

Soul & Vibe Interactive, Inc  
Form 10-Q  
December 11, 2012

---

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

\_\_\_\_\_  
FORM 10-Q  
\_\_\_\_\_

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

For the quarterly period ended November 30, 2012

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

Commission File Number: 333-173056

Soul & Vibe Interactive, Inc  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or  
organization)

38-3829642  
(I.R.S. Employer Identification No.)

6544 Kathrine Ann Court, Salt Lake City, Utah 84118  
(Address of principal executive offices) (Zip Code)

(877) 262-5154  
(Registrant's telephone number, including area code)

VICTORY LG, INC.  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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 of Regulation S-T during

Edgar Filing: Soul & Vibe Interactive, Inc - Form 10-Q

the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files)

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date: 72,000,000 (post-split) shares of \$0.001 par value common stock outstanding as of December 11, 2012.

---

Table of Contents

Soul & Vibe Interactive, Inc.  
FORM 10-Q  
Quarterly Period Ended August 31, 2012

TABLE OF CONTENTS

	Page
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	3
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1.	4
<u>Financial Statements</u>	4
<u>Condensed Balance Sheets as of November 30, 2012 (Unaudited) and February 29, 2012</u>	4
<u>Condensed Statements of Operations for three and nine months ended November 30, 2012 and 2011 and the period from January 5, 2011 (inception) to November 30, 2012 (Unaudited)</u>	5
<u>Statement of Stockholders' Equity (Deficit) from January 5, 2011 (inception) to February 29, 2012 and for the nine months ended November 30, 2012 (Unaudited)</u>	6
<u>Condensed Statements of Cash Flows for the nine months ended November 30, 2012 and 2011 and the period from January 5, 2011 (inception) to November 30, 2012 (Unaudited)</u>	7
<u>Notes to the Condensed Financial Statements (Unaudited)</u>	8
Item 2.	12
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
Item 3.	15
Item 4.	16
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	15
<u>Controls and Procedures</u>	16
<u>PART II. OTHER INFORMATION</u>	
Item 1.	17
Item 1A.	17
Item 2.	17
Item 3.	17
Item 4.	17
Item 5.	17
Item 6.	17
<u>Legal Proceedings</u>	17
<u>Risk Factors</u>	17
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
<u>Defaults Upon Senior Securities</u>	17
<u>Mine Safety Disclosures</u>	17
<u>Other Information</u>	17
<u>Exhibits</u>	17
<u>SIGNATURES</u>	18

Table of Contents

EXPLANATORY NOTE

Unless otherwise noted, references in this quarterly report to "Soul & Vibe Interactive, Inc." the "Company," "we," "our" or "us" means Soul & Vibe Interactive, Inc.

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements". All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words "may," "could," "estimate," "intend," "continue," "believe," "expect," "anticipate" or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Except for our ongoing securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement. Additionally, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 most likely do not apply to our forward-looking statements as a result of being a penny stock issuer. You should, however, consult further disclosures we make in future filings of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties.

AVAILABLE INFORMATION

We file annual, quarterly and special reports and other information with the SEC that can be inspected and copied at the public reference facility maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0405. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. The Company's filings are also available through the SEC's Electronic Data Gathering Analysis and Retrieval System which is publicly available through the SEC's website ([www.sec.gov](http://www.sec.gov)). Copies of such materials may also be obtained by mail from the public reference section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0405 at prescribed rates.

Table of Contents

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements.

Soul &amp; Vibe Interactive, Inc.

(Formerly VICTORY LG, INC.)  
 (A DEVELOPMENT STAGE COMPANY)  
 BALANCE SHEETS  
 (Unaudited)

	November 30, 2012	February 29, 2012
<b>ASSETS</b>		
Current assets		
Cash	\$137	\$275
Inventories Restricted	23,604	-
Deposit paid to supplier	-	11,653
Total Current Assets	23,741	11,928
Total Assets	23,741	11,928
<b>LIABILITIES AND (DEFICIENCY IN) STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$10,841	\$1,049
Accrued expenses	3,920	-
Accrued interest	453	145
Accrued interest, related party	2,895	1,136
Note payable	11,874	1,680
Note payable, related party	29,813	28,113
Total current liabilities	59,796	32,123
Stockholders' equity (deficit)		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of November 30, 2012 and February 29, 2012, respectively	-	-
Common stock, \$0.001 par value, 300,000,000 shares authorized, 72,000,000 (post-split) shares issued and outstanding as of November 30, 2012 and February 29, 2012, respectively	72,000	72,000
Additional paid in capital	(54,000 )	(54,000 )
Deficit accumulated during the development stage	(54,055 )	(38,195 )
Total stockholders' equity (deficit)	(36,055 )	(20,195 )
Total liabilities and stockholders' equity (deficit)	\$23,741	\$11,928

See accompanying notes to these financial statements.



Table of Contents

Soul & Vibe Interactive, Inc.  
(Formerly VICTORY LG, INC.)  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF OPERATIONS  
(Unaudited)

	For the Three Months Ended November 30, 2012	For the Three Months Ended November 30, 2011	For the Nine Months Ended November 30, 2012	For the Nine Months Ended November 30, 2011	January 5, 2011  (inception) to November 30, 2012
Revenue	\$-	\$-	\$-	\$-	\$-
Operating expenses:					
General and administrative	3,127	114	7,643	4,106	12,925
Professional Fees	2,831	1,676	6,150	28,682	37,782
Total operating expenses	5,958	1,790	13,793	32,788	50,707
Net Operating Loss	(5,958 )	(1,790 )	(13,793 )	(32,788 )	(50,707 )
Other income (expense):					
Interest expense	(783 )	(353 )	(2,067 )	(754 )	(3,348 )
Loss before provision for income taxes	(6,741 )	(2,143 )	(15,860 )	(33,542 )	(54,055 )
Provision for income taxes	-	-	-	-	-
Net income (loss)	\$(6,741 )	\$(2,143 )	\$(15,860 )	\$(33,542 )	\$(54,055 )
Net income (loss) per share - basic	\$(0.00 )	\$(0.00 )	\$(0.00 )	\$(0.00 )	
Net income (loss) per share - diluted	\$(0.00 )	\$(0.00 )	\$(0.00 )	\$(0.00 )	
Weighted average shares outstanding - basic	72,000,000	72,000,000	72,000,000	72,000,000	
Weighted average shares outstanding - diluted	72,000,000	72,000,000	72,000,000	72,000,000	

See accompanying notes to these financial statements.

Table of Contents

Soul & Vibe Interactive, Inc.  
(Formerly VICTORY LG, INC.)  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)  
From date of inception (January 5, 2011) to November 30, 2012  
(Unaudited)

	Preferred Stock Shares	Amount	Common Stock (Post-Split) Shares	Amount	Additional Paid-In Capital	(Deficit) Accumulated During Development Stage	Total Stockholder's Equity
Common stock issued to founder at \$0.001 per share	-	\$ -	72,000,000	\$ 72,000	\$ (54,000 )	\$ -	\$ 18,000
Net loss from January 5, 2011 (inception) to February 28, 2011	-	-	-	-	\$ -	(690 )	(690 )
Balance, February 28, 2011	-	\$ -	72,000,000	\$ 72,000	\$ (54,000 )	\$ (690 )	\$ 17,310
Net loss for the twelve months ended February 29, 2012	-	-	-	-	-	(37,505 )	(37,505 )
Balance, February 29, 2012	-	-	72,000,000	72,000	(54,000 )	(38,195 )	(20,195 )
Net loss for the nine months ended November 30, 2012	-	-	-	-	-	(15,860 )	(15,860 )
Balance, November 30, 2012	-	-	72,000,000	72,000	(54,000 )	(54,055 )	(36,055 )

See accompanying notes to these financial statements.





Table of Contents

Soul & Vibe Interactive, Inc.  
(Formerly VICTORY LG, INC.)  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS  
(Unaudited)

	For the Nine Months Ended November 30, 2012	For the Nine Months Ended November 30, 2011	January 5, 2011 (inception) to November 30, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Loss	\$(15,860 )	\$(33,542 )	\$(54,055 )
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Prepaid expenses	11,653	1,000	-
Deposit paid to supplier	-	(6,615 )	-
Inventories Restricted	(23,604 )	-	(23,604 )
Accounts Payable	9,792	649	10,841
Accrued Expenses	3,920	-	3,920
Accrued interest	308	128	453
Accrued Interest, related party	1,759	626	2,895
Net cash provided by (used in) operating activities	(12,032 )	(37,754 )	(59,550 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash provided by (used in) investing activities	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds note payable	10,194	-	11,874
Proceeds note payable, related party	1,700	19,875	29,813
Proceeds from sale of common stock	-	-	18,000
Net cash provided by (used in) financing activities	11,894	19,875	59,687
Net Increase (Decrease) in cash and cash equivalents	(138 )	(17,879 )	137
Cash and cash equivalents at beginning of period	275	18,100	-
Cash and cash equivalents at end of period	\$137	\$221	\$137
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Interest paid	\$-	\$-	\$-

Income taxes paid	\$-	\$-	\$-
-------------------	-----	-----	-----

See accompanying notes to these financial statements.

Table of Contents

Soul & Vibe Interactive, Inc.

(Formerly Victory LG, Inc.)  
(A Development Stage Company)  
Notes to Condensed Financial Statements  
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

Soul & Vibe Interactive, Inc. (“the Company”) was incorporated in the state of Nevada on January 5, 2011 (“Inception”) as Victory LG, Inc. The Company was formed to market a Liquid-Gel capsule (named Victory LG 8-hour Energy Liquid-Gels). The Company will initially market Victory LG 8-hour Energy Liquid-Gels locally, to convenience stores in the Salt Lake City, Utah area.

On September 21, 2012, the Board of Directors approved an amendment to the Company’s Articles of Incorporation to change the name of the Company to Soul & Vibe Interactive, Inc. The change of the Company’s name to Soul & Vibe Interactive, Inc. was intended to align the Company’s name with management’s marketing plan which is broader than the dietary supplement sector.

Also on September 21, 2012, the Board of Directors approved an amendment to the Company’s Articles of Incorporation to increase the authorized common shares of the Company’s common stock from 90,000,000 authorized shares of common stock to 300,000,000 authorized shares of common stock. On the same date, the Company also effected a four for one forward stock split on all issued and outstanding common shares. The effect of the forward stock split increased the issued and outstanding common shares from 18,000,000 shares to 72,000,000 shares. All share amounts throughout this report have been retroactively adjusted for all periods to reflect this stock split.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Development Stage Company

The Company is currently considered a development stage company as defined by FASB ASC 915-10-05. As a development stage enterprise, the Company discloses the deficit accumulated during the development stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date. An entity remains in the development stage until such time as, among other factors, revenues have been realized. To date, the development stage of the Company’s operations consists of developing the business model and marketing concepts.

The Company has adopted a fiscal year end of February 28th.

Use of Estimates

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

Cash and Cash Equivalents

We maintain cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The Company had cash and cash equivalents of \$137 and \$275 as of November 30, 2012 and February 29, 2012.

#### Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments. The Company had no items that required fair value measurement on a recurring basis.

#### Revenue Recognition

Sales are recorded when products are shipped to customers and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales for which payment has been received, but delivery has not occurred. No sales have yet commenced.

#### Advertising and Promotion

All costs associated with advertising and promoting products are expensed as incurred. These expenses approximated \$0 for the period from January 5, 2011 (inception) to November 30, 2012.

#### Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, there were no outstanding potential common stock equivalents and therefore basic and diluted earnings per share result in the same figure.

Table of Contents

Soul & Vibe Interactive, Inc.  
(Formerly Victory LG, Inc.)  
(A Development Stage Company)  
Notes to Condensed Financial Statements  
(Unaudited)

Stock-Based Compensation

The Company adopted FASB guidance on stock based compensation upon inception at January 5, 2011. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company has not had any stock and stock options issued for services and compensation for the period from January 5, 2011 (inception) to November 30, 2012.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Recently Issued Accounting Pronouncements

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-04, "Technical Corrections and Improvements" in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In August 2012, the FASB issued ASU 2012-03, "Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update)" in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

In July 2012, the FASB issued ASU 2012-02, "Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" in Accounting Standards Update No. 2012-02. This update amends ASU 2011-08, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment and permits an entity first to assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with Subtopic 350-30, Intangibles - Goodwill and Other - General Intangibles Other than Goodwill. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance. The adoption of ASU 2012-02 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU 2011-12, “Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items out of Accumulated Other Comprehensive Income” in Accounting Standards Update No. 2011-05. This update defers the requirement to present items that are reclassified from accumulated other comprehensive income to net income in both the statement of income where net income is presented and the statement where other comprehensive income is presented. The adoption of ASU 2011-12 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 “Balance Sheet: Disclosures about Offsetting Assets and Liabilities” (“ASU 2011-11”). This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the impact, if any, that the adoption of this pronouncement may have on its results of operations or financial position.

Table of Contents

Soul & Vibe Interactive, Inc.

(Formerly Victory LG, Inc.)  
 (A Development Stage Company)  
 Notes to Condensed Financial Statements  
 (Unaudited)

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has no revenues, incurred net losses from operations resulting in an accumulated deficit of \$54,055 and working capital deficit of \$36,055 as of November 30, 2012. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management is actively pursuing new ventures to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful, therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company’s ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Inventory

As of November 30, 2012, an investor maintains possession of the Company’s inventory in the amount of \$23,604 and is shown in the financial statements as restricted. The restricted inventory consists of the following:

	November 30, 2012
Manufacturing – Soft Gels Tech	\$ 12,960
Packaging – Premier Plastics	10,644
Total	23,604

As of February 29, 2012, the Company paid suppliers an aggregate of \$11,653 toward the manufacturing and packaging of Victory LG 8-Hour Liquid Gel Caps.

During the nine months ended November 30, 2012 an investor paid manufacturing and packaging suppliers an aggregate of \$2,500 on behalf of the Company.

As of November 30, 2012, outstanding balance due to manufacturing and packaging suppliers are as following:

	November 30, 2012
Manufacturing – Soft Gels Tech	\$ 4,845
Packaging – Premier Plastics	4,606
Total	\$ 9,451

As of November 30, 2012, finance charge and collection fee due were accrued in the amount of \$3,920.



Note 4 – Notes Payable - Related Party

During the year ended February 28, 2011, the Company received unsecured loans in the amount of \$100, bearing interest at 8% and due on demand from the Company's founder and CEO.

During the year ended February 29, 2012, the Company received unsecured loans in the amount of \$28,013, bearing interest at 8% and due on demand from the Company's founder and CEO.

During the nine months ended November 30, 2012, the Company received unsecured loans in the amount of \$1,700, bearing interest at 8% and due on demand from the Company's founder and CEO.

The Company has accrued interest related to its related party debt of \$2,895 and \$1,136 as of November 30, 2012 and February 29, 2012.

Table of Contents

Soul & Vibe Interactive, Inc.  
(Formerly Victory LG, Inc.)  
(A Development Stage Company)  
Notes to Condensed Financial Statements  
(Unaudited)

Note 5 – Notes Payable

During the year ended February 28, 2011, the Company received loans in the amount of \$1,680, from BK Consulting & Associates, P.C. The notes bearing interest at 8% per annum and are due on demand.

During the nine months ended November 30, 2012, the Company received loans in the amount of \$10,194, from BK Consulting & Associates, P.C. The notes bearing interest at 8% per annum and are due on demand.

The Company has accrued interest related to these notes in the amounts of \$453 and \$145 as of November 30, 2012 and February 29, 2012.

Note 6 – Stockholder's Equity

On January 5, 2011, the founder of the Company established 90,000,000 authorized shares of common stock. Additionally, the Company's founder established 10,000,000 authorized shares of preferred stock.

On September 21, 2012, the Board of Directors approved an amendment to the Company's Articles of Incorporation to increase the authorized common shares of the Company's common stock from 90,000,000 authorized shares of common stock to 300,000,000 authorized shares of common stock. On the same date, the Company also effected a four for one forward stock split on all issued and outstanding common shares. The effect of the forward stock split increased the issued and outstanding common shares from 18,000,000 shares to 72,000,000 shares.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of \$0.001 par value preferred stock as of November 30, 2012 and February 29, 2012. The Company has no shares of preferred stock issued or outstanding as of November 30, 2012 and February 29, 2012.

Common stock

On February 28, 2011 the Company issued 72,000,000 (post-split) founder's shares at the par value of \$0.001 in exchange for proceeds of \$18,000 from the Company's founder and CEO.

The Company is authorized to issue 300,000,000 shares of \$0.001 par value common stock as of November 30, 2012 and February 29, 2012. The Company has 72,000,000 (post-split) shares of common stock issued and outstanding as of November 30, 2012 and February 29, 2012.

Note 7 – Subsequent Events

As of the date of this report there are no subsequent events.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW AND OUTLOOK

We were incorporated in the State of Nevada on January 5, 2011.

On September 21, 2012, the Board of Directors approved an amendment to the Company's Articles of Incorporation to change the name of the Company to Soul & Vibe Interactive, Inc. (formerly Victory LG, Inc.). The change of the Company's name to Soul & Vibe Interactive, Inc. was intended to align the Company's name with management's marketing plan which is broader than the dietary supplement sector.

Soul & Vibe Interactive, Inc. is presently marketing for sale one Liquid-Gel capsule (named Victory LG 8-hour Energy Liquid Gels).

Soul & Vibe Interactive, Inc. has not commenced its major operations of having its one product a liquid-gel capsule named Victory LG 8-hour energy Liquid-Gels, manufactured by an unaffiliated outside provider (Soft Gel Technologies, Inc. (SGTI) and the Company has not distributed the product to anyone. Soul & Vibe Interactive, Inc. is considered a development stage company because it has not commenced its major operations. In addition, the Company has not achieved any revenue in connection with its business to date. As a result we are a startup company. This means we have no operating history or revenue, and are at a competitive disadvantage.

The competition for and difficulty in selling energy liquid-gels may affect our ability to develop profitable operations in the future. Companies that are engaged in energy liquid-gels, retail products, include large, established companies with substantial capabilities and long earnings records.

We have no operating history and expect to incur losses for the foreseeable future. Should we continue to incur losses for a significant amount of time, the value of your investment in the common shared could be affected downward, and you could lose your entire investment.

We have not yet received any revenues from our development stage operations, nor have we otherwise engaged in any business operations. Soul & Vibe Interactive, Inc. is a development stage company and in the absent of revenues and operations the Independent Audit Report dated February 29, 2012 cites a going concern. The going concern statement opinion issued by the independent auditors is the result of a lack of operations and working capital.

The Company will need to raise capital which concerned the independent auditors because there is insufficient cash for operations for the next twelve months. We will have to seek other sources of capital.

We established the minimum amount of \$75,000 that the Company will need to raise through debt instruments such as bank loans, or private financing so that operations could start, in order to generate some type of revenue. Presently no other sources have been identified and it is unknown if any other sources will be identified. There is no assurance that the Company will be able to obtain any bank loans or private financing.

Results of Operations for the three months ended November 30, 2012

Sales

During the three months ended November 30, 2012 we generated no revenues. Since January 5, 2011 (inception) to November 30, 2012 we have generated no revenues as the Company has not yet commenced operations.

General and Administrative Expenses

Total General and Administrative expenses were \$3,127 for the three months ended November 30, 2012. This amount consists primarily of stock service expense and fees and charges on inventory purchases.

Other Income (Expenses)

Other income (expenses) for the three months ended November 30, 2012 totaled (\$783), consisting of interest expense accrued on notes payable.

Table of Contents

Net loss

The net loss for the three months ended November 30, 2012 was \$6,741. Our net loss is attributed to general and administrative, professional fees and interest expenses.

Results of Operations for the nine months ended November 30, 2012

Sales

During the nine months ended November 30, 2012 we generated no revenues. Since January 5, 2011 (inception) to November 30, 2012 we have generated no revenues as the Company has not yet commenced operations.

General and Administrative Expenses

Total General and Administrative expenses were \$7,643 for the nine months ended November 30, 2012. This amount consists primarily of stock service expense and fees and charges on inventory purchases.

Other Income (Expenses)

Other income (expenses) for the nine months ended November 30, 2012 totaled (\$2,067), consisting of interest expense accrued on notes payable.

Net loss

The net loss for the nine months ended November 30, 2012 was \$15,860. Our net loss is attributed to general and administrative and interest expenses.

LIQUIDITY AND CAPITAL RESOURCES

We believe that our existing sources of liquidity will not be sufficient to fund our operations, anticipated capital expenditures, working capital and other financing requirements for at least the next twelve months. In the event the Company is unable to achieve profitable operations in the near term, it may require additional equity and/or debt financing, or reduce expenses, including officer's compensation, to reduce such losses. However, we cannot assure that such financing will be available to us on favorable terms, or at all. We will continue to monitor our expenditures and cash flow position. We are presently debt free, but at some time in the future we may need to obtain additional financing to complete our business plan. There is no assurance that we will be able to obtain such financing if needed and the failure to do so could negatively impact the viability of our Company to continue with this business and the business may fail.

The following table summarizes total assets, accumulated deficit, stockholder's equity (deficit) and working capital at November 30, 2012.

	August 31, 2012
Total Assets	\$ 23,741
Accumulated (Deficit)	\$ (54,055)
Stockholders' Equity (Deficit)	\$ (36,055)

Working Capital (Deficit)	\$	(36,055)
---------------------------	----	----------

Since our inception on January 5, 2011, we have incurred an accumulated deficit of \$54,055. Our cash and cash equivalent balances were \$137 and \$275 at November 30, 2012 and February 29, 2012, respectively. As of November 30, 2012 we had a working capital deficit of \$36,055 and total current liabilities were \$59,796.

During the period of January 5, 2011 (date of inception) to November 30, 2012, we used \$59,550 of cash for operating activities.

#### Financing Activities

Cash provided by financing activities relating to the issuance of shares of common stock during the period of January 5, 2011 (date of inception) to November 30, 2012 was \$18,000 as a result of the sale of 72,000,000 (post-split) shares of common stock, issued with a value of \$0.001 to our founder and CEO, Pauline Carson on February 28, 2011.

## Table of Contents

During the nine months ended November 30, 2012, we received loans in the amount of \$10,194, from BK Consulting and Associates, in exchange for unsecured promissory notes carrying 8% interest, due on demand. Since our inception on January 5, 2011 through November 30, 2012 we received loans in the amount of \$11,874 from BK Consulting and Associates.

During the nine months ended November 30, 2012, we received loans in the amount of \$1,700, from our founder and CEO, Pauline Carson, in exchange for unsecured promissory notes carrying 8% interest, due on demand. Since our inception on January 5, 2011 through November 30, 2012 we received loans in the amount of \$29,813 from our founder and CEO, Pauline Carson.

Since inception, our capital needs have entirely been met by these sales of stock and short term debt financings.

### Satisfaction of Our Cash Obligations for the Next Twelve Months

As of November 30, 2012, our cash balance was \$137. Our plan for satisfying our cash requirements for the next twelve months is through sales-generated revenue from liquid gels, sale of shares of our common stock, third party financing, and/or traditional bank financing. We anticipate sales-generated income during that same period of time, but do not anticipate generating sufficient amounts of revenues to meet our working capital requirements. Consequently, we intend to make appropriate plans to secure sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

We will have additional capital requirements during the fiscal year ending February 28, 2013. We do not expect to be able to satisfy our cash requirements through our product sales, and therefore we will attempt to raise additional capital through the sale of our common stock and debt financing activities.

We cannot assure that we will have sufficient capital to finance our growth and business operations or that such capital will be available on terms that are favorable to us or at all. We are currently incurring operating deficits that are expected to continue for the foreseeable future.

Based on our current operating plan, we do not expect to generate revenue that is sufficient to cover our expenses for at least the next twelve months. In addition, we do not have sufficient cash and cash equivalents to execute our operations for at least the next twelve months. We will need to obtain additional financing, in the amount of \$75,000, to conduct our day-to-day operations, and to fully execute our business plan. We will raise the capital necessary to fund our business through a subsequent offering of equity securities. Additional financing, whether through public or private equity or debt financing, arrangements with security holders or other sources to fund operations, may not be available, or if available, may be on terms unacceptable to us.

Management feels the Company's continuation as a going concern depends upon its ability to obtain additional sources of capital and financing. Specifically, management intends to raise additional permanent capital through debt instruments such as bank loans, or private financing. The goal of this effort is to provide working capital for the next year. Our twelve month operating plan is dependent on raising additional permanent capital through debt instruments such as bank loans, or private financing in the amount of \$75,000. Presently we do not have any existing sources or plans for financing.

Our ability to maintain sufficient liquidity is dependent on our ability to raise additional capital. If we issue additional equity securities to raise funds, the ownership percentage of our existing security holders would be reduced. New investors may demand rights, preferences or privileges senior to those of existing holders of our common stock. Debt incurred by us would be senior to equity in the ability of debt holders to make claims on our assets. The terms of any debt issued could impose restrictions on our operations. If adequate funds are not available to satisfy either short or

long-term capital requirements, our operations and liquidity could be materially adversely affected and we could be forced to cease operations.

#### Inflation

The rate of inflation has had little impact on the Company's results of operations and is not expected to have a significant impact on the continuing operations.

#### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

#### Critical Accounting Policies

We have identified the policies outlined below as critical to our business operations and an understanding of our results of operations. The list is not intended to be a comprehensive list of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. The impact and any associated risks related to these policies on our business operations is discussed throughout management's Discussion and Analysis or Plan of Operation where such policies affect our reported and expected financial results. Note that our preparation of the financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates.



## Table of Contents

### Revenue Recognition

Sales are recorded when products are shipped to customers and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales for which payment has been received, but delivery has not occurred. No sales have yet commenced.

### Recently Issued Accounting Pronouncements

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-04, “Technical Corrections and Improvements” in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In August 2012, the FASB issued ASU 2012-03, “Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update)” in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

In July 2012, the FASB issued ASU 2012-02, “Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment” in Accounting Standards Update No. 2012-02. This update amends ASU 2011-08, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment and permits an entity first to assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with Subtopic 350-30, Intangibles - Goodwill and Other - General Intangibles Other than Goodwill. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity’s financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance. The adoption of ASU 2012-02 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU 2011-12, “Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items out of Accumulated Other Comprehensive Income” in Accounting Standards Update No. 2011-05. This update defers the requirement to present items that are reclassified from accumulated other comprehensive income to net income in both the statement of income where net income is presented and the statement where other comprehensive income is presented. The adoption of ASU 2011-12 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 “Balance Sheet: Disclosures about Offsetting Assets and Liabilities” (“ASU 2011-11”). This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim

periods within those annual periods. The Company is currently evaluating the impact, if any, that the adoption of this pronouncement may have on its results of operations or financial position.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

This item is not applicable as we are currently considered a smaller reporting company.

Table of Contents

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, Pauline Carson, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on the evaluation, Ms. Carson concluded that our disclosure controls and procedures are not effective in timely alerting them to material information relating to us that is required to be included in our periodic SEC filings and ensuring that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our chief financial officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure, for the following reasons:

The Company does not have an independent board of directors or audit committee or adequate segregation of duties;

All of our financial reporting is carried out by our financial consultant;

We do not have an independent body to oversee our internal controls over financial reporting and lack segregation of duties due to the limited nature and resources of the Company.

We plan to rectify these weaknesses by implementing an independent board of directors and hiring additional accounting personnel once we have additional resources to do so.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We know of no material pending legal proceedings to which our company or subsidiary is a party or of which any of their property is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any director, officer or affiliate of our company, or any registered or beneficial stockholder of our company, or any associate of any such director, officer, affiliate, or stockholder is a party adverse to our company or subsidiary or has a material interest adverse to our company or subsidiary.

Item 1A. Risk Factors.

There has been no change in the Company's risk factors since the Company's Form S-1 filed with the SEC on June 9, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit	Exhibit Description	Filed herewith	Incorporated by reference			Filing date
			Form	Period ending	Exhibit	
31.1	<u>Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u>	X				
31.2	<u>Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u>	X				
32.1	<u>Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act</u>	X				
101.INS	XBRL Instance Document	X				
101.SCH	XBRL Schema Document	X				
101.CAL	XBRL Calculation Linkbase Document	X				

Edgar Filing: Soul & Vibe Interactive, Inc - Form 10-Q

101.DEF	XBRL Definition Linkbase Document	X
101.LAB	XBRL Label Linkbase Document	X
101.PRE	XBRL Presentation Linkbase Document	X

17

---

Table of Contents

SIGNATURES

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

Soul & Vibe Interactive, Inc.  
(formerly Victory LG, Inc.)

By:

/s/ Pauline Carson  
Pauline Carson  
President, Chief Executive Officer, Chief Financial Officer  
Director  
(Principal Executive Officer, Chief Financial Officer,  
and Principal Accounting Officer)  
Date: December 11, 2012

Table of Contents