

Pinacle Enterprise, Inc.  
Form 10-K  
May 16, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended **January 31, 2013**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **333-175044**

**Pinacle Enterprise, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**98-0661455**

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

**3651 Lindell Road**

**Suite D # 356**

**Las Vegas, Nevada**

(Address of principal executive offices)

**89103**

(Zip Code)

Registrant's telephone number: **(443) 620-0081**

Securities registered under Section 12(b) of the Exchange Act

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Title of each class Name of each exchange on which registered

**None** **not applicable**

Securities registered under Section 12(g) of the Exchange Act:

Title of each class

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act. Yes [X] 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 [X]

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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. [X]

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 the definitions 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 [X]

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. **Unavailable.**

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **530,000,000 shares as of May 15, 2013.**

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**PART I**

**Item 1. Business**

**Overview**

We were incorporated in the State of Nevada on April 19, 2010. Until recently, we were a development stage company engaged in the business of architectural design, architectural animation, 3D modeling as well as Computer-Aided Design (CAD) drafting and conversion services.

Since the initiation of this plan of operations, however, we have experienced losses and have been unable to obtain additional finances. In order to pursue our business plan, we would need to obtain additional funding in the form of equity financing from the sale of our common stock or loans. Unfortunately, we have not been able to identify sources of equity financing and do not have any arrangements in place for any future financing. The risky nature of this enterprise and lack of tangible assets places debt financing out of our reach.

Because of the difficulties in raising additional funding, we have been presented with the difficult task of re-evaluating our business plan to determine whether it continues to be commercially viable. As a result of our lack of progress so far, the uncertainty regarding the source of our required additional funding and the relatively risky overall nature of our enterprise, management has been evaluating alternative business opportunities.

On April 29, 2013, we entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the "Agreement") with our prior officer and director, Mikhail Kats. Pursuant to the Agreement, we transferred all assets and business operations associated with our architectural design, architectural animation, 3D modeling as well as CAD drafting and conversion services to Mr. Kats. In exchange, Mr. Kats agreed to assume and cancel all liabilities relating to our former business, including officer loans amounting to \$21,376.

As a result of the Agreement, we are no longer pursuing our former business plan. Under the direction of our newly appointed officer and director, Robert Eakle, we intend to pursue the sale and distribution of the Alkame brand of bottled waters, as well as other various applications for the water treatment technology. We intend to enter into an agreement to acquire this new business in the coming weeks.

Alkame Water is the most advanced Micro-Clustered, Alkalized, Antioxidant, Oxygenated bottled water wrapped in environmentally sound packaging that is dedicated to providing the global consumer with superior hydration and function for optimal health at an affordable price.

**Item 2. Properties**

Our principal executive office is located at 3651 Lindell Road, Suite D # 356, Las Vegas, Nevada 89103. The office is rented on a month to month basis from BSSI for about \$70 per month, primarily to meet the state of Nevada's requirements since Alkame is a virtual organization. This rent has been paid out until January of 2014. All aspects of production are simply drop shipped from our manufacturing facility in Hayden Idaho (source) to the recipients. We

believe that our properties are adequate for our current needs, but growth potential may require a facility due to anticipated addition of personnel. We do not have any policies regarding investments in real estate, securities or other forms of property.

**Item 3. Legal Proceedings**

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

**Item 4. Mine Safety Disclosures**

Not applicable.

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Table of Contents**PART II****Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our common stock is quoted under the symbol “PINS” on the OTCBB operated by the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the OTCQB operated by OTC Markets Group, Inc. Few market makers continue to participate in the OTCBB system because of high fees charged by FINRA. Consequently, market makers that once quoted our shares on the OTCBB system may no longer be posting a quotation for our shares. As of the date of this report, however, our shares are quoted by several market makers on the OTCQB. The criteria for listing on either the OTCBB or OTCQB are similar and include that we remain current in our SEC reporting.

Only a limited market exists for our securities. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a shareholder may be unable to resell his securities in our company.

The following table sets forth the range of high and low bid quotations for our common stock for each of the periods indicated as reported by the OTCQB. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Year Ending January 31, 2013		
Quarter Ended	High	Low
	\$	\$
January 31, 2013	0.25	0.25
October 31, 2012	0.25	0.25
July 31, 2012	0.25	0.25
April 30, 2012	N/A	N/A

Fiscal Year Ending January 31, 2012		
Quarter Ended	High	Low
	\$	\$
January 31, 2012	N/A	N/A
October 31, 2011	N/A	N/A
July 31, 2011	N/A	N/A
April 30, 2011	N/A	N/A

## **Penny Stock**

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.



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In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those 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 acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

## **Holders of Our Common Stock**

As of May 15, 2013, we had 530,000,000 shares of our common stock issued and outstanding, held by five (5) shareholders of record, with many others in street name.

## **Dividends**

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where after giving effect to the distribution of the dividend:

1. we would not be able to pay our debts as they become due in the usual course of business, or;
2. our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future.

## **Securities Authorized for Issuance under Equity Compensation Plans**

We do not have any equity compensation plans.

## **Item 6. Selected Financial Data**

A smaller reporting company is not required to provide the information required by this Item.

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

### **Forward-Looking Statements**

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Not all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

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**Results of Operations for the Years Ended January 31, 2013 and 2012**

We generated nominal revenues from April 19, 2010 (date of inception) to January 31, 2013. We do not expect to generate revenues until we are able to obtain financing and execute on our business plan.

During the fiscal year ended January 31, 2013, we incurred operating expenses of \$49,751, as compared with \$11,417 for the fiscal year ended January 31, 2012. Our operating expenses increased primarily as a result of professional fees, which were \$47,965 for the fiscal year ended January 31, 2013, as compared with only \$10,200 for the fiscal year ended January 31, 2012. We incurred operating expenses of \$65,164 for the period from April 19, 2010 (date of inception) to January 31, 2013.

We incurred a net loss of \$49,751 for the year ended January 31, 2013, as compared with a net loss of \$10,417 for the prior year. We incurred a net loss of \$64,164 for the period from April 19, 2010 (date of inception) to January 31, 2013.

**Liquidity and Capital Resources**

As of January 31, 2013, we had current assets of \$649 and total assets of \$1,122. We had current liabilities of \$40,286 as of January 31, 2013. As such, we had a working capital deficit of \$39,637.

Operating activities used \$50,104 in cash for the year ended January 31, 2013. The decrease in cash was primarily attributable to funding the loss for the year.

Financing activities provided \$35,961 for the year ended January 31, 2013 and consisted entirely of loans from shareholders.

Based upon our current financial condition, we do not have sufficient cash to operate our business at the current level for the next twelve months. We intend to fund operations through increased sales and debt and/or equity financing arrangements, which may be insufficient to fund expenditures or other cash requirements. We plan to seek additional financing in a private equity offering to secure funding for operations. There can be no assurance that we will be successful in raising additional funding. If we are not able to secure additional funding, the implementation of our

business plan will be impaired. There can be no assurance that such additional financing will be available to us on acceptable terms or at all.

### **Going Concern**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principle, which contemplate continuation of our company as a going concern. However, we had limited revenues, negative working capital and continuing losses from operations as of January 31, 2013. We currently have not completed our efforts to establish a stabilized source of revenues sufficient to cover operating costs over an extended period of time.

Management anticipates that we will be dependent, for the near future, on additional investment capital to fund operating expenses. We intend to position our company so that we may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that we will be successful in this or any of our endeavors or become financially viable and continue as a going concern.

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**Critical Accounting Policies**

In December 2001, the SEC requested that all registrants list their most “critical accounting polices” in the Management Discussion and Analysis. The SEC indicated that a “critical accounting policy” is one which is both important to the portrayal of a company’s financial condition and results, and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We do not believe that any accounting policies currently fit this definition.

**Recently Issued Accounting Pronouncements**

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

A smaller reporting company is not required to provide the information required by this Item.

**Item 8. Financial Statements and Supplementary Data**

Index to Financial Statements Required by Article 8 of Regulation S-X:

**Audited Financial Statements:**

F-1 Report of Independent Registered Public Accounting Firm

F-2 Balance Sheets as of January 31, 2013 and 2012

F-3 Statements of Operations for the years ended January 31, 2013 and January 31, 2012, and the period from April 19, 2010 (Date of Inception) to January 31, 2013

F-4 Statement of Stockholders’ (Deficiency) Equity for period from April 19, 2010 (Date of Inception) to January 31, 2013

F-5 Statements of Cash Flows for the years ended January 31, 2013 and January 31, 2012, and the period from April 19, 2010 (Date of Inception) to January 31, 2013

F-6 Notes to Financial Statements

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors of

Pinnacle Enterprise Inc.

Las Vegas, Nevada

We have audited the accompanying balance sheets of Pinnacle Enterprise Inc. (the "Company") as of January 31, 2013 and 2012, and the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended and the period from April 19, 2010 (Date of Inception) through January 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pinnacle Enterprise Inc. as of January 31, 2013 and 2012 and the results of its operations and its cash flows for the years then ended and the period from April 19, 2010 (Date of Inception) through January 31, 2013 in conformity with

accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 8 to the financial statements, the Company has negative working capital, has received limited revenue from sales of products or services, and has incurred losses from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are described in Note 8. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Silberstein Ungar, PLLC

Bingham Farms, Michigan

May 14, 2013

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Table of Contents**PINACLE ENTERPRISE INC.****(A DEVELOPMENT STAGE COMPANY)****BALANCE SHEETS****AS OF JANUARY 31, 2013 AND 2012**

ASSETS	2013	2012
Current Assets		
Cash and cash equivalents	\$103	\$14,246
Prepaid expenses	546	0
Total Current Assets	649	14,246
Property and equipment, net	473	866
Total Assets	\$1,122	\$15,112
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current Liabilities		
Accrued expenses	\$4,300	\$4,500
Loan from shareholder	35,986	25
Total Liabilities	40,286	4,525
Stockholders' Equity (Deficit)		
Common stock, par value \$0.001; 900,000,000 shares authorized, 530,000,000 shares issued and outstanding	530,000	5,300
Additional paid in capital	0	19,700
Deficit accumulated during the development stage	(569,164)	(14,413)
Total Stockholders' Equity (Deficit)	(39,164 )	10,587
Total Liabilities and Stockholders' Equity (Deficit)	\$1,122	\$15,112

*See accompanying notes to financial statements.*



Table of Contents**PINACLE ENTERPRISE INC.****(A DEVELOPMENT STAGE COMPANY)****STATEMENTS OF OPERATIONS****FOR THE YEARS ENDED JANUARY 31, 2013 AND 2012****FOR THE PERIOD FROM APRIL 19, 2010 (INCEPTION) TO JANUARY 31, 2013**

	Year ended January 31, 2013	Year ended January 31, 2012	Period from April 19, 2010 (Inception) to January 31, 2013
REVENUES	\$0	\$1,000	\$ 1,000
OPERATING EXPENSES			
Professional fees	47,965	10,200	61,915
Bank fees	45	34	319
Advertising	75	75	150
Depreciation	393	314	707
Website	0	500	500
General and administrative expenses	1,273	294	1,573
TOTAL OPERATING EXPENSES	49,751	11,417	65,164
LOSS FROM OPERATIONS	(49,751 )	(10,417 )	(64,164 )
PROVISION FOR INCOME TAXES	0	0	0
NET LOSS	\$(49,751 )	\$(10,417 )	\$(64,164 )
NET LOSS PER SHARE: BASIC AND DILUTED	\$(0.00 )	\$(0.00 )	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	530,000,000	530,000,000	

*See accompanying notes to financial statements.*

Table of Contents**PINACLE ENTERPRISE INC.****(A DEVELOPMENT STAGE COMPANY)****STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)****FOR THE PERIOD FROM APRIL 19, 2010 (INCEPTION) TO JANUARY 31, 2013**

	Common Stock		Additional	Deficit	Total
	Shares	Amount	Paid-in	Accumulated	Stockholders'
			Capital	during the	Equity
				Development	
				Stage	
Inception, April 19 2010	—	\$—	\$—	\$—	\$—
Shares issued for cash	400,000,000	4,000	—	—	4,000
Shares issued for cash	50,000,000	500	4,500	—	5,000
Shares issued for cash	80,000,000	800	15,200	—	16,000
Net loss for the year ended January 31, 2011	—	—	—	(3,996 )	(3,996 )
Balance, January 31, 2011	530,000,000	5,300	19,700	(3,996 )	21,004
Net loss for the year ended January 31, 2012	—	—	—	(10,417 )	(10,417 )
Balance, January 31, 2012	530,000,000	5,300	19,700	(14,413 )	10,587
Net loss for the year ended January 31, 2013	—	—	—	(49,751 )	(49,751 )
Par value adjustment – Forward stock split: 100:1	—	524,700	(19,700)	(505,000 )	0