placement Agent Agreement in the form attached as Exhibit 10.17 hereto prior to the commencement of the Offering. Reference is also made to the disclosure under "The Offering" and "Plan of Distribution" below.

Pursuant to the terms of the Placement Agent Agreement, we will pay the Placement Agents a cash fee equal to 7% of the gross proceeds received by the Company from qualified investors from such closing of the sale of Series G Preferred Stock as a direct result of the selling efforts and introductions of each respective Placement Agent; and (ii) issue to each such Placement Agent warrants (the "Placement Agent Warrants") to purchase a number of shares of the Company's Series G Preferred Stock equal to 7% of the number of shares of Series G Preferred Stock sold in the Offering as a direct result of the selling efforts and introductions of each respective Placement Agent, exercisable during the period of thirty-six (36) months from the final Closing of the Offering an exercise price of $25.00 per share of Series G Preferred Stock.

Any Placement Agent(s) that we engage will not have any obligation to buy the Series G Preferred Stock subject to this Offering from us or to arrange for the purchase or sale of any specific number or dollar amount of the Series G Preferred Stocks. If we sell all 400,000 shares of Series G Preferred Stock subject to the Offering pursuant to this prospectus, at the Offering price of $25.00 per share, we will receive approximately $10,000,000 in gross proceeds and approximately $9,150,000 in net proceeds, after deducting the placement agent fees after deducting placement agent fees and estimated offering expenses of $150,000 payable by us, assuming all of the 400,000 shares of Series G Preferred Stock are sold through the direct efforts of Placement Agents, and estimated offering expenses payable by us.

Dividends on the Series G Preferred Stock are cumulative from the date of original issue and will be payable on the fifteenth day of each calendar month commencing _____, 2019 when, as and if declared by our board of directors. Dividends will be payable out of amounts legally available therefore at a rate equal to 11% per annum per $25.00 of stated liquidation preference per share, or $2.75 per share of Series G Preferred Stock per year. We will place from the proceeds of the Offering an amount equal to 18 months of dividends into a separate bank account to be used solely to pay the cash dividends on the shares of Series G Preferred Stock.

Commencing on March 31, 2023, a date 36 months from the date of original issue of the Series G Preferred Stock, we may redeem, at our option, the Series G Preferred Stock, in whole or in part, at a cash redemption price of $25.00 per share, plus all accrued and unpaid dividends to, but not including, the redemption date, upon not less than 30 nor more than 60 days' written notice (the "Redemption Notice") to the holders of the Series G Preferred Stock (the "Holders"). The Series G Preferred Stock has no stated maturity, will not be subject to any sinking fund or other mandatory redemption, and will not be convertible into or exchangeable for any of our other securities.

Holders of the Series G Preferred Stock generally will have no voting rights except for limited voting rights if dividends payable on the outstanding Series G Preferred Stock are in arrears for eighteen or more consecutive or non-consecutive monthly dividend periods.

Our shares of common stock, par value $0.001 (the "Common Stock") is currently subject to quotation on the OTC Market, with the trading symbol "PACV." There is no established trading market for the Series G Preferred Stock, nor can there be any assurance that a trading market will develop or be sustained for the shares of Series G Preferred Stock subject to the Offering. Subject to the successful completion of the Offering and the issuance of the shares of our Series G Preferred Stock, we intend to apply to NASDAQ to have our Common Stock and our Series G Preferred Stock to be listed on the NASDAQ Capital Market. We may also determine to apply of listing on NASDAQ if we raise sufficient proceeds from the Offering together with revenues from operations that we qualify for NASDAQ Listing for both our Common Stock and Series G Preferred Stock, as discussed below. Reference is also made to the disclosure under "Use of Proceeds" and "Plan of Distribution" below.

As of December 20, 2018, the executive officers and directors beneficially own 79,045,234 of the outstanding shares of our Common Stock and 1,000,000 of the Series E Preferred Shares, representing approximately 55.9% of the outstanding voting shares.

We believe that we will qualify for the listing of both our Common Stock and Series G Preferred Stock upon the successful sale of all of the shares of Series G Preferred Stock that are the subject of the Offering. We do not intend to close the Offering (the "Closing") until the earlier of: (i) the sale of a sufficient number of shares of Series G Preferred Stock necessary for us to meet the listing requirements for the NASDAQ Capital Markets for both our Common Stock and Series G Preferred Stock; (ii) the sale of a sufficient number of shares of Series G Preferred Stock together with the revenues we generate from our operations necessary for us to meet the listing requirements for the NASDAQ Capital Markets for both our Common Stock and Series G Preferred Stock; or (iii) as noted above, on a date 180 days after the effective date of this registration statement, subject to one extension of up to 90 additional days.

Until we qualify for listing of our Common Stock and Series G Preferred Stock on the NASDAQ Capital Market, whether as a result of: (i) the receipt of sufficient Offering Proceeds from the issuance and sale of the Series G Preferred Stock subject to this Offering; or (ii) receipt of Offering Proceeds together with revenues from our operations, our plan is to place the Offering Proceeds in an account established for the purpose the holding the proceeds from the sale of Series G Preferred Stock pursuant to this Offering, whether in an escrow, trust or similar account, until we qualify for listing on the NASDAQ Capital Market, of which there can be no assurance, at which time the Offering Proceeds will be released to the Company and the Closing of the Offering will occur.

See "Use of Proceeds" in this prospectus. We expect the Series G Preferred Stock will be ready for delivery in book-entry form through The Depositary Trust Company on or about March 31, 2019.

Investing in our Series G Preferred Stock involves significant risks. You should carefully consider the risk factors beginning on page 9 of this prospectus before purchasing any of the Series G Preferred Stock offered by this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share
Public Offering price	$25.00

Placement agent fees [1]	$1.75
Proceeds, before expenses, to Pacific Ventures	$23.25

(1) See "Plan of Distribution" for a description of the compensation payable to any participating Placement Agent, including cash fees and Placement Agent Warrants.

The date of this prospectus is March 14, 2019

You should rely only on the information contained or incorporated into this prospectus. Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date. You should also read this prospectus together with the additional information described under "Where You Can Find More Information" and "Incorporation of Information by Reference."

Unless the context otherwise requires, we use the terms "PACV," "we," "us," the "Company," the "Registrant" and "ou refer to Pacific Ventures Group, Inc. and its wholly-owned subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contains forward-looking statements within the meaning of the federal securities laws. These statements relate to anticipated future events, future results of operations or future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “might,” “will,” “should,” “intends,” “expects,” “plans,” “goals,” “projects,” “anticipates,” “believes,” “estimates,” “predicts,” “continue” or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to:

- our ability to manage our growth, including acquiring and effectively integrating other businesses into our infrastructure;
- our ability to retain our customers, including effectively migrating and keeping new customers acquired through business acquisitions;
- our ability to attract and retain key officers and employees, including Shannon Masjedi, our CEO, and personnel critical to the transitioning and integration of our newly acquired businesses;
- our ability to raise capital and obtain financing on acceptable terms;
- our ability to compete with other companies developing products and selling products competitive with ours, and who may have greater resources and name recognition than we have;
- our ability to maintain operations in a manner that continues to enable us to offer competitively-priced products;
- our ability to keep and increase market acceptance of our products;
- our ability to keep pace with a changing industry and its rapidly evolving technology demands and regulatory environment;
- our ability to protect and enforce intellectual property rights; and
- our ability to maintain and protect the privacy of customer information.

These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our (or our industry’s) actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. The “Risk Factors” section of this prospectus sets forth detailed risks, uncertainties and cautionary statements regarding our business and these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing regulatory environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all of the risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus.

We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, including the securities laws of the U.S., we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or other investments or strategic transactions we may engage in.

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THE OFFERING

The following summary contains basic terms about this Offering and the Series G Preferred Stock and is not intended to be complete. It may not contain all of the information that is important to you. For a more complete description of the terms of the Series G Preferred Stock, see "Description of the Series G Preferred Stock."

Issuer	**Pacific Ventures Group, Inc.**
Series G Preferred Stock to be outstanding after this Offering if the maximum number of shares are sold	400,000 shares of 11% Series G Cumulative Redeemable Perpetual Preferred Stock (or "Series G Preferred Stock")
Offering Price	$25.00 per share of Series G Preferred Stock
Dividends	Holders of the Series G Preferred Stock will be entitled to receive cumulative cash dividends at a rate of 11% per annum of the $25.00 per share liquidation preference (equivalent to $2.75 per annum per share). We will place proceeds equal to 18 months of dividends into a separate bank account to be used to pay Series G Preferred Stock dividends. Dividends will be payable monthly on the 15th day of each month (each, a "dividend payment date"), provided that if any dividend payment date is not a business day, then the dividend that would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day without adjustment in the amount of the dividend. Dividends will be payable to holders of record as they appear in our stock records for the Series G Preferred Stock at the close of business on the corresponding record date, which shall be the last day of the calendar month, whether or not a business day, in which the applicable dividend payment date falls (each, a "dividend record date"). As a result, holders of shares of Series G Preferred Stock will not be entitled to receive dividends on a dividend payment date if such shares were not issued and outstanding on the applicable dividend record date.
Escrow of Offering Proceeds Until Nasdaq CapitalMarket Listing Qualification	Until we qualify for listing of our Common Stock and Series G Preferred Stock on the NASDAQ Capital Market, whether as a result of: (i) the receipt of sufficient Offering Proceeds from the issuance and sale of the Series G Preferred Stock subject to this Offering; or (ii) receipt of Offering Proceeds together with revenues from our operations, our plan is to place the Offering Proceeds in an account established for the purpose the holding the proceeds from the sale of Series G Preferred Stock pursuant to this Offering, whether in an escrow, trust or similar account, until we qualify for listing on the NASDAQ Capital Market, of which there can be no assurance, at which time the Offering Proceeds will be released to the Company and the Closing of the Offering will occur.

No Maturity, Sinking Fund or Mandatory Redemption	The Series G Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series G Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them. We are not required to set aside funds to redeem the Series G Preferred Stock.
Optional Redemption	The Series G Preferred Stock is not redeemable by us prior to ________, 2021. On and after February 13, 2022, a date 36 months from the date of original issue of the Series G Preferred Stock, we may, at our option, redeem the Series G Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice (the "Redemption Notice"), for cash at a redemption price equal to $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the redemption date. Please see the section entitled "Description of the Series G Preferred Stock — Redemption — Optional Redemption."

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The Offering will be made using the services of our management, who will not be compensated for their services and efforts related to the Offering of our Series G Preferred Stock. We also contemplate utilizing the services of one or more placement agents (collectively, the "Placement Agents"), which means our management and Placement Agent(s) will attempt to sell the Series G Preferred Stock being offered hereby on behalf of the Company. There is no underwriter for this Offering. To date, we have not yet retained any Placement Agent nor are we in negotiations with any Placement Agent but expect that we will utilize one or more Placement Agent(s) and expect that will enter into a Placement Agent Agreement in the form attached as Exhibit 10.17 hereto prior to the commencement of the Offering. Reference is also made to the disclosure under "The Offering" and "Plan of Distribution" below.

Placement Agent Agreement

Pursuant to the terms of the Placement Agent Agreement, we will pay the Placement Agents a cash fee equal to 7% of the gross proceeds received by the Company from qualified investors from such closing of the sale of Series G Preferred Stock as a direct result of the selling efforts and introductions of each respective Placement Agent; and (ii) issue to each such Placement Agent warrants (the "Placement Agent Warrants") to purchase a number of shares of the Company's Series G Preferred Stock equal to 7% of the number of shares of Series G Preferred Stock sold in the Offering as a direct result of the selling efforts and introductions of each respective Placement Agent, exercisable during the period of thirty-six (36) months from the final Closing of the Offering an exercise price of $25.00 per share of Series G Preferred Stock.

Special Optional Redemption

Upon the occurrence of a Change of Control, we may, at our option, redeem the Series G Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the redemption date. A "Change of Control" is deemed to occur when, after the original issuance of the Series G Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the "Exchange Act (other than Mrs. Shannon Masjedi, the CEO, a directors and our principal shareholder, any member of his immediate family, and any "person" or "group" under Section 13(d)(3) of the Exchange Act, that is controlled by Mrs. Masjedi or any member of his immediate family, any beneficiary of the estate of Mrs. Masjedi, or any trust, partnership, corporate or other entity controlled by any of the foregoing), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition).

Liquidation Preference

If we liquidate, dissolve or wind up, holders of the Series G Preferred Stock will have the right to receive $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the date of payment, before any payment is made to the holders of our common stock. Please see the section entitled "Description of the Series G Preferred Stock — Liquidation Preference."

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Ranking	The Series G Preferred Stock will rank, with respect to rights to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, (1) senior to all classes or series of our common stock and to all other equity securities issued by us other than equity securities referred to in clauses (2) and (3); (2) on a parity with all equity securities issued by us with terms specifically providing that those equity securities rank on a parity with the Series G Preferred Stock with respect to rights to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up; (3) junior to all equity securities issued by us with terms specifically providing that those equity securities rank senior to the Series G Preferred Stock with respect to rights to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up; and (4) effectively junior to all of our existing and future indebtedness (including indebtedness convertible into our common stock or preferred stock) and to the indebtedness and other liabilities of (as well as any preferred equity interests held by others in) our existing subsidiaries and any future subsidiaries. Please see the section entitled “Description of the Series G Preferred Stock — Ranking.”
Limited Voting Rights	Holders of Series G Preferred Stock will generally have no voting rights. However, if we do not pay dividends on the Series G Preferred Stock for eighteen or more monthly dividend periods (whether or not consecutive), the holders of the Series G Preferred Stock (voting separately as a class with the holders of all other classes or series of our preferred stock we may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series G Preferred Stock in the election referred to below) will be entitled to vote for the election of two additional directors to serve on our board of directors until we pay, or declare and set aside funds for the payment of, all dividends that we owe on the Series G Preferred Stock, subject to certain limitations described in the section entitled “Description of the Series G Preferred Stock — Voting Rights.” In addition, the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series G Preferred Stock is required at any time for us to authorize or issue any class or series of our capital stock ranking senior to the Series G Preferred Stock with respect to the payment of dividends or the distribution of assets on liquidation, dissolution or winding up, to amend any provision of our articles of incorporation so as to materially and adversely affect any rights of the Series G Preferred Stock or to take certain other actions. If any such amendments to our articles of incorporation would be material and adverse to holders of the Series G Preferred Stock and any other series of parity preferred stock upon which similar voting rights have been conferred and are exercisable, a vote of at least two-thirds of the outstanding shares of Series G Preferred Stock and the shares of the other applicable series materially and adversely affected, voting together as a class, would be required. Please see the section entitled “Description of the Series G Preferred Stock — Voting Rights.”

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Information Rights	During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series G Preferred Stock are outstanding, we will use our best efforts to (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series G Preferred Stock, as their names and addresses appear on our record books and without cost to such holders, copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any holders or prospective holder of Series G Preferred Stock, subject to certain exceptions described in this prospectus. We will use our best efforts to mail (or otherwise provide) the information to the holders of the Series G Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if we were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which we would be required to file such periodic reports if we were a "non-accelerated filer" within the meaning of the Exchange Act.
Quotation	Our Common Stock is currently subject to quotation on the OTC Market under the symbol "PACV." We intend to apply for listing on the NASDAQ Capital Markets ("NASDAQ Listing") of our Common Stock and Series G Preferred Stock upon the earlier of: (i) receipt of sufficient proceeds from the Offering of Series G Preferred Stock; or (ii) receipt to sufficient proceeds from the Offering together with revenues from operations that we qualify for NASDAQ Listing.
Use of Proceeds	We plan to use the net proceeds from this Offering for acquisitions, to fund organic growth initiatives and general corporate purposes. We also will place proceeds equal to 18 months of dividends ($1,650,000 based on an Offering of $10,000,000 or 100% of Series G Preferred), into a separate bank account to be used to pay Series G Preferred Stock dividends. Reference is made to the disclosure the section entitled "Use of Proceeds."
Risk Factors	Please read the section entitled "Risk Factors" beginning on page 9 for a discussion of some of the factors you should carefully consider before deciding to invest in our Series G Preferred Stock.
Transfer Agent	The registrar, transfer agent and dividend and redemption price disbursing agent in respect of the Series G Preferred Stock will be VStock Transfer LLC, 18 Lafayette Place, Woodmere, NY 11598.

Material U.S. Federal Income Tax Considerations	For a discussion of the federal income tax consequences of purchasing, owning and disposing of the Series G Preferred Stock, please see the section entitled "Material U.S. Federal Income Tax Considerations." You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the Series G Preferred Stock in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.
Book Entry and Form	The Series G Preferred Stock will be represented by one or more global certificates in definitive, fully registered form deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company ("DTC").

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this Prospectus. This summary does not contain all the information that you should consider before investing in the Common Stock. You should carefully read the entire Prospectus, including "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements, before making an investment decision. In this Prospectus, the terms "Pacific Ventures Group, Inc.," "Company," "Registrant," "we," "us" and "our" refer to Pacific Ventures Group, Inc., a Delaware corporation.

Business Plan

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

The current structure of Pacific Ventures resulted from a share exchange with Snöbar Holdings, Inc. ("Snöbar"), which was treated as a reverse merger for accounting purposes. As the result of the Share Exchange, Snöbar Holdings became Pacific Venture's wholly owned operating subsidiary and the business of Snöbar Holdings became the Company's sole business operations, and Snöbar Holdings' majority owned subsidiary, MAS Global Distributors, Inc., a California corporation ("MGD"), became indirect subsidiary of Pacific Ventures.

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, who is the father of Shannon Masjedi, who is the Company's President, Chief Executive Officer and majority stockholder. 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". 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 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, 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.

MGD, a majority owned subsidiary of Snöbar Holdings, is the sole marketer for SnöBar ice cream and SnöBar ice pops. MGD handles all the marketing and promotional aspect for the SnöBar product line.

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., a California Corporation. San Diego Farmers Outlet provides 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.

On September 24, 2018, the Company signed a definitive Asset Purchase Agreement to acquire a Florida-based wholesale distributor for general merchandise ("WHOLESALER").

The potential acquisition is a standard and registered distribution company that is involved in the distribution of food, beverages and general merchandise to retailers, households, hotels, restaurants, mom and pop markets, liquor stores, gas stations and others. Since 1996, The potential acquisition has provided quality merchandise at discounted prices to local customers in and surrounding areas of the east coast. Deliveries are made on a daily basis through its own trucks and outside trucking companies.

The WHOLESALER's corporate warehouse and administrative offices are located in Florida, and comprises a 50,000 square foot warehouse facility that is large enough to fit all inventory under one roof and has multiple docks for loading and unloading merchandise.

Upon completion of the acquisition, our marketing strategy will include selling our product line to high-end restaurants, resorts, cruise lines and hotels. We plan to sell our product line in grocery stores such as Kroger, Wal-Mart and others, and thereafter to begin a national marketing program to all U.S. retailers. Our sales strategy is based on a top-down marketing plan where products are placed with the largest retailer then trickle down to the smallest seller in each market area.

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Plan of Operations

As of the date of this S-1 Registration, 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 San Diego Farmers Outlet (SDFO) acquisition has increased sales of its wholesale business, and still plan on expanding our current delivery territory from 25 miles to a 40-mile radius. SDFO is also in the process of obtaining 2 new delivery trucks to add to the current fleet of trucks. The Company has begun marketing to new restaurants in the area, most notably Asian and Italian restaurants, and have let restaurants know that SDFO can deliver the finest produce in market.

SDFO installed new signage around the retail market, added additional landscaping to enhance the appearance of the market, and purchased a new Point of Sale system to improve efficiency and ordering processes.

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.

Upon completion of the acquisition of WHOLESALER, our marketing strategy will subsequently include selling our product lines to retailers, households, hotels, restaurants, mom and pop markets, liquor stores, gas stations and others in the State of Florida.

Summary of Risk Factors

This offering involves substantial risk. Our ability to execute our business strategy is also subject to certain risks. The risks described under the heading "Risk Factors" included elsewhere in this prospectus may cause us not to realize the full benefits of our business plan and strategy or may cause us to be unable to successfully execute all or part of our strategy.

There are a number of potential difficulties that we might face, including the following:

- Competitors may develop alternatives that render our products redundant or unnecessary;
- We may not obtain and maintain sufficient protection of our SnöBar product line;
- Our products may not become widely accepted by consumers and merchants; and
- Strict, new government regulations and inappropriate policies, especially in food and beverages business, may hinder the growth of our business; and
- We may not be able to raise sufficient additional funds to fully implement our business plan and grow our business.

During the nine months ended September 30, 2018 and the year ended 2017, we raised $3,548,642 from the private sale of equity and debt securities and we may be expected to require up to an additional $5.5 million in capital during the next 12 months to fully implement our business plan and fund our operations.

Some of the most significant challenges and risks include the following:

- Our Auditor has expressed substantial doubt as to our ability to continue as a going concern.
- Our limited operating history does not afford investors a sufficient history on which to base an investment decision.
- Our revenues will be dependent upon acceptance of our SnöBar product line by consumers and distributors. The failure of such acceptance will cause us to curtail or cease operations.
- We are seeking to market and advertise alcohol infused frozen products and may not be able to accomplish our goal; the alcohol and dessert industries are highly competitive and if we are unable to compete successfully, our business will be harmed.
- We rely on the performance of wholesale distributors and other marketing arrangements and could be adversely affected by consolidation, poor performance or other disruptions in our distribution channels and customers.
- Our business is subject to extensive regulatory requirements regarding distribution, production, labeling, and marketing. Changes to regulation of the alcohol industry could include increased limitations on advertising and promotional activities or other non-tariff measures that could adversely impact our business.

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We cannot be certain that we will obtain patents for our product line or that such patents will protect us. We use alcohol products from other companies in the making of our alcohol infused frozen desserts. Infringement or misappropriation claims (or claims for indemnification resulting from such claims) against us may be asserted or prosecuted, regardless of their merit, and any such assertions or prosecutions may adversely affect our business and/or our operating results.

The availability of a large number of authorized but unissued shares of Common Stock may, upon their issuance, lead to dilution of existing stockholders.

Our stock is thinly traded, sale of your holding may take a considerable amount of time.

Before you invest in our common stock, you should carefully consider all the information in this prospectus, including matters set forth under the heading “Risk Factors.”

Where You Can Find Us

The Company’s principal executive office and mailing address is at 117 West 9th Street Suite 316, Los Angeles California 90015.

Telephone: 310-392-5606.

Our Filing Status as a “Smaller Reporting Company”

We are a “smaller reporting company,” meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and have a public float of less than $75 million and annual revenues of less than $50 million during the most recently completed fiscal year. As a “smaller reporting company,” the disclosure we will be required to provide in our SEC filings are less than it would be if we were not considered a “smaller reporting company.” Specifically, “smaller reporting companies” are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act of 2002 requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; are not required to conduct say-on-pay and frequency votes until annual meetings occurring on or after January 21, 2013; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, being permitted to provide two years of audited financial statements in annual reports rather than three years. Decreased disclosures in our SEC filings due to our status as a “smaller reporting company” may make it harder for investors to analyze the Company’s results of operations and financial prospects.

Implications of Being an Emerging Growth Company

We qualify as an emerging growth company as that term is used in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- A requirement to have only two years of audited financial statements and only two years of related MD&A;
- Exemption from the auditor attestation requirement in the assessment of the emerging growth company's internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX");
- Reduced disclosure about the emerging growth company's executive compensation arrangements; and
- No non-binding advisory votes on executive compensation or golden parachute arrangements.

We have already taken advantage of these reduced reporting burdens in this Prospectus, which are also available to us as a smaller reporting company as defined under Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Act") for complying with new or revised accounting standards. We have elected to take advantage of the extended transition period for complying with new or revised accounting standards, which allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements contained in this Form S-1 may not be comparable to companies that comply with public company effective dates. The existing scaled executive compensation disclosure requirements for smaller reporting companies will continue to apply to our filings for so long as our Company is an emerging growth company, regardless of whether the Company remains a smaller reporting company.

We could remain an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our Common Stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

For more details regarding this exemption, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies."

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described in this prospectus and the documents incorporated by reference into this prospectus. The risks and uncertainties described in this prospectus are not the only ones we face. Additional risks and uncertainties that we do not presently know about or that we currently believe are not material may also adversely affect our business, business prospects, results of operations or financial condition. If any of the risks and uncertainties described in this prospectus or the documents incorporated by reference into this prospectus actually occurs, then our business, results of operations and financial condition could be adversely affected in a material way. This could cause the market price of the Series G Preferred Stock to decline, perhaps significantly, and you may lose part or all of your investment.

Risks Related to this Offering and Ownership of Shares of Our Series G Preferred Stock

Closing of the offering and escrow of offering proceeds subject to satisfying NASDAQ Listing Requirements.

Until we qualify for listing of our Common Stock and Series G Preferred Stock on the NASDAQ Capital Market, whether as a result of: (i) the receipt of sufficient Offering Proceeds from the issuance and sale of the Series G Preferred Stock subject to this Offering; or (ii) receipt of Offering Proceeds together with revenues from our operations, our Offering will not close and our Offering Proceeds will be held in an account established for the purpose the holding the proceeds from the sale of Series G Preferred Stock pursuant to this Offering, whether in an escrow, trust or similar account, until we qualify for listing on the NASDAQ Capital Market, of which there can be no assurance, at which time the Offering Proceeds will be released to the Company and the Closing of the Offering will occur. Reference is made to the disclosure under “The Offering” and specifically to the subcaption “NASDAQ Capital Markets Listing Requirements,” above.

The Series G Preferred Stock ranks junior to all of our indebtedness and other liabilities.

In the event of our bankruptcy, liquidation, dissolution or winding-up of our affairs, our assets will be available to pay obligations on the Series G Preferred Stock only after all of our indebtedness and other liabilities have been paid. The rights of holders of the Series G Preferred Stock to participate in the distribution of our assets will rank junior to the prior claims of our current and future creditors and any future series or class of preferred stock we may issue that ranks senior to the Series G Preferred Stock. Also, the Series G Preferred Stock effectively ranks junior to all existing and future indebtedness and to the indebtedness and other liabilities of our existing subsidiaries and any future subsidiaries. Our existing subsidiaries are, and future subsidiaries would be, separate legal entities and have no legal obligation to pay any amounts to us in respect of dividends due on the Series G Preferred Stock. If we are forced to liquidate our assets to pay our creditors, we may not have sufficient assets to pay amounts due on any or all of the

Series G Preferred Stock then outstanding. We have incurred and may in the future incur substantial amounts of debt and other obligations that will rank senior to the Series G Preferred Stock. At September 30, 2018, we had total liabilities of $4,112,245.

Certain of our existing or future debt instruments may restrict the authorization, payment or setting apart of dividends on the Series G Preferred Stock. There can be no assurance that we will always remain in compliance with certain of our existing or future debt instruments, and if we default, we may be contractually prohibited from paying dividends on the Series G Preferred Stock. Also, future offerings of debt or senior equity securities may adversely affect the market price of the Series G Preferred Stock. If we decide to issue debt or senior equity securities in the future, it is possible that these securities will be governed by an indenture or other instruments containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Series G Preferred Stock and may result in dilution to owners of the Series G Preferred Stock. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. The holders of the Series G Preferred Stock will bear the risk of our future offerings, which may reduce the market price of the Series G Preferred Stock and will dilute the value of their holdings in us.

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There is no existing market for our Series G Preferred Stock and a trading market that will provide you with adequate liquidity may not develop for our Series G Preferred Stock.

The Series G Preferred Stock is a new issue of securities and currently no market exists for the Series G Preferred Stock. We intend to apply to have our Series G Preferred Stock become listed on the NASDAQ Capital Market and, at the same time, apply for NASDAQ Listing for our Common Stock, which is currently subject to quotation of the OTC Markets under the symbol "PACV." However, a trading market for the Series G Preferred Stock may never develop or, even if one develops, may not be maintained and may not provide you with adequate liquidity. The liquidity of any market for the Series G Preferred Stock that may develop, assuming that we qualify for our planned NASDAQ Listing for our Common Stock and Series G Preferred Stock , of which there can be no assurance, will depend on a number of factors, including prevailing interest rates, our financial condition and operating results, the number of holders of the Series G Preferred Stock, the market for similar securities and the interest of securities dealers in making a market in the Series G Preferred Stock. We cannot predict the extent to which investor interest in our company will lead to the development of a trading market in our Series G Preferred Stock, or how liquid that market might be. If an active market does not develop, you may have difficulty selling your shares of our Series G Preferred Stock. The price of our Series G Preferred Stock was determined by the negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following the completion of this offering.

We may issue additional shares of Series G Preferred Stock and additional series of preferred stock that rank on parity with the Series G Preferred Stock as to dividend rights, rights upon liquidation or voting rights.

We are allowed to issue additional shares of Series G Preferred Stock and additional series of preferred stock that would rank equally to or above the Series G Preferred Stock as to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs pursuant to our articles of incorporation and the articles of amendment relating to the Series G Preferred Stock without any vote of the holders of the Series G Preferred Stock. The issuance of additional shares of Series G Preferred Stock and additional series of preferred stock could have the effect of reducing the amounts available to the Series G Preferred Stock issued in this offering upon our liquidation or dissolution or the winding up of our affairs. It also may reduce dividend payments on the Series G Preferred Stock issued in this offering if we do not have sufficient funds to pay dividends on all Series G Preferred Stock outstanding and other classes or series of stock with equal priority with respect to dividends.

Also, although holders of Series G Preferred Stock are entitled to limited voting rights, as described in "Description of the Series G Preferred Stock — Voting Rights," with respect to the circumstances under which the holders of Series G Preferred Stock are entitled to vote, the Series G Preferred Stock will vote separately as a class along with all other series of our preferred stock that we may issue upon which like voting rights have been conferred and are exercisable. As a result, the voting rights of holders of Series G Preferred Stock may be significantly diluted, and the holders of such other series of preferred stock that we may issue may be able to control or significantly influence the outcome of any vote.

Future issuances and sales of senior or pari passu preferred stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for the Series G Preferred Stock and our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us.

Market interest rates may materially and adversely affect the value of the Series G Preferred Stock.

One of the factors that will influence the price of the Series G Preferred Stock will be the dividend yield on the Series G Preferred Stock (as a percentage of the market price of the Series G Preferred Stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Series G Preferred Stock to expect a higher dividend yield (and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for dividend payments). Thus, higher market interest rates could cause the market price of the Series G Preferred Stock to materially decrease.

We may not be able to pay dividends on the Series G Preferred Stock.

Our ability to pay cash dividends on the Series G Preferred Stock will require us to have either net profits or positive net assets (total assets less total liabilities) over our capital, and to be able to pay our debts as they become due in the usual course of business. The foregoing limitation will apply even if there are remaining proceeds from this offering that have been set aside to pay Series G Preferred Stock dividends.

Further, notwithstanding these factors, we may not have sufficient cash to pay dividends on the Series G Preferred Stock. Our ability to pay dividends may be impaired if any of the risks described in this prospectus or documents incorporated by reference in this prospectus, were to occur. Also, payment of our dividends depends upon our financial condition and other factors as our board of directors may deem relevant from time to time. We cannot assure you that our businesses will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock, if any, and preferred stock, including the Series G Preferred Stock to pay our indebtedness or to fund our other liquidity needs.

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Holders of the Series G Preferred Stock may be unable to use the dividends-received deduction and may not be eligible for the preferential tax rates applicable to "qualified dividend income".

Distributions paid to corporate U.S. holders of the Series G Preferred Stock may be eligible for the dividends-received deduction, and distributions paid to non-corporate U.S. holders of the Series G Preferred Stock may be subject to tax at the preferential tax rates applicable to "qualified dividend income," if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. We do not currently have accumulated earnings and profits. Additionally, we may not have sufficient current earnings and profits during future fiscal years for the distributions on the Series G Preferred Stock to qualify as dividends for U.S. federal income tax purposes. If the distributions fail to qualify as dividends, U.S. holders would be unable to use the dividends-received deduction and may not be eligible for the preferential tax rates applicable to "qualified dividend income." If any distributions on the Series G Preferred Stock with respect to any fiscal year are not eligible for the dividends-received deduction or preferential tax rates applicable to "qualified dividend income" because of insufficient current or accumulated earnings and profits, it is possible that the market value of the Series G Preferred Stock might decline.

Our revenues, operating results and cash flows may fluctuate in future periods and we may fail to meet investor expectations, which may cause the price of our Series G Preferred Stock to decline.

Variations in our quarterly and year-end operating results are difficult to predict and our income and cash flow may fluctuate significantly from period to period, which may impact our board of directors' willingness or legal ability to declare a monthly dividend. If our operating results fall below the expectations of investors or securities analysts, the price of our Series G Preferred Stock could decline substantially. Specific factors that may cause fluctuations in our operating results include:

- competition;
- need for acceptance of our products;
- ability to develop a brand identity;
- ability to anticipate and adapt to a competitive market;
- ability to effectively manage rapidly expanding operations;
- amount and timing of operating costs and capital expenditures relating to expansion of our business, operations, and infrastructure; and
- dependence upon key personnel to market our product and the loss of one of our key managers may adversely affect the marketing of our product.

We may redeem the Series G Preferred Stock.

On or after February 4, 2022, 36 months from the date of original issue of our Series G Preferred Stock, we may, at our option, redeem the Series G Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days prior written notice to the Holders (the "Redemption Notice"). Also, upon the occurrence of a Change of Control, we may, at our option, redeem the Series G Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, also with 30 days written Redemption Notice to Holders. We may have an incentive to redeem the Series G Preferred Stock voluntarily, if market conditions allow us to issue other preferred stock or debt securities at a rate that is lower than the dividend on the Series G Preferred Stock. If we redeem the Series G Preferred Stock, then from and after the redemption date, your dividends will cease to accrue on your shares of Series G Preferred Stock, your shares of Series G Preferred Stock shall no longer be deemed outstanding and all your rights as a holder of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

The market price of the Series G Preferred Stock could be substantially affected by various factors.

The market price of the Series G Preferred Stock depends on many factors, which may change from time to time, including:

- prevailing interest rates, increases in which may have an adverse effect on the market price of the Series G Preferred Stock;
- trading prices of similar securities;
- our history of timely dividend payments;
- the annual yield from dividends on the Series G Preferred Stock as compared to yields on other financial instruments;
- general economic and financial market conditions;
- government action or regulation;
- the financial condition, performance and prospects of us and our competitors;
- changes in financial estimates;
- our issuance of additional preferred equity or debt securities; and
- actual or anticipated variations in quarterly operating results of us and our competitors.

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As a result of these and other factors, investors who purchase the Series G Preferred Stock in this offering may experience a decrease, which could be substantial and rapid, in the market price of the Series G Preferred Stock, including decreases unrelated to our operating performance or prospects.

As a holder of Series G Preferred Stock, you will have extremely limited voting rights.

Your voting rights as a holder of Series G Preferred Stock will be limited. Our shares of common stock and our Series E Preferred Stock are the only voting securities that carry full voting rights, and Mrs. Shannon Masjedi, our Chief Executive Officer, beneficially owns 21.9% of our outstanding voting shares. As a result, Mrs. Masjedi exercises a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation, and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our company or changes in management, and will make the approval of certain transactions difficult or impossible without his support, which in turn could reduce the price of our Series G Preferred Stock.

Voting rights for holders of Series G Preferred Stock exist primarily with respect to the ability to elect, voting together with the holders of any other series of our preferred stock having similar voting rights, two additional directors to our board of directors, subject to limitations described in the section entitled "Description of the Series G Preferred Stock — Voting Rights," in the event that eighteen monthly dividends (whether or not consecutive) payable on the Series G Preferred Stock are in arrears, and with respect to voting on amendments to our articles of incorporation or articles of amendment relating to the Series G Preferred Stock that materially and adversely affect the rights of the holders of Series G Preferred Stock or authorize, increase or create additional classes or series of our capital stock that are senior to the Series G Preferred Stock. Other than the limited circumstances described in this prospectus and except to the extent required by law, holders of Series G Preferred Stock do not have any voting rights. Please see the section entitled "Description of the Series G Preferred Stock — Voting Rights."

If our common stock is delisted, your ability to transfer or sell your shares of the Series G Preferred Stock may be limited and the market value of the Series G Preferred Stock will likely be materially adversely affected.

The Series G Preferred Stock does not contain provisions that are intended to protect you if our common stock ceased to be subject to quotation on the OTCBQ Market. Since the Series G Preferred Stock has no stated maturity date, you may be forced to hold your shares of the Series G Preferred Stock and receive stated dividends on the Series G Preferred Stock when, as and if authorized by our board of directors and paid by us with no assurance as to ever receiving the liquidation value thereof. Also, if our common stock ceased to be subject to quotation on the OTCBQ Market, it is likely that the Series G Preferred Stock will also ceased to be subject to quotation on the OTCBQ Market. Accordingly, if our common stock ceased to be subject to quotation on the OTCBQ Market, your ability to transfer or sell your shares of the Series G Preferred Stock may be limited and the market value of the Series G Preferred Stock will likely be materially adversely affected.

We will have broad discretion in using the proceeds of this offering, and we may not effectively spend the proceeds.

We intend to use a portion of the net proceeds of this offering to fund acquisitions and initiatives to drive additional growth. We will use the balance for working capital and general corporate purposes, which may include, developing new products and funding capital expenditures and investments. We will have significant flexibility and broad discretion in applying the net proceeds of this offering, and we may not apply these proceeds effectively. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds, and you will not have the opportunity to influence our decisions on how to use our net proceeds from this offering.

The Series G Preferred Stock is not convertible, and investors will not realize a corresponding upside if the price of the common stock increases.

The Series G Preferred Stock is not convertible into the common stock and earns dividends at a fixed rate. Accordingly, an increase in market price of our common stock will not necessarily result in an increase in the market price of our Series G Preferred Stock. The market value of the Series G Preferred Stock may depend more on dividend and interest rates for other preferred stock, commercial paper and other investment alternatives and our actual and perceived ability to pay dividends on, and in the event of dissolution satisfy the liquidation preference with respect to, the Series G Preferred Stock.

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Delaware law contains provisions that could discourage, delay or prevent a change in control of our Company, prevent attempts to replace or remove current management and reduce the market price of our stock.

Provisions in our certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our certificate of incorporation authorizes our board of directors to issue up to ten million shares of "blank check" preferred stock without further stockholder approval. The board of directors has the authority to attach special rights, including voting and dividend rights, to this preferred stock. With these rights, preferred stockholders could make it more difficult for a third party to acquire us.

We are also subject to the anti-takeover provisions of the DGCL. Under these provisions, if anyone becomes an "interested stockholder," we may not enter into a "business combination" with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change in control of us. An "interested stockholder" is, generally, a stockholder who owns 15% or more of our outstanding voting stock or an affiliate of ours who has owned 15% or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in the DGCL.

We are required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act of 2002 and if we fail to comply in a timely manner, our business could be adversely effected and the price of our Preferred Stock could decline.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require an annual assessment of internal controls over financial reporting, and for certain issuers an attestation of this assessment by the issuer's independent registered public accounting firm. The standards that must be met for management to assess the internal controls over financial reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards.

We expect to incur expenses and to devote resources to Section 404 compliance on an ongoing basis. It is difficult for us to predict how long it will take or costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. In addition, although attestation requirements by our independent registered public accounting firm are not presently applicable to us, we could become subject to these requirements in the future and we may encounter problems or delays in completing the implementation of any resulting changes to internal controls over financial reporting. In the event that our Chief Executive Officer or Chief Financial Officer determine that our internal control over financial reporting is not effective as defined under Section 404, we cannot predict how the market prices of our shares will be affected; however, we believe that there is a risk that investor confidence and share value may be negatively affected.

If we fail to maintain effective internal controls over financial reporting, the price of our Preferred Stock may be adversely affected.

Our internal control over financial reporting may have weaknesses and conditions that could require correction or remediation, the disclosure of which may have an adverse impact on the price of our Common Stock. We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely affect our public disclosures regarding our business, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our Common Stock.

The JOBS Act allows us to postpone the date by which we must comply with certain laws and regulations and to reduce the amount of information provided in reports filed with the SEC. We cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Series G Preferred Stock less attractive to investors.

We are and we will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year during which our total annual revenues equal or exceed $1 billion (subject to adjustment for inflation), (ii) the last day of the fiscal year following the fifth anniversary of our IPO (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, or (iv) the date on which we are deemed a "large accelerated filer" under the Securities and Exchange Act of 1934, as amended, or the Exchange Act. For so long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, will therefore be subject to the same new or revised accounting standards at the same time as other public companies that are not emerging growth companies.

We cannot predict if investors will find our Series G Preferred Stock less attractive because we rely on some of the exemptions available to us under the JOBS Act. If some investors find our Series G Preferred Stock less attractive as a result, there may be a less active trading market for our Series G Preferred Stock and our stock price may be more volatile. If we avail ourselves of certain exemptions from various reporting requirements, our reduced disclosure may make it more difficult for investors and securities analysts to evaluate us and may result in less investor confidence.

Risks Associated With Our Business

Our Independent Registered Public Accounting Firm expressed substantial doubt as to our ability to continue as a going concern in 2017.

The audited financial statements have been prepared assuming that we will continue as a going concern and do not include any adjustments that might result if we cease to continue as a going concern.

During the nine-month period ended September 30, 2018 and the year ended December 31, 2017, we raised $4,112,245 from the private sale of equity and debt securities. We expect to raise an additional $7.5 million during 2019.

As noted in our consolidated financial statements, we had an accumulated stockholders’ deficit of $5,970,024 and recurring losses from operations as of December 31, 2017. Our net loss for the fiscal year ended December 31, 2017 was $590,059. We also had a working capital deficit of approximately $1,306,103 as of December 31, 2017. We intend to fund operations through raising additional capital through debt financing and/or equity issuances and increased lending activities which may be insufficient to fund our capital expenditures, working capital or other cash requirements for the year ending December 31, 2017. We are continuing to seek additional funds to finance our immediate and long term operations. The successful outcome of future financing activities cannot be determined at this time and there is no assurance that if achieved, we will have sufficient funds to execute our intended business plan or generate positive operating results. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The audit report for the fiscal years ended December 31, 2017 and 2016 contain a paragraph that emphasizes the substantial doubt as to our continuance as a going concern. This is a significant risk that we may not be able to remain operational for an indefinite period of time.

We are seeking to market and advertise alcohol infused frozen products and may not be able to accomplish our goal.

A key feature of our growth strategy is to engage in the marketing and advertising of alcohol infused frozen products. Doing so presents significant challenges and subjects our business to significant risks. For example, we face substantial competition in these areas, and do not have as extensive a history of operating in these areas as some of our competitors. If we are unsuccessful in marketing and advertising alcohol infused frozen products, our ability to grow our business could be significantly limited.

The alcohol and dessert industries are highly competitive and if we are unable to compete successfully, our business will be harmed.

The alcoholic beverage industry and the dessert industry are extremely competitive. If we are unable to compete successfully against current or future competitors in such industries, our revenues, margins and market share could be adversely affected, any of which could significantly harm our business, operating results or financial condition.

Our success depends on certain key personnel.

Our performance to date has been and will continue to be largely dependent on the talents, efforts and performance of our senior management and key technical personnel. It is anticipated that our executive officers will enter into employment agreements. However, while it is customary to use employment agreements as a method of retaining the services of key personnel, these agreements do not guarantee us the continued services of such employees. In addition, we have not entered into employment agreements with most of our key personnel. The loss of our executive officers or our other key personnel, particularly with little or no notice, could cause delays on projects and could have an adverse impact on our client and industry relationships, our business, operating results or financial condition.

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We rely on highly skilled and qualified personnel, and if we are unable to continue to attract and retain such qualified personnel it will adversely affect our businesses.

Our success depends to a significant extent on our ability to identify, attract, hire, train and retain qualified creative, technical and managerial personnel. We expect competition for personnel with the specialized creative and technical skills needed to create our products and provide our services will continue to intensify. We often hire individuals on a project-by-project basis, and individuals who work on one or more projects for us may not be available to work on future projects. If we have difficulty identifying, attracting, hiring, training and retaining such qualified personnel, or incur significant costs in order to do so, our business and financial results could be negatively impacted.

Risks associated with commodity price volatility and energy availability could adversely affect our business.

We are exposed to risks associated with commodity price volatility arising from supply conditions, geopolitical and economic variables, weather, and other unpredictable external factors. We buy commodities such as corn and other grains, molasses, grapes, sticks and plastic for the production, packaging and distribution of our products. Availability, increases and volatility in the prices of these commodities, as well as products sourced from third parties and energy used in making, distributing and transporting our products, could increase the manufacturing and distribution costs of our products. While in the past we have been able to mitigate the impact of these cost increases through productivity improvements and pricing adjustments, there is no assurance that we will be able to offset such cost increases in the future.

We rely on the performance of wholesale distributors and other marketing arrangements and could be adversely affected by consolidation, poor performance or other disruptions in our distribution channels and customers.

Our alcohol-infused popsicles and ice cream products are sold principally through wholesale distributors for resale to retail outlets. The replacement, poor performance or financial default of a major distributor or one of its major customers could adversely affect our business. Industry consolidation could also adversely affect our margins and profitability. Though large customers can offer efficiencies and unique opportunities, they can also seek to make significant changes in their volume of purchases, represent a large number of competing products, negotiate more favorable terms and seek price reductions, which could negatively impact our financial results.

Our operations may be adversely affected by failure to maintain or renegotiate distribution, supply, manufacturing or license agreements on favorable terms.

We have a number of distribution, supply, manufacturing and license agreements for our supplies and products. These agreements vary depending on the particular supply and/or product, but tend to be for a fixed number of years. There can be no assurance that we will be able to renew these agreements on favorable terms or that these agreements will not be terminated. Termination of these agreements or failure to renew these agreements on favorable terms could have a negative effect on our results of operations and financial condition.

If we are unable to effectively manage organizational productivity and global supply chain efficiency and flexibility, then our business could be adversely affected.

We need to continually evaluate our organizational productivity and supply chains and assess opportunities to reduce costs. We must also enhance quality, speed and flexibility to meet changing and uncertain market conditions. Our success also depends in part on refining our cost structure and supply chains so that we have flexibility and are able to respond to market pressures to protect profitability and cash flow or ramp up quickly and effectively to meet demand. Failure to achieve the desired level of quality, capacity or cost reductions could adversely affect our financial results. Despite our efforts to control costs and increase efficiency in our facilities, increased competition could still cause us to realize lower operating margins and profitability.

Our operating results may fluctuate significantly, which may cause the market price of our common stock to decrease significantly.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control. As a result of these fluctuations, financial planning and forecasting may be more difficult and comparisons of our operating results on a period-to-period basis may not necessarily be meaningful. Accordingly, you should not rely on our annual and quarterly results of operations as any indication of future performance. Each of the risk factors described in this “Risks Related to Our Business” section, and the following factors, may affect our operating results:

- our ability to continue to attract clients for our services and products;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our businesses, operations and infrastructure;
- our focus on long-term goals over short-term results;
- the results of our investments in high risk products;
- general economic conditions and those economic conditions specific to our industries;
- changes in business cycles that affect the markets in which we sell our products and services; and
- geopolitical events such as war, threat of war or terrorist actions.

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In response to these fluctuations, the value of our common stock could decrease significantly in spite of our operating performance. In addition, our business, and the alcoholic beverage business, has historically been cyclical and seasonal in nature, reflecting overall economic conditions as well as client budgeting and buying patterns.

The cyclicality and seasonality in our business could become more pronounced and may cause our operating results to fluctuate more widely.

We have a history of losses, have generated limited revenue to date, and may continue to suffer losses in the future.

We have a history of losses and have generated limited revenue to date. We expect to continue to incur losses for the foreseeable future. If we cannot become profitable, our financial condition will deteriorate, and we may be unable to achieve our business objectives, including without limitation, having to cease operations due to a lack of capital.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available may require us to delay, scale back or cease our marketing or product development activities and operations.

We will require substantial additional capital in order to continue the marketing of our existing products and complete the development of our contemplated products. Raising funds in the current economic climate may be difficult and additional funding may not be available on acceptable terms, or at all.

The amount and timing of our future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- the number and characteristics of products that we pursue;
- our potential need to expand operations, including the hiring of additional employees;
- the costs of licensing, acquiring or investing in complimentary businesses, products and technologies;
- the effect of any competing technological or market developments;
- the need to implement additional internal systems and infrastructure, including financial and reporting systems;
- obtaining market acceptance of our alcohol-infused popsicles and ice cream; and
- the economic and other terms, timing of and success of our co-branding, licensing, collaboration or marketing relationships into which we have entered or may enter in the future.

Some of these factors are outside of our control. We will require an additional capital infusion in order to expand the marketing of our alcohol-infused popsicles and ice cream to all 50 states. Such additional fundraising efforts may divert our management from our day-to-day activities, which may adversely affect our ability to develop and market our alcohol-infused products. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional capital when required or on acceptable terms, we may be required to significantly delay, scale back or discontinue the development or marketing of one or more of our products or product candidates or curtail our operations, which will have a Material Adverse Effect on our business, operating results and prospects.

We may sell additional equity or debt securities or enter into other arrangements to fund our operations, which may result in dilution to our stockholders and impose restrictions or limitations on our business.

We may seek additional funding through a combination of equity offerings, debt-financings, or other third party funding or other collaborations, strategic alliances or licensing arrangements. These financing activities may have an adverse impact on our stockholders' rights as well as our operations. For instance, any debt financing may impose restrictive covenants on our operations or otherwise adversely affect the holdings or the rights of our stockholders. In addition, if we seek funds through arrangements with partners, these arrangements may require us to relinquish rights to some of our technologies, products or product candidates or otherwise agree to terms unfavorable to us.

Acquisitions we pursue in our industry and related industries could result in operating difficulties, dilution to our stockholders and other consequences harmful to our business.

As part of our growth strategy, we may selectively pursue strategic acquisitions in our industry and related industries. We may not be able to consummate such acquisitions, which could adversely impact our growth. If we do consummate acquisitions, integrating an acquired company, business or technology may result in unforeseen operating difficulties and expenditures, including:

- increased expenses due to transaction and integration costs;
- potential liabilities of the acquired businesses;
- potential adverse tax and accounting effects of the acquisitions;
- diversion of capital and other resources from our existing businesses;
- diversion of our management's attention during the acquisition process and any transition periods;
- loss of key employees of the acquired businesses following the acquisition; and
- inaccurate budgets and projected financial statements due to inaccurate valuation assessments of the acquired businesses.

Foreign acquisitions also involve unique risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

Our evaluations of potential acquisitions may not accurately assess the value or prospects of acquisition candidates, and the anticipated benefits from our future acquisitions may not materialize. In addition, future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, including our common stock, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition.

Interruption or failure of our information technology systems could impair our ability to effectively and timely provide our services and products, which could damage our reputation and have an adverse impact on our operating results.

Our systems are vulnerable to damage or interruption from earthquakes, hurricanes, terrorist attacks, floods, fires, power loss, telecommunications failures, computer viruses or other attempts to harm our systems, and similar events. Our facilities are located in areas with a high risk of major earthquakes and are also subject to break-ins, sabotage and intentional acts of vandalism. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. The occurrence of a natural disaster or other unanticipated problems at our Santa Monica, California facility or manufacturing facility located in Orange County, California could result in lengthy interruptions in our projects and our ability to deliver services. An error or defect in the software, a failure in the hardware, a failure of our backup facilities could delay our delivery of products and services and could result in significantly increased production costs, hinder our ability to retain and attract clients and damage our brand if clients believe we are unreliable. Given our reliance on our industry relationships, it could also result in a decrease in our revenues and otherwise adversely affect our business and operating results.

We cannot predict the effect that rapid changes in consumer taste may have on our business or industry.

The alcoholic beverage and dessert industries are rapidly evolving, primarily due to changing consumer preferences and technological developments. The rapid growth of technology and shifting consumer tastes prevent us from being able to accurately predict the overall effect that changing consumer preferences may have on our potential revenue and profitability. If we are unable to develop and effectively market new products that adequately or competitively address the needs of these changing consumer preferences, it could have an adverse effect on our business and growth prospects.

Changes in regulatory standards could adversely affect our business.

Our business is subject to extensive domestic and international regulatory requirements regarding distribution, production, labeling, and marketing. Changes to regulation of the alcohol industry could include increased limitations on advertising and promotional activities or other non-tariff measures that could adversely impact our business. In addition, we face government regulations pertaining to the health and safety of our employees and our consumers as well as regulations addressing the impact of our business on the environment, domestically as well as internationally. Compliance with these health, safety and environmental regulations may require us to alter our manufacturing processes and our sourcing. Such actions could adversely impact our results of operations, cash flows and financial condition, and our inability to effectively and timely comply with such regulations could adversely impact our competitive position.

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Changes in excise taxes, incentives and customs duties related to products containing alcohol could adversely affect our business.

Products containing alcohol are subject to excise taxation in many markets at the federal, state and/or local level. Any increase in federal, state or local excise taxes could have an adverse effect on our business by increasing prices and reducing demand, particularly if excise tax levels increase substantially relative to those for beer and wine. In addition, products containing alcohol are the subject of customs duties in many countries around the world. An unanticipated increase in customs duties in the markets where we may sell our products could also adversely affect our results of operations and cash flows.

Our insurance policies are expensive and only protect us from some business risks, which will leave us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies that we generally maintain include general liability, automobile and property insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. In addition, we do not know if we will be able to obtain and maintain coverage for the business in which we engage. No assurance can be given that an insurance carrier will not seek to cancel or deny coverage after a claim has occurred. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, financial condition and business results.

We face potential product liability and, if successful claims are brought against us, we may incur substantial liability costs. If the use of our products harm customers or third parties or is perceived to harm such persons even when such harm is unrelated to our products, our regulatory approvals could be revoked or otherwise negatively impacted and we could be subject to costly and damaging product liability claims.

The sale and use of our products may expose us to the risks of product liability claims. Product liability claims may be brought against us by consumers or other third parties. In addition, there is a risk that the use of our products could cause our customers to have an adverse health event. If we cannot successfully defend our product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in: impairment of our business reputation; costs due to related litigation; distraction of management’s attention from our primary business; substantial monetary awards to customers or other claimants; the inability to commercialize our products; and/or decreased demand for our products.

We believe our product liability insurance coverage as supplemented by our umbrella insurance policy is sufficient in light of our current financial condition; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability.

We rely on a third-party copacker, with whom we co-developed our proprietary freezing technology, to manufacture our alcohol infused frozen products.

The Company developed its proprietary technology with a third party who is also solely responsible for manufacturing all of our products. The Company is subject to all of the risks inherent in relying upon a third party for all of its products, including the fact that the manufacturer only has facilities in Southern California and is subject to the risk of earthquakes and other disasters. We do not have any other supplier for our products and if anything were to happen to this supplier, including such supplier's business failure, our own business could be materially adversely affected.

Our business is subject to the risks of earthquakes, fires, floods, power outages and other catastrophic events, and to interruption by manmade problems such as terrorism. A disruption at our production facility could adversely impact our results of operations, cash flows and financial condition.

All of our products are produced in one location, which is located in Southern California. A significant natural disaster, such as an earthquake, fire or a flood or a significant power outage could have a material adverse impact on our business, financial condition or operating results. If there were a catastrophic failure at our major production facility, our business would be adversely affected. The loss of a substantial amount of inventory – through fire, other natural or man-made disaster, contamination, or otherwise – could result in a significant reduction in supply of the affected product or products. Similarly, if we experienced a disruption in the supply of our products, our business could suffer. A consequence of any of these supply disruptions could be our inability to meet consumer demand for the affected products for a period of time. In addition, there can be no assurance that insurance proceeds would cover the replacement value of our products or other assets if they were to be lost. In addition, if a catastrophe such as an earthquake, fire, flood or power loss should affect one of the third parties on which we rely, our business prospects could be harmed. Moreover, acts of terrorism could cause disruptions in our business or the business of our third-party service providers, partners, customers or the economy as a whole.

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Others may assert intellectual property infringement claims against us.

We use alcohol products from other companies in the making of our alcohol infused frozen desserts. Infringement or misappropriation claims (or claims for indemnification resulting from such claims) against us may be asserted or prosecuted, regardless of their merit, and any such assertions or prosecutions may adversely affect our business and/or our operating results. Irrespective of the validity or the successful assertion of such claims, we would incur significant costs and diversion of resources relating to the defense of such claims, which could have an adverse effect on our business and/or our operating results.

The inability to successfully manage the growth of our business may have an adverse effect on our operating results.

We expect to experience growth in the number of employees and the scope of our operations. Such growth will result in increased responsibilities for our management. If our management is unable to successfully manage expenses in a manner that allows us to both improve operations and at the same time pursue potential market opportunities, the growth of our business could be adversely impacted, which may, in turn, negatively affect our operating results or financial condition. In addition, we believe that a critical contributor to our success has been our creative culture. As we attempt to grow, we may find it difficult to maintain important aspects of our corporate culture, which could negatively affect our future success.

We operate in a highly regulated area.

The alcohol industry is highly regulated on the national and state levels. These regulations are highly complex and, at times, may even be contradictory. Our failure to comply with these overlapping regulatory structures could materially adversely affect our business, financial condition and results of operation.

Changes in U.S., regional or global economic conditions could adversely affect our profitability.

A decline in economic conditions in the United States or in other regions of the world could lead to a decrease in discretionary consumer spending, which in turn could adversely affect alcoholic type products. In addition, an increase in price levels generally, or in price levels in a particular sector such as the energy sector, could result in a shift in consumer demand away from alcohol type products.

Current global economic challenges may continue, and a recovery may be slow or reverse, adversely impacting our results of operations, cash flows and financial condition.

Stable economic conditions globally, including strong employment, consumer confidence and credit availability, are important not only to the basic health of our consumer markets, but also to our own financial condition. There are presently significant challenges in the global economy, including high unemployment rates, low consumer confidence, record budget deficits and levels of government debt, and fragile credit and housing markets. In addition, instability in the global credit markets, including the recent European economic and financial turmoil related to sovereign debt issues in certain countries, the instability in the geopolitical environment in many parts of the world and other disruptions, may continue to put pressure on global economic conditions. As a result, consumers' increased price consciousness may endure, which may affect consumers' willingness to pay for premium brands as well as the overall level of consumption of products containing alcohol, particularly in bars, restaurants, nightclubs and other public environments where consumers drink spirits. Furthermore, our suppliers and customers could experience cash flow problems, increased costs or reduced availability of financing, credit defaults, and other financial hardships. These factors may increase our bad debt expense, cause us to reduce the levels of unsecured credit that we may provide to customers and otherwise adversely impact our results of operations, cash flows and financial condition. A prolonged global economic stagnation may impact our access to capital markets, result in increased interest rates on debt that we may take on to expand operations, and weaken operating cash flow and liquidity. Decreased cash flow and liquidity could potentially impact our ability to finance operations.

Demand for our alcohol-infused products may be adversely affected by many factors, including changes in consumer preferences and trends.

Consumer preferences may shift due to a variety of factors including changes in demographic and social trends, public health initiatives, product innovations, changes in travel, vacation or leisure activity patterns and a downturn in economic conditions, which may reduce consumers' willingness to purchase products that contain alcohol or cause a shift in consumer preferences toward non-alcoholic alternatives. In addition, concerns about health issues relating to alcohol consumption, dietary effects, regulatory action or any litigation against companies in the industry may have an adverse effect on our business. Our success depends in part on fulfilling available opportunities to meet consumer needs and anticipating changes in consumer preferences with successful new products and product innovations. While we devote significant focus to the development of new products, we may not be successful in their development or these new products may not be commercially successful. In addition, global economic conditions or market trends could cause consumer preferences to trend away from our premium alcohol-infused popsicles and ice cream alternatives, which may also adversely impact our results of operations and cash flows.

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We face substantial competition in our industry and many factors may prevent us from competing successfully.

We compete on the basis of product taste and quality, brand image, price, service and ability to innovate in response to consumer preferences. It is possible that our competitors may either respond to industry conditions or consumer trends more rapidly or effectively or resort to price competition to sustain market share, both of which could adversely affect our sales and profitability. Further, while we believe that our scale, portfolio breadth and entrepreneurial organization relative to that of our competitors gives us the ability to outperform our market, we nevertheless face a risk that a continuing consolidation of the large distilled spirits companies could cause us to experience competitive disadvantages. Our inability to manage these and other competitive factors successfully could adversely affect our results of operations, cash flows and financial condition.

Future tax law changes and/or interpretation of existing tax laws may adversely affect our effective income tax rate and the resolution of unrecognized tax benefits.

We are subject to income taxation in the U.S. It is possible that future income tax legislation may be enacted that could have a material impact on our income tax provision. We believe that our tax estimates are reasonable and appropriate, however, there are inherent uncertainties in these estimates. As a result, the ultimate outcome from any potential audit could be materially different from amounts reflected in our income tax provisions and accruals. Future settlements of income tax audits may have a material effect on earnings between the period of initial recognition of tax estimates in the financial statements and the timing of ultimate tax audit settlement.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders.

Provisions in our charter documents, as well as provisions of Delaware law, could make it more difficult for a third-party to acquire us, even if doing so would benefit our stockholders.

Potential liabilities and costs from litigation and other legal proceedings could adversely affect our business.

From time to time we may be subject to various lawsuits, claims, disputes and investigations in the normal conduct of our operations. These include, but are not limited to, commercial disputes, including purported class actions, employment claims, actions by tax and customs authorities, and environmental matters. Some of these legal proceedings may include claims for substantial or unspecified damages. It is possible that some of the actions could be decided unfavorably and could adversely affect our results of operations, cash flows or financial condition. In addition, because litigation and other legal proceedings can be costly to defend, even actions that are ultimately decided in our favor could have a negative impact on our results of operations and cash flows. If Tara Spencer enforces the Labor Commission judgment against the Company for the amount owed, this may result in a material adverse effect on our financial condition.

Historical financial statements may not be reflective of our future results of operations, cash flows, and financial condition.

Although we believe that you have been provided access to all material information necessary to make an informed assessment of our assets and liabilities, financial position, profits and losses and prospects, historical financial statements do not represent what our results of operations, cash flows, or financial position will be in the future.

Risks Related to Our Common Stock

There currently is only a minimal public market for our common stock. Failure to develop or maintain a trading market could negatively affect the value of our common stock and make it difficult or impossible for you to sell your shares.

There currently is only a minimal public market for shares of our common stock and an active market may never develop. Our common stock is currently subject to quotation on the OTC Pink Market operated by the OTC Market's Group, Inc. under the symbol "PACV". While we plan in connection with the Closing of the Offering of our Series G Preferred Stock to apply for listing of such Preferred Stock on the NASDAQ Capital Market and at the same time apply to the NASDAQ Capital Market for listing our Common Stock, we may not be able to satisfy the listing requirements for our Common Stock to be listed on the NASDAQ Capital Market which are often more widely-traded and liquid markets. Some, but not all, of the factors which may delay or prevent the listing of our Common Stock on a more widely-traded and liquid market include the following: our stockholders' equity may be insufficient; the market value of our outstanding securities may be too low; our net income from operations may be too low; our common stock may not be sufficiently widely held; we may not be able to secure market makers for our common stock; and we may fail to meet the rules and requirements mandated by, any of the several exchanges and markets to have our common stock listed. Reference is made to the disclosure under "The Offering" and specifically to the subcaption "NASDAQ Capital Markets Listing Requirements," above.

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The market price for our common stock is particularly volatile given our status as a relatively unknown company with a small and thinly traded public float, limited operating history and lack of profits which could lead to wide fluctuations in our share price. You may be unable to sell your common stock at or above your conversion price, which may result in substantial losses to you.

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. The volatility in our share price is attributable to a number of factors. First, as noted above, our common stock are sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. Notwithstanding our plan to implement a reverse split at a ratio to be determined by our Board of Directors (reference is made to our Definitive Information Statement on Schedule 14C filed with the SEC on November 26, 2018 [https://www.sec.gov/Archives/edgar/data/882800/000121390018016491/def14c112318_pacificventures.htm], we have not yet determined the ratio or basis for the reverse split nor can we predict, with any certainty, whether the reverse split will result in a corresponding increase in the price of our Common Stock on the OTC Market and any increase in level of trading, which are the primary reasons why we decided to approve a reverse split. The price for our shares could, for example, decline, precipitously or otherwise, in the event that a large number of our common stock are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Secondly, we are a speculative or "risky" investment due to our limited operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products and services. As a consequence of this enhanced risk, more risk-adverse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common stock, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain their current market prices, or as to what effect that the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

The application of the "penny stock" rules could adversely affect the market price of our common stock and increase your transaction costs to sell those shares.

The SEC has adopted rule 3a51-1 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 requires:

that a broker or dealer approve a person's account for transactions in penny stocks, and
the broker or dealer receives from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person, and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination, and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

The application of Rule 144 creates some investment risk to potential investors; for example, existing shareholders may be able to rely on Rule 144 to sell some of their holdings, driving down the price of the shares you purchased.

The SEC adopted amendments to Rule 144 which became effective on February 15, 2008 that apply to securities acquired both before and after that date. Under these amendments, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that: (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding a sale, (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale and (iii) if the sale occurs prior to satisfaction of a one-year holding period, we provide current information at the time of sale.

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Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or at any time during the three months preceding a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the total number of securities of the same class then outstanding (shares of common stock as of the date of this Report); or
- the average weekly trading volume of such securities during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale. Such sales by affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Shannon Masjedi, our majority stockholder, director and chief executive officer, owns a large percentage of our voting stock, which allows her to exercise significant influence over matters subject to stockholder approval.

Shannon Masjedi, our majority stockholder, director and chief executive officer, will have substantial influence over the outcome of corporate actions requiring shareholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. In particular, because our President, Chief Executive Officer, Interim Chief Financial Officer, Treasurer, Secretary and a director, Mrs. Masjedi, who owns 13,864,369 shares of our common stock and 1,000,000 shares of Series E Preferred Stock (with 10 votes per share) as a result of which she will be to exert such influence. This shareholder may also delay or prevent a change of control or otherwise discourage a potential acquirer from attempting to obtain control of us, even if such a change of control would benefit our other shareholders. This significant concentration of stock and voting ownership may adversely affect the value of our common stock due to investors’ perception that conflicts of interest may exist or arise.

We do not intend to pay dividends on our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that the Board of Directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock.

Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.

In recent years, there have been several changes in laws, rules, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") and various other new regulations promulgated by the SEC and rules promulgated by the national securities exchanges. The Dodd-Frank Act, enacted in July 2010, expands federal regulation of corporate governance matters and imposes requirements on publicly-held companies, including us, to, among other things, provide stockholders with a periodic advisory vote on executive compensation and also adds compensation committee reforms and enhanced pay-for-performance disclosures. While some provisions of the Dodd-Frank Act were effective upon enactment, others will be implemented upon the SEC's adoption of related rules and regulations. The scope and timing of the adoption of such rules and regulations is uncertain and accordingly, the cost of compliance with the Dodd-Frank Act is also uncertain.

In addition, Sarbanes-Oxley specifically requires, among other things, that we maintain effective internal control over financial reporting and disclosure of controls and procedures.

These and other new or changed laws, rules, regulations and standards are, or will be, subject to varying interpretations in many cases due to their lack of specificity. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our efforts to comply with evolving laws, regulations and standards are likely to continue to result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Further, compliance with new and existing laws, rules, regulations and standards may make it more difficult and expensive for us to maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. Members of our board of directors and our principal executive officer and principal financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified directors and executive officers, which could harm our business. We continually evaluate and monitor regulatory developments and cannot estimate the timing or magnitude of additional costs we may incur as a result.

Risks Related to Our Acquisition Strategy

We are dependent upon our ability to successfully complete acquisitions to grow our business.

We intend to continue to build our business through strategic acquisitions. During the second quarter of 2018, we closed the acquisition of San Diego Farmers Outlet, Inc., a California corporation ("SDFO"). Reference is made to the disclosure under "Description of Business — Recent Developments and Initiatives," below.

We also intend to pursue and consummate one or more additional acquisitions and to use part of the Offering Proceeds from the sale of our Series G Preferred Stock as well as other funding sources, which have not yet been determined, if any, to fund any cash portion of the consideration we will pay in connection with those acquisitions, including the recently announced agreement to acquire a wholesale food distribution business based in Florida. However, such additional acquisitions may also be subject to conditions and other impediments to closing, including some that are beyond our control, and we may not be able to close any of them successfully, in a timely manner. In addition, our future acquisitions will be required to be closed within certain timeframes as negotiated between us and the acquisition target, and if we are unable to meet the closing deadlines for a given transaction, we may be required to forfeit payments we have made, if any, be forced to renegotiate the transaction on less advantageous terms and could fail to consummate the transaction at all.

While we were able to close the SDFO acquisition, there can be no assurance that we will be able to successfully close any planned or future acquisitions. This could significantly alter our business strategy and impede our prospects for growth. Further, we may not be able to identify suitable acquisition candidates to replace these acquisitions, and even if we were to do so, we may only be able to consummate them on less advantageous terms. In addition, some of the businesses we acquire may incur significant losses from operations, which, in turn, could have a material and adverse impact on our business, results of operations and financial condition.

We may face unforeseen difficulties in the future in fully-integrating the operations of SDFO or any other businesses we have acquired and may acquire in the future. As shown by our acquisition of Snöbar Holdings, acquisitions have been and will continue to be an important component of our growth strategy; however, we will need to integrate these acquired businesses successfully in order for our growth strategy to succeed and for us to become profitable. We expect that the management teams of the acquired businesses will adopt our policies, procedures and best practices, and cooperate with each other in scheduling events, booking talent and in other aspects of their operations. We may face difficulty with the integration of SDFO and any other business we acquire, such as coordinating geographically dispersed organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures, the diversion of management's attention from other business concerns, the inherent risks in entering markets or lines of business in which we have either limited or no direct experience; and the potential loss of key employees, individual service providers, customers and strategic partners of acquired companies.

Further, we expect that future target companies may have material weaknesses in internal controls relating to the proper application of accrual based accounting under the accounting principles generally accepted in the United States of America (“GAAP”) prior to our acquiring them. The Public Company Accounting Oversight Board (the “PCAOB”) defines a material weakness as a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. We will be relying on the proper implementation of our policies and procedures to remedy any such material weaknesses and prevent any potential material misstatements in our financial reporting. Any such misstatement could adversely affect the trading price of our common stock, cause investors to lose confidence in our reported financial information, and subject us to civil and criminal fines and penalties. If our acquired companies fail to integrate in these important ways, or we fail to adequately understand the business operations of our acquired companies, our growth and financial results could suffer.

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We may enter into acquisitions and take actions in connection with such transactions that could adversely affect our business and results of operations.

Our future growth rate depends in part on our selective acquisition of additional businesses and assets. We may be unable to identify suitable targets for acquisition or make further acquisitions at favorable prices. If we identify a suitable acquisition candidate, our ability to successfully complete the acquisition would depend on a variety of factors and may include our ability to obtain financing on acceptable terms and requisite government approvals. In addition, any credit agreements or credit facilities that we may enter into in the future may restrict our ability to make certain acquisitions. In connection with future acquisitions, we could take certain actions that could adversely affect our business, including:

- using a significant portion of our available cash;
- issuing equity securities, which would dilute current stockholders' percentage ownership;
- incurring substantial debt;
- incurring or assuming contingent liabilities, known or unknown;
- incurring amortization expenses related to intangibles; and
- incurring large accounting write-offs or impairments.

We may also enter into joint ventures, which involve certain unique risks, including, among others, risks relating to the lack of full control of the joint venture, potential disagreements with our joint venture partners about how to manage the joint venture, conflicting interests of the joint venture, requirement to fund the joint venture and its business not being profitable.

In addition, we cannot be certain that the due diligence investigation that we conduct with respect to any investment or acquisition opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. For example, instances of fraud, accounting irregularities and other deceptive practices can be difficult to detect. Executive officers, directors and employees may be named as defendants in litigation involving a company we are acquiring or have acquired. Even if we conduct extensive due diligence on a particular investment or acquisition, we may fail to uncover all material issues relating to such investment, including regarding controls and procedures of a particular target or the full scope of its contractual arrangements. We rely on our due diligence to identify potential liabilities in the businesses we acquire, including such things as potential or actual lawsuits, contractual obligations or liabilities imposed by government regulation. However, our due diligence process may not uncover these liabilities, and where we identify a potential liability, we may incorrectly believe that we can consummate the acquisition without subjecting ourselves to that liability. Therefore, it is possible that we could be subject to litigation in respect of these acquired businesses. If our due diligence fails to identify issues specific to an investment or acquisition, we may obtain a lower return from that transaction than the investment would return or otherwise subject ourselves to unexpected liabilities. We may also be forced to write-down or write-off assets, restructure our operations or incur impairment or other charges that could result in our reporting losses. Charges of this nature could contribute to negative market perceptions about us or our shares of common stock.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our Series G Preferred Stock in this offering will be $9,150,000, based on the public offering price of $25.00 per share, after deducting Placement Agent fees of $700,000, assuming all of the shares of Series G Preferred Stock are sold as a result of the efforts of the Placement Agents, and estimated Offering expenses. Until we qualify for listing of our Common Stock and Series G Preferred Stock on the NASDAQ Capital Market, whether as a result of: (i) the receipt of sufficient Offering Proceeds from the issuance and sale of the Series G Preferred Stock subject to this Offering; or (ii) receipt of Offering Proceeds together with revenues from our operations, our plan is to place the Offering Proceeds in an account established for the purpose the holding the proceeds from the sale of Series G Preferred Stock pursuant to this Offering, whether in an escrow, trust or similar account, until we qualify for listing on the NASDAQ Capital Market, of which there can be no assurance, at which time the Offering Proceeds will be released to the Company and the Closing of the Offering will occur.

We intend to use the net proceeds of this offering to grow our business. We will use approximately 80% of the net proceeds of the Offering for financing acquisitions and will use the remaining 20% of the net proceeds for working capital and general corporate purposes to support our product line growth. We will also use the proceeds to pay the legal, accounting and other fees associated with this offering of approximately $100,000. Although we may have to adjust the amounts we will be able to pay for these items and our working capital would be less if we sold less than the maximum amount offered, we do not believe our inability to raise any minimum amount in this offering will have a material impact on us.

We will place proceeds equal to 18 months of dividends ($1,650,000 based on gross Offering proceeds of $10,000,000 or 100% of Series G Preferred, $1,105,500 based on gross Offering proceeds of $6,666,667 or 67% of Series G Preferred and $544,500 or 33% based on gross Offering proceeds of $3,333,333 of Series G Preferred) into a separate bank account to be used to pay Series G Preferred Stock dividends, however.

Other than the items specified above, we have not allocated any specific portion of the net proceeds to any particular purpose, and our management will have the discretion to allocate the proceeds as it determines. Furthermore, the amount and timing of our actual expenditures will depend on numerous factors, including the cash used in or generated by our operations, the pace of the integration of acquired businesses, the level of our sales and marketing activities and the attractiveness of any additional acquisitions or investments.

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CAPITALIZATION

Set forth below is our cash and capitalization as of September 30, 2018:

- on an actual basis;
- on a pro forma as adjusted basis, reflecting the issuance of 400,000 shares of Series G Preferred Stock offered by this prospectus, at $25.00 per share, assuming net proceeds of approximately $9,150,000, after deducting placement agent fees and estimated offering expenses of $150,000 payable by us. If we sold 67% or 33% of the maximum amount offered, our net proceeds would be approximately $6,081,000 or $2,919,000, respectively.

The information below should be read in conjunction with our unaudited consolidated financial statements for the nine months ended September 30, 2018. These financial statements should also be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations.

As of September 30, 2018 (unaudited)

		Pro Forma As Adjusted		
	Actual	33% of Maximum	67% of Maximum	Maximum
Cash	$419,214	$3,338,214	$6,500,214	$9,569,214
Current liabilities	1,879,966	$1,879,966	$1,879,966	$1,879,966
Long-term debt, net of current portion	2,232,279	$2,232,279	$2,232,279	$2,232,279
Total liabilities	4,112,245	$4,112,245	$4,112,245	$4,112,245
Shareholders' equity				
Series E Convertible Preferred stock, $0.001 par value, authorized 10,000,000 shares; issued and outstanding, 1,000,000 shares actual and 1,000,000 pro forma as adjusted	1,000	$1,000	$1,000	$1,000
Series G Preferred stock, $0.001 par value, authorized 2,000,000 shares; Series C Preferred Stock issued and outstanding, 0 shares actual and 132,000, 268,000 and 400,000 pro forma as adjusted at 33%, 67% and 100% of maximum offering	0	132	268	400
Common stock, $0.001 par value - authorized, 500,000,000 shares; 98,963,753 shares actual outstanding	98,138	$98,138	$98,138	$98,138
Additional paid-in capital	4,641,674	$7,560,542	$10,722,406	$13,791,274
Accumulated deficit	(7,023,467)	$(7,023,467)	$(7,023,467)	$(7,023,467)
Total shareholders' equity (deficit)	(2,282,655)	$636,345	$3,798,345	$6,867,345
Total liabilities and stockholders' equity	$1,829,590	$4,748,590	$7,910,590	$10,979,590

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PACIFIC VENTURES GROUP, INC.

Condensed Consolidated Balance Sheets

For the nine months ended September 30, 2018	December 31, 2017