

Bergio International, Inc.  
Form 10-K  
March 30, 2016

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

**FORM 10-K**

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

For the fiscal year ended: **December 31, 2015**

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**Commission File No. 333-150029**

**BERGIO INTERNATIONAL, INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**27-1338257**  
(IRS Employer Identification Number)

**12 Daniel Road E.**

**Fairfield, NJ**  
(Address of principal executive offices)

**07007**  
(Zip Code)

Registrant's telephone number, including area code: **(973) 227-3230**

Securities registered pursuant to Section 12(b) of the Act: **None**

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Securities registered pursuant to Section 12(g) of the Act: **Common Stock, par value \$0.00001**

Indicate by checkmark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by checkmark if registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by checkmark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

The aggregate market value of the voting and non-voting common stock (par value \$0.00001 per share) held by non-affiliates on June 30, 2015 (the last business day of our most recently completed second fiscal quarter) was \$43,566 using the closing price on June 30, 2015.

As of March 24, 2016, the registrant had 69,272,518 shares of common stock, par value \$0.00001 per share, outstanding.

Documents Incorporated By Reference: **None.**

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**BERGIO INTERNATIONAL, INC.**

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Included in this Annual Report on Form 10-K are forward-looking statements, as well as historical information. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including matters described in the section titled Risk Factors. Forward-looking statements include those that use forward-looking terminology, such as the words anticipate, believe, estimate, expect, intend, may, project, shall, should, and similar expressions, including when used in the negative. Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, these statements involve risks and uncertainties and we cannot assure you that actual results will be consistent with these forward-looking statements. Important factors that could cause our actual results, performance or achievements to differ from these forward-looking statements include the following:

the availability and adequacy of our cash flow to meet our requirements;

economic, competitive, demographic, business and other conditions in our local and regional markets;

changes in our business and growth strategy;

changes or developments in laws, regulations or taxes in the entertainment industry;

actions taken or not taken by third-parties, including our contractors and competitors;

the availability of additional capital; and

other factors discussed elsewhere in this Annual Report.

All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. We undertake no obligation to update or revise these forward-looking statements, whether to reflect events or circumstances after the date initially filed or published, to reflect the occurrence of unanticipated events or otherwise unless required by applicable law.





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**PART I**

**Item 1. Business**

**Company Overview**

We were incorporated as Alba Mineral Exploration, Inc. on July 24, 2007, in the State of Delaware for the purpose of engaging in the exploration of mineral properties. On October 21, 2009, we entered into an exchange agreement (the Exchange Agreement) with Diamond Information Institute, Inc. (Diamond Information Institute), whereby we acquired all of the issued and outstanding common stock of Diamond Information Institute and changed the name of the company to Bergio International, Inc. (we, us, our, Bergio, or the Company).

It is our intention to establish Bergio as a holding company for the purpose of acquiring established jewelry design and manufacturing firms who possess branded product lines. Branded product lines are products and/or collections whereby the jewelry manufacturers have established their products within the industry through advertising in consumer and trade magazines as well as possibly obtaining federally registered trademarks of their products and collections. This is in line with our strategy and belief that a brand name can create an association with innovation, design and quality which helps add value to the individual products as well as facilitate the introduction of new products.

We intend to acquire design and manufacturing firms throughout the United States and Europe. We intend to locate potential candidates through our relationships in the industry. However, as of the date of this report, we do not have any binding agreements with any potential acquisition candidates.

On March 5, 2014, the Company formed a wholly-owned subsidiary called Crown Luxe, Inc. in the State of Delaware (Crown Luxe). Crown Luxe was established to operate the Company's first retail store, which was opened in Bergen County, New Jersey in the fourth quarter of 2014. It is our intent to provide another area for growth by establishing retail outlets for the Company's products.

On June 1, 2015, the Company acquired a 51% interest in R.S. Fisher, Inc., a Delaware corporation, in exchange for funding the company's operations. The minority shareholder contributed jewelry molds and inventory valued at \$349,292.

Our future operations are contingent upon increasing revenues and raising capital for on-going operations and expansion of our product lines. Because we have a limited operating history, you may have difficulty evaluating our business and future prospects.

### **Principal Products and Services**

Our products consist of a wide range of unique jewelry styles and designs made from precious metals such as gold, platinum and Karat gold, as well as other precious stones. We continuously innovate and change our designs based upon consumer trends. As a result of new designs being created we believe we are able to differentiate ourselves from our competition and strengthen our brands. We sell our products to our customers at price points that reflect the market price of the base material as well as design and processing fees.

We believe that we are a trendsetter in jewelry manufacturing. As a result, we come out with a variety of products throughout the year that we believe have commercial potential to meet what we feel are new trends within the industry. The Bergio designs consist of upscale jewelry that includes white diamonds, yellow diamonds, pearls, and colored stones, in 18K gold, platinum, and palladium. We currently design and produce approximately 100 to 150 product styles. Current retail prices for our products range from \$400 to \$200,000.

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Our product range is divided into three fashion lines: (i) an 18K gold line, (ii) a bridal line, and (iii) a couture and/or one of kind pieces. Our Chief Executive Officer and director, Mr. Abajian, consults regularly with the design teams of his Italian manufacturers to design and create new products and product lines. Typically, new products come on line approximately every year and most recently, Bergio collections include Byzantine, Cestino, and Safari Collections, which consist of approximately 35 pieces made with pink gold and diamonds. Our offerings also include the Sistina and Rocca Collections. Depending on the timing and styling at any point in time, our products and collections would fall in one of the various categories shown below:

1.

Whimsical. The whimsical line includes charms, crosses and other add-on pieces.

2.

Fine. The proposed middle line will consist of fashion jewelry utilizing colored stones, diamonds and pearls applied to a variety of applications such as necklaces, pendants, earrings, bracelets and rings. The metals that we intend to use for the Middle line include platinum, 18K white & yellow gold.

3.

Couture. The Couture line is our most luxurious line, and consists of one-of-a-kind pieces, new showcase products each year, and predominantly utilizes diamonds, platinum and other precious metals and stones of the highest grade and quality available.

4.

Bridal. The Bridal line is our core business. We attempt to stay on the forefront of trends and designs in the bridal market with the latest in wedding sets, engagement rings and wedding bands for both men and women.

Each year, we attempt to expand and/or enhance these lines, while constantly seeking to identify trends that we believe exist in the market for new styles or types of merchandise. Design and innovation are the primary focus of our manufacturing and we are less concerned with the supply and capacity of raw materials. Mr. Abajian with his contacts, which are located mostly overseas, regularly meets to discuss, conceptualize and develop Bergio's various products and collections. When necessary, additional suppliers and design teams can be brought in as needed. Management intends to maintain a diverse line of jewelry to mitigate concentration of sales and continuously expand

our market reach.

### **Competition and Market Overview**

The jewelry design and manufacture industry is extremely competitive and has low barriers to entry. We compete with other jewelry designers and manufacturers of upscale jewelry as well as retail jewelry stores. There are over 2,500 jewelry design and manufacture companies worldwide, several of which have greater experience, brand name recognition and financial resources than Bergio.

Our management believes that the jewelry industry competes in the global marketplace and therefore must be adaptable to remain competitive. Recently the U.S. economy has encountered a slowdown and Bergio anticipates the U.S. economy will most likely remain weak at least through the end of 2016. Consumer spending for discretionary goods such as jewelry is sensitive to changes in consumer confidence and ultimately consumer confidence is affected by general business considerations in the U.S. economy. Consumer discretionary spending generally declines during times of falling consumer confidence, which may affect the retail sale of our products. U.S. consumer confidence reflected these slowing conditions throughout 2014 and into 2015. The impact of the slowing U.S. economy is not usually known until the third quarter of any given year in our industry, thus it is hard to estimate the actual impact the slowing economy will have on our business.

We believe that a stronger economy, more spending by young professionals with an overall trend toward luxury products will lead to future growth. Therefore, we intend to make strong efforts to maintain our brand in the industry through our focus on the innovation and design of our products as well as being able to consolidate and increase cost efficiency when possible through acquisitions.

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**Marketing and Distribution**

We have historically sold our products directly to distributors, retailers and other wholesalers, who then in turn sell their products to consumers through retail stores. Independent retail jewelers that offer the current Bergio line are not under formal contracts and most sell competing products as well.

We currently sell our jewelry to approximately 50 independent jewelry retailers across the United States, and have spent over \$3 million in branding the Bergio name through tradeshow, trade advertising, national advertising and billboard advertising since launching the line in 1995. Our products consist of a wide range of unique styles and designs made from precious metals such as, gold, platinum, and Karat gold, as well as diamonds and other precious stones. We have manufacturing control over our line as a result of having a manufacturing facility in New Jersey as well as subcontracts with facilities in Italy.

**Customers**

During the years ended December 31, 2015 and 2014, the Company had no single customer that accounted for over 5% or more of our annual sales.

Sales to customers in Russia represented 0% and 55.9% of total sales for the years ended December 31, 2015 and 2014, respectively. The Company has no other sales outside the U.S. As of October 1, 2014, the Company ceased operations in Russia due to the economic, currency and political condition in Russia. The Company intends to concentrate on its domestic operations and its retail operations.

As of December 31, 2015, one customer represented 11.9% of net accounts receivable. As of December 31, 2014, two customers represented 60.1% and 13.7%, respectively, of the Company's net accounts receivable.

All of our sales are generated from our customer base of 50 customers.

**Sources and Availability of Raw Materials and Principal Suppliers**

Most of the inventory and raw materials we purchase occurs through our manufacturers located in Europe. The inventory that we directly maintain is based on recent sales and revenues of our products but ultimately is at the discretion of Mr. Abajian, and his experience in the industry. Our inventories are commodities that can be incorporated into future products or can be sold on the open market. Additionally, we perform physical inventory inspections on a quarterly basis to assess upcoming styling needs and consider the current pricing in metals and stones needed for our products.

We acquire all raw gemstones, precious metals and other raw materials used for manufacturing our products on the open market. We are not constrained in our purchasing by any contracts with any suppliers and acquire raw material based upon, among other things, availability and price on the open wholesale market.

Product for U.S. consumption is now produced in our facility in Fairfield, New Jersey and 5% is contracted to our manufacturing supplier in Italy, who procures the raw materials in accordance with the specifications and designs submitted by Bergio. However, the general supply of precious metals and stones used by us can be reasonably forecast even though the prices will fluctuate. Any price differentials in the precious metals and stones will typically be passed on to the customer.

For the raw materials not procured by contracted manufacturers, we have approximately five suppliers that compete for our business, with our largest gold suppliers being ASD Casting Inc. Most of our precious stones are purchased from various diamond dealers. We do not have any formal agreements with any of our suppliers but have established an ongoing relationship with each of our suppliers.

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**Intellectual Property**

Bergio is a federally registered trademarked name that we own. Since the first trademark of Bergio was filed, all advertising, marketing, trade shows and overall presentation of our product to the public has prominently displayed this trademark. As additional lines are designed and added to our products, we may trademark new names to distinguish particular products and jewelry lines.

**Research and Development**

There were no expenses incurred for research and development in 2015 and 2014.

**Employees**

As of March 24, 2016, we had three full-time employees and three part-time employees. Of our current employees, one is sales and marketing personnel, two are manufacturing and three hold administrative and executive positions. No personnel are covered by a collective bargaining agreement. We use the services of independent consultants and contractors from time to time when needed.

**Environmental Regulation and Compliance**

The United States environmental laws do not materially impact our manufacturing as we are using state of the art equipment that complies with all relevant environmental laws.

Approximately 5% of the Company's manufacturing is contracted to quality suppliers in the vicinity of Valenza, Italy, with the remaining 95% of setting and finishing work being conducted in our Fairfield, New Jersey facility. The setting and finishing work done in our New Jersey facility involves the use of precision lasers, rather than using old soldering procedures which uses gas and oxygen to assemble different elements. Soap and water is used as a standard to clean the jewelry. Also, a standard polishing compound is used for the finishing work but it does not have a material impact on our cost and effect of compliance with environmental laws.

### **Government Regulation**

Currently, we are subject to all of the government regulations that regulate businesses generally such as compliance with regulatory requirements of federal, state, and local agencies and authorities, including regulations concerning workplace safety, labor relations, and disadvantaged businesses. In addition, our operations are affected by federal and state laws relating to marketing practices in the retail jewelry industry. We are subject to the jurisdiction of federal, various state and other taxing authorities. From time to time, these taxing authorities review or audit our business.

### **Where You Can Find More Information**

Our website address is [www.bergio.com](http://www.bergio.com). We do not intend our website address to be an active link or to otherwise incorporate by reference the contents of the website into this Report. The public may read and copy any materials the Company files with the U.S. Securities and Exchange Commission (the "SEC") at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0030. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.



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**Item 1A. Risk Factors.**

**Risks Related To Our Business and Industry**

***WE HAVE HAD LIMITED OPERATIONS, HAVE INCURRED LOSSES SINCE INCEPTION, HAVE SUFFICIENT CASH TO SUSTAIN OUR OPERATIONS FOR A PERIOD OF APPROXIMATELY TWO MONTHS, AND WE NEED ADDITIONAL CAPITAL TO EXECUTE OUR BUSINESS PLAN.***

For the year ended December 31, 2015, we incurred a net loss of \$1,150,250 and used cash of \$246,689 in operations. As of December 31, 2015, we have an accumulated deficit of \$7,242,926. We will require additional funds through the receipt of conventional sources of capital or through future sales of our common stock, until such time as our revenues are sufficient to meet our cost structure, and ultimately achieve profitable operations. We currently have sufficient cash and credit availability to sustain our operations for a period of approximately two months. Management estimates that it will need approximately \$500,000 over the next twelve months to fund all of the Company's current product development and marketing projects. There is no assurance we will be successful in raising additional capital or achieving profitable operations. Wherever possible, our board of directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of restricted and unrestricted shares of our common stock. These actions will result in dilution of the ownership interests of existing stockholders and may further dilute common stock book value, and that dilution may be material.

***A DECLINE IN DISCRETIONARY CONSUMER SPENDING MAY ADVERSELY AFFECT OUR INDUSTRY, OUR OPERATIONS, AND ULTIMATELY OUR PROFITABILITY.***

Luxury products, such as fine jewelry, are discretionary purchases for consumers. Any reduction in consumer discretionary spending or disposable income may affect the jewelry industry more significantly than other industries. Many economic factors outside of our control could affect consumer discretionary spending, including the financial markets, consumer credit availability, prevailing interest rates, energy costs, employment levels, salary levels, and tax rates. Any reduction in discretionary consumer spending could materially adversely affect our business and financial condition.

***OUR OPERATING RESULTS MAY BE ADVERSELY IMPACTED BY WORLDWIDE POLITICAL AND ECONOMIC UNCERTAINTIES AND SPECIFIC CONDITIONS IN THE MARKETS WE ADDRESS.***

In the recent past, general worldwide economic conditions have experienced a downturn due to slower economic activity, concerns about inflation, increased energy costs, decreased consumer confidence, reduced corporate profits and capital spending, and adverse business conditions. Any continuation or worsening of the current global economic and financial conditions could materially adversely affect (i) our ability to raise, or the cost of, needed capital, (ii) demand for our current and future products and (iii) our ability to commercialize products. We cannot predict the timing, strength, or duration of any economic slowdown or subsequent economic recovery, worldwide, or in the display industry.

***THE LOSS OF THE SERVICES OF OUR KEY EMPLOYEES, PARTICULARLY THE SERVICES RENDERED BY OUR CHIEF EXECUTIVE OFFICER AND DIRECTOR, MR. BERGE ABAJIAN, COULD HARM OUR BUSINESS.***

We believe our success will depend, to a significant extent, on the efforts and abilities of Berge Abajian, our Chief Executive Officer. If we lost Mr. Abajian, we would be forced to expend significant time and money in the pursuit of a replacement, which would result in both a delay in the implementation of our business plan and the diversion of limited working capital. We can give you no assurance that we could find a satisfactory replacement for Mr. Abajian at all, or on terms that are not unduly expensive or burdensome.

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***OUR FUTURE SUCCESS DEPENDS UPON, IN LARGE PART, OUR CONTINUING ABILITY TO ATTRACT AND RETAIN QUALIFIED PERSONNEL.***

If we grow and implement our business plan, we will need to add managerial talent to support our business plan. There is no guarantee that we will be successful in adding such managerial talent. These professionals are regularly recruited by other companies and may choose to change companies. Given our relatively small size compared to some of our competitors, the performance of our business may be more adversely affected than our competitors would be if we lose well-performing employees and are unable to attract new ones.

***BECAUSE WE INTEND TO ACQUIRE BUSINESSES AND SUCH ACTIVITY INVOLVES A NUMBER OF RISKS, OUR CORE BUSINESS MAY SUFFER.***

We may consider acquisitions of assets or other business. Any acquisition involves a number of risks that could fail to meet our expectations and adversely affect our profitability. For example:

.

The acquired assets or business may not achieve expected results;

.

We may incur substantial, unanticipated costs, delays or other operational or financial problems when integrating the acquired assets;

.

We may not be able to retain key personnel of an acquired business;

.

Our management's attention may be diverted; or

Our management may not be able to manage the acquired assets or combined entity effectively or to make acquisitions and grow our business internally at the same time.

If these problems arise we may not realize the expected benefits of an acquisition.

***BECAUSE THE JEWELRY INDUSTRY IN GENERAL IS AFFECTED BY FLUCTUATIONS IN THE PRICES OF PRECIOUS METALS AND PRECIOUS AND SEMI-PRECIOUS STONES, WE COULD EXPERIENCE INCREASED OPERATING COSTS THAT WILL AFFECT OUR BOTTOM LINE.***

The availability and prices of gold, diamonds, and other precious metals and precious and semi-precious stones may be influenced by cartels, political instability in exporting countries and inflation.

Shortages of these materials or sharp changes in their prices could have a material adverse effect on our results of operations or financial condition. A significant change in prices of key commodities, including gold, could adversely affect our business or reduce operating margins and impact consumer demand if retail prices increased significantly, even though we historically incorporate any increases in the purchase of raw materials to our consumers. Additionally, a significant disruption in our supply of gold or other commodities could decrease the production and shipping levels of our products, which may materially increase our operating costs and ultimately affect our profit margins.

***BECAUSE WE DEPEND ON OUR ABILITY TO IDENTIFY AND RESPOND TO FASHION TRENDS, IF WE MISJUDGE THESE TRENDS, OUR ABILITY TO MAINTAIN AND GAIN MARKET SHARE WILL BE EFFECTED.***

The jewelry industry is subject to rapidly changing fashion trends and shifting consumer demands. Accordingly, our success may depend on the priority that our target customers place on fashion and our ability to anticipate, identify, and capitalize upon emerging fashion trends. If we misjudge fashion trends or are unable to adjust our products in a timely manner, our net sales may decline or fail to meet expectations and any excess inventory may be sold at lower prices.



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***OUR ABILITY TO MAINTAIN OR INCREASE OUR REVENUES COULD BE HARMED IF WE ARE UNABLE TO STRENGTHEN AND MAINTAIN OUR BRAND IMAGE.***

We have spent significant amounts of time and money in branding our Bergio and Bergio Bridal lines. We believe that primary factors in determining customer buying decisions, especially in the jewelry industry, are determined by price, confidence in the merchandise and quality associated with a brand. The ability to differentiate products from competitors of the Company has been a factor in attracting consumers. However, if the Company's ability to promote its brand fails to garner brand recognition, its ability to generate revenues may suffer. If the Company fails to differentiate its products, its ability to sell its products wholesale will be adversely affected. These factors could result in lower selling prices and sales volumes, which could adversely affect its financial condition and results of operations.

***IF WE WERE TO EXPERIENCE SUBSTANTIAL DEFAULTS BY OUR CUSTOMERS ON ACCOUNTS RECEIVABLE, THIS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR LIQUIDITY AND RESULTS OF OPERATIONS.***

As of December 31, 2015, approximately \$51,000 of our working capital consists of accounts receivable from customers. If customers responsible for a large amount of accounts receivable were to become insolvent or otherwise unable to pay for our products, or to make payments in a timely manner, our liquidity and results of operations could be materially adversely affected. An economic or industry downturn could materially affect the ability to collect these accounts receivable, which could then result in longer payment cycles, increased collections costs and defaults in excess of management's expectations. A significant deterioration in the ability to collect on accounts receivable could affect our cash flow and working capital position.

***WE MAY NOT BE ABLE TO INCREASE SALES OR OTHERWISE SUCCESSFULLY OPERATE OUR BUSINESS, WHICH COULD HAVE A SIGNIFICANT NEGATIVE IMPACT ON OUR FINANCIAL CONDITION.***

We believe that the key to our success is to increase our revenues and available cash. We may not have the resources required to promote our business and its potential benefits. If we are unable to gain market acceptance of our business, we will not be able to generate enough revenue to achieve and maintain profitability or to continue our operations.

We may not be able to increase our sales or effectively operate our business. To the extent we are unable to achieve sales growth, we may continue to incur losses. We may not be successful or make progress in the growth and operation of our business. Our current and future expense levels are based on operating plans and estimates of future sales and revenues and are subject to increase as strategies are implemented. Even if our sales grow, we may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall.

Further, if we substantially increase our operating expenses to increase sales and marketing, and such expenses are not subsequently followed by increased revenues, our operating performance and results would be adversely affected and, if sustained, could have a material adverse effect on our business. To the extent we implement cost reduction efforts to align our costs with revenue, our sales could be adversely affected.

***WE MAY BE UNABLE TO MANAGE GROWTH, WHICH MAY IMPACT OUR POTENTIAL PROFITABILITY.***

Successful implementation of our business strategy requires us to manage our growth. Growth could place an increasing strain on our management and financial resources. To manage growth effectively, we will need to:

.

Establish definitive business strategies, goals and objectives;

.

Maintain a system of management controls; and

.

Attract and retain qualified personnel, as well as, develop, train and manage management-level and other employees.

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If we fail to manage our growth effectively, our business, financial condition or operating results could be materially harmed, and our stock price may decline.

**Risks Related to Our Common Stock**

***OUR COMMON STOCK IS CURRENTLY QUOTED ON THE OTC MARKETS (PINK SHEETS), WHICH MAY HAVE AN UNFAVORABLE IMPACT ON OUR STOCK PRICE AND LIQUIDITY.***

Our common stock is quoted on the Pink Sheets, an over-the-counter electronic quotation system maintained by the OTC Markets. The quotation of our shares on the Pink Sheets may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

***THERE IS LIMITED LIQUIDITY ON THE PINK SHEETS, WHICH ENCHANCES THE VOLATILE NATURE OF OUR EQUITY.***

When fewer shares of a security are being traded on the Pink Sheets, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of our common stock, there may be a lower likelihood that orders for shares of our common stock will be executed, and current prices may differ significantly from the price that was quoted at the time of entry of the order.

***OUR COMMON STOCK IS CONSIDERED A PENNY STOCK, AND IS SUBJECT TO ADDITIONAL SALE AND TRADING REGULATIONS THAT MAY MAKE IT MORE DIFFICULT TO SELL.***

Our common stock is considered to be a penny stock since it does not qualify for one of the exemptions from the definition of penny stock under Section 3a51-1 of the Exchange Act. Our common stock is a penny stock because it meets one or more of the following conditions (i) the stock trades at a price less than \$5.00 per share; (ii) it is not traded on a recognized national exchange; (iii) it is not quoted on the Nasdaq Stock Market, or even if so, has a price less than \$5.00 per share; or (iv) is issued by a company that has been in business less than three years with net tangible assets less than \$5 million.



The principal result or effect of being designated a penny stock is that securities broker-dealers participating in sales of our common stock will be subject to the penny stock regulations set forth in Rules 15c-2 through 15c-9 promulgated under the Exchange Act. For example, Rule 15c-2 requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document at least two business days before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15c-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor.

This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult and time consuming for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

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***OUR CURRENT CHIEF EXECUTIVE OFFICER AND SOLE DIRECTOR, MR. BERGE ABAJIAN HAS SUFFICIENT VOTING POWER TO CONTROL THE VOTE ON SUBSTANTIALLY ALL CORPORATE MATTERS.***

Berge Abajian, our Chief Executive Officer and sole director has sufficient voting power to control the vote on substantially all corporate matters. Accordingly, Mr. Abajian will be able to determine the composition of our board of directors, will retain the effective voting power to approve all matters requiring shareholder approval, will prevail in matters requiring shareholder approval, including, in particular the election and removal of directors, and will continue to have significant influence over our business. As a result of his ownership and position in the Company, Mr. Abajian is able to influence all matters requiring shareholder action, including significant corporate transactions.

***TRADING OF OUR STOCK MAY BE RESTRICTED BY THE U.S. SECURITIES & EXCHANGE COMMISSION'S PENNY STOCK REGULATIONS, WHICH MAY LIMIT A STOCKHOLDER'S ABILITY TO BUY AND SELL OUR STOCK.***

The U.S. Securities and Exchange Commission has adopted regulations which generally define penny stock to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term accredited investor refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the U.S. Securities and Exchange Commission, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

***WE CURRENTLY HAVE A LIMITED ACCOUNTING STAFF, AND IF WE FAIL TO DEVELOP OR MAINTAIN AN EFFECTIVE SYSTEM OF INTERNAL CONTROLS, WE MAY NOT BE ABLE TO REPORT OUR FINANCIAL RESULTS TIMELY AND ACCURATELY OR PREVENT FRAUD, WHICH WOULD LIKELY HAVE A NEGATIVE IMPACT ON THE MARKET PRICE OF OUR COMMON UNITS.***

We are subject to the public reporting requirements of the Securities Exchange Act of 1934, as amended ( Exchange Act ). Effective internal controls are necessary for us to provide reliable and timely financial reports, prevent fraud and to operate successfully as a publicly traded partnership.

We prepare our consolidated financial statements in accordance with accounting and principles generally accepted in the United States, but our internal accounting controls may not meet all standards applicable to companies with publicly traded securities. Our efforts to develop and maintain our internal controls may not be successful, and we may be unable to maintain effective controls over our financial processes and reporting in the future or to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as Section 404. For example, Section 404 requires us, among other things, to annually review and report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal controls over financial reporting. Based on management s evaluation, as of December 31, 2015, our management concluded that we had several material weaknesses related to our internal controls over financial reporting (See Item 9A).

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***THE MARKET PRICE FOR OUR COMMON SHARES 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 SHARES AT OR ABOVE YOUR PURCHASE PRICE, WHICH MAY RESULT IN SUBSTANTIAL LOSSES TO YOU.***

The market for our common shares is characterized by significant price volatility when compared to the shares of larger, more established companies that trade on a national securities exchange and have large public floats, and we expect that our share price will continue to be more volatile than the shares of such larger, more established companies for the indefinite future. The volatility in our share price is attributable to a number of factors. First, as noted above, our common shares are, compared to the shares of such larger, more established companies, sporadically and thinly traded. As a consequence of this limited liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand. 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. 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 larger, more established company that trades on a national securities exchange and has a large public float. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common shares will be at any time, including as to whether our common shares will sustain their current market prices, or as to what effect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price.

***WE WILL INCUR INCREASED COSTS AS A RESULT OF BEING A PUBLIC COMPANY, WHICH COULD AFFECT OUR PROFITABILITY AND OPERATING RESULTS.***

We voluntarily file annual, quarterly and current reports with the SEC. In addition, the Sarbanes-Oxley Act of 2002 ( Sarbanes-Oxley ) and the rules subsequently implemented by the SEC and the Public Company Accounting Oversight Board have imposed various requirements on public companies, including requiring changes in corporate governance practices. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities of ours more time-consuming and costly. We expect to spend between \$50,000 and \$100,000 in legal and accounting expenses annually to comply with our SEC reporting obligations and Sarbanes-Oxley. These costs could affect profitability and our results of operations.

***WE HAVE NOT PAID DIVIDENDS IN THE PAST AND DO NOT EXPECT TO PAY DIVIDENDS FOR THE FORESEEABLE FUTURE. ANY RETURN ON INVESTMENT MAY BE LIMITED TO THE VALUE OF OUR COMMON STOCK.***

No cash dividends have been paid on the Company's common stock. We expect that any income received from operations will be devoted to our future operations and growth. The Company does not expect to pay cash dividends in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors as the Company's board of directors may consider relevant. If the Company does not pay dividends, the Company's common stock may be less valuable because a return on an investor's investment will only occur if the Company's stock price appreciates.

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**Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 2. Properties.**

Currently, we lease a 1,730 square foot design and manufacturing facility located in Fairfield, New Jersey. The lease expired in August 31, 2010, and is being renewed on a month-to-month basis. We also rent office space at this facility. We pay approximately \$1,100 per month. Our Fairfield, New Jersey facility is presently adequate for the performance of all company functions, which includes manufacturing, design and administrative needs.

We also lease a 1,000 square foot retail store in Closter, NJ. The initial term of the lease is for five years commencing May 1, 2014. The Company has the option extend its lease for five additional years upon giving 90 days notice. The five-year option is available up to 20 years. Rent payments are \$1,200 a month for the first two years, \$1,275 for the third and fourth year, and \$1,350 for the fifth year. If the Company renews its option for the second five years, the rent will begin at \$1,415 and escalate to \$1,665 in the fifth year. If the option is exercised for the third five-year term, rent will begin at \$1,800 per month and escalate to \$2,280 in the fifth year. The rent for the last five years, if the Company exercises its option, will be at the fair market value. The Company is also responsible for its proportionate share of common charges.

Additionally, we anticipate opening additional offices and/or design facilities in other locations as we continue to implement our business plan throughout the United States, when and if any acquisitions are completed in the future. At the current time, our expansion plans are in the preliminary stages with no formal negotiations being conducted. Most likely no expansions will take place until additional revenues can be achieved or additional capital can be raised to help offset the costs associated with any expansion.

**Item 3. Legal Proceedings.**

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

**Item 4. Mine Safety Disclosures.**

Not applicable.





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The Company's common stock is listed by the OTC Markets on the Pink Sheets and trades under the symbol BRGO.

The following table sets forth the range of the high and low bid quotations of the common stock for the past two years in the over-the-counter market, as reported by the OTC Markets. The quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>High</b>	<b>Low</b>
First Quarter	\$	0.0220	\$ 0.0020
Second Quarter		0.0265	0.0031
Third Quarter		0.0038	0.0009
Fourth Quarter		0.0010	0.0002
	<b>2014</b>		
First Quarter	\$	1.5000	\$ 0.2000
Second Quarter		0.6000	0.2000
Third Quarter		0.3000	0.1000
Fourth Quarter		0.1000	0.0090

**b) Holders**

As of March 24, 2016, the Company has 39 shareholders of record of its issued and outstanding common stock. This figure does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominees.

**c) Dividends**

We have not declared or paid any dividends on our common stock and intend to retain any future earnings to fund development and growth of our business. Therefore, we do not anticipate paying dividends on our common stock for the foreseeable future. There are no restrictions on our present ability to pay dividends to stockholders of our common stock, other than those prescribed by law.

**d) Securities Authorized for Issuance under Equity Compensation Plans**

As of December 31, 2015, we had an incentive stock and award plan under which 200,000 shares had been reserved for issuance. The following table shows information with respect this plan as of the fiscal year ended December 31, 2015:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants</b>	<b>Number of securities remaining available for future issuance under Equity Compensation Plans</b>
Equity Compensation Plans approved by shareholders	--	\$ -0-	176,750
Equity Compensation Plans not approved by shareholders	--	-0-	--
Total	--	\$ -0-	176,750

Note: Only restricted shares of common stock were issued pursuant to this plan.

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**2011 Incentive Stock and Award Plan**

On May 9, 2011, the board of directors (the Board ) of the Company approved, authorized and adopted the 2011 Incentive Stock and Award Plan (the Plan ). The Plan was amended on October 11, 2012. Subject to adjustment for mergers, reorganizations, consolidation, recapitalization, stock dividend or other change in corporate structure, a total of 35,000,000 shares of common stock, par value \$0.00001 per share is subject to the Plan. Under the Plan, the Company may grant non-qualified options (the Non-qualified Options ), incentive options (the Incentive Options and together with the Non-qualified Options, the Options ) and restricted stock (the Restricted Stock ) to directors, officers, consultants, attorneys, advisors and employees. Subject to a tax exception, if any Option or Restricted Stock expires or is canceled prior to its exercise or vesting in full, the shares of common stock issuable under the Option or Restricted Stock may be issuable pursuant to future Options or Restricted Stock under the Plan.

**Recent Sales of Unregistered Securities**

During the year ended December 31, 2015, we have issued the following securities which were not registered under the Securities Act and not previously disclosed in the Company s Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. Unless otherwise indicated, all of the share issuances described below were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act for transactions not involving a public offering:

1)

On January 16, 2015, we issued 640,000 shares of common stock valued at \$6,048 to Typenex for conversion of its convertible debt and accrued interest.

2)

On February 4, 2015, the Company entered into an 8% convertible note in the amount of \$54,000 with KBM Worldwide, Inc. ( KBC Worldwide ) which is due and payable on or before November 6, 2015.

3)

On March 11, 2015, the Company entered into an 8% convertible note in the amount of \$38,000 with Vis Vires Group, Inc. ( Vis Vires Group ), which is due and payable on or before November 6, 2015.

4)

On April 9, 2015, we issued 870,000 shares of common stock valued at \$954 to Fife for conversion of its accrued interest.

5)

On May 13, 2015, we issued 775,000 shares of common stock valued at \$9,566 to Fife for conversion of its convertible debt and accrued interest.

6)

On May 27, 2015, we issued 513,703 shares of common stock valued at \$3,570 to Carebourn Capital L.P. ( Carebourn Capital ) for conversion of its convertible debt and accrued interest.

7)

On June 12, 2015, we issued 538,874 shares of common stock valued at \$862 to Carebourn Capital for conversion of its convertible debt.

8)

On June 29, 2015, we issued 565,279 shares of common stock valued at \$1,723 to Carebourn Capital for conversion of its convertible debt.

9)

On May 4, 2015, the Company issued an 8% convertible note in the amount of \$36,750 with LG Capital Funding, LLC ( LG Capital Funding ) which is due and payable on or before May 4, 2016.

10)

On April 15, 2015, the Company issued a convertible note in the amount of \$25,000 with JMJ Financial which is due and payable on or before April 17, 2017.

11)

On April 30, 2015, the Company issued an 8% convertible note in the amount of \$33,000 with Vis Vires Group which is due and payable on or before February 4, 2016.

12)

On July 13, 2015, we issued 1,208,000 shares of common stock valued at \$2,120 to Iliad for conversion of its accrued interest.

13)

On July 14, 2015, we issued 652,170 shares of common stock valued at \$1,122 to Carebourn Capital for conversion of its convertible debt.

14)

On July 17, 2015, we issued 684,127 shares of common stock valued at \$1,006 to Carebourn Capital for conversion of its convertible debt.

15)

On July 28, 2015, we issued 717,648 shares of common stock valued at \$912 to Carebourn Capital for conversion of its convertible debt.

16)

On August 6, 2015, we issued 752,813 shares of common stock valued at \$900 to Carebourn Capital for conversion of its convertible debt.

17)

On August 11, 2015, we issued 804,167 shares of common stock valued at \$965 to KBM Worldwide for conversion of its convertible debt.

18)

On August 12, 2015, we issued 829,106 shares of common stock valued at \$895 to Carebourn Capital for conversion of its convertible debt.

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19)

On August 13, 2015, we issued 1,200,000 shares of common stock valued at \$2,106 to Iliad for conversion of its accrued interest.

20)

On August 18, 2015, we issued 840,909 shares of common stock valued at \$925 to KBM Worldwide for conversion of its convertible debt.

21)

On August 31, 2015, we issued 1,927,727 shares of common stock valued at \$2,170 to KBM Worldwide for conversion of its convertible debt.

22)

On September 1, 2015, we issued 1,972,727 shares of common stock valued at \$2,170 to KBM Worldwide for conversion of its convertible debt.

23)

On September 13, 2015, we issued 1,690,000 shares of common stock valued at \$2,016 to Iliad for conversion of its accrued interest.

24)

On September 17, 2015, we issued 2,533,784 shares of common stock valued at \$1,895 to KBM Worldwide for conversion of its convertible debt.

25)

On September 18, 2015, we issued 2,533,784 shares of common stock valued at \$1,895 to KBM Worldwide for conversion of its convertible debt.

26)

On September 18, 2015, we issued 1,243,668 shares of common stock valued at \$858 to Carebourn Capital for conversion of its convertible debt.

27)

On September 23, 2015, we issued 2,788,000 shares of common stock valued at \$3,186 to Iliad for conversion of its convertible debt and accrued interest.

28)

On September 29, 2015, we issued 1,689,531 shares of common stock valued at \$1,005 to Carebourn Capital for conversion of its convertible debt.

29)

On September 29, 2015, we issued 2,518,519 shares of common stock valued at \$1,360 to KBM Worldwide for conversion of its convertible debt.

30)

On October 2, 2015, we issued 2,518,519 shares of common stock valued at \$1,360 to KBM Worldwide for conversion of its convertible debt.

31)

On October 6, 2015, we issued 2,019,132 shares of common stock valued at \$1,060 to Carebourn Capital for conversion of its convertible debt.

32)

On October 15, 2015, we issued 4,318,000 shares of common stock valued at \$2,116 to Fife for conversion of its convertible debt and accrued interest.

33)

On October 20, 2015, we issued 2,329,652 shares of common stock valued at \$571 to Carebourn Capital for conversion of its convertible debt.

34)

On October 26, 2015, we issued 2,443,805 shares of common stock valued at \$476 to Carebourn Capital for conversion of its convertible debt.

35)

On November 4, 2015, we issued 2,563,551 shares of common stock valued at \$385 to Carebourn Capital for conversion of its convertible debt.

36)

On November 24, 2015, we issued 2,563,551 shares of common stock valued at \$269 to Carebourn Capital for conversion of its convertible debt.

37)

On November 24, 2015, we issued 2,698,250 shares of common stock valued at \$324 to LG Capital Funding for conversion of its convertible debt and accrued interest.

38)

On December 1, 2015, we issued 2,946,994 shares of common stock valued at \$265 to Carebourn Capital for conversion of its convertible debt.

39)

On December 14, 2015, we issued 3,091,396 shares of common stock valued at \$309 to Carebourn Capital for conversion of its convertible debt.

40)

On December 16, 2015, we issued 3,091,396 shares of common stock valued at \$510 to Carebourn Capital for conversion of its convertible debt.

**Rule 10B-18 Transactions**

During the year ended December 31, 2015, there were no repurchases of the Company's common stock by the Company.

**Item 6. Selected Financial Data.**

The Company is a smaller reporting company as defined in Item 10 (f) of Regulation S-K and therefore is not required to provide the information under this item.



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**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

**Forward Looking Statements**

This report and other reports filed by our Company from time to time with the SEC (collectively the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, our management as well as estimates and assumptions made by our management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof.

When used in the filings, the words