4Cable TV International, Inc.
Form 10-Q
August 19, 2015

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

FORM 10-Q

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

For the quarter period ended June 30, 2015

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

For the transition period form to

Commission File number 000-53983

4Cable TV International, Inc.
(Exact name of registrant as specified in its charter)

Nevada	80-0955951
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1248 Highway 501 Business Conway, South Carolina 29526
(Address of principal executive offices)

1-843-347-4933
(Registrant’s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] 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 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 (Do not check if a smaller reporting company)	[ ]	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 [X]

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: August 18, 2015: 82,176,910 common shares

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PREPARED WITHOUT REVIEW BY AUDITORS

4Cable TV International Inc.
Consolidated Balance Sheets
(Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$-	$36,734
Accounts receivable, net	14,190	12,368
Inventories, net	265,980	277,512
Prepaid expenses and other current assets	3,025	8,203
Total current assets	283,195	334,817
Property, plant and equipment, net	372,262	387,250
Total Assets	$655,457	$722,067
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Bank overdraft	$9,273	$-
Accounts payable and accrued liabilities	314,779	221,730
Related party payables	16,976	9,600
Related party debt	77,155	21,825
Current portion of notes payable	254,585	176,145
Current portion of convertible debt, net of discount of $249,874 and $204,146, respectively	85,582	53,504
Current portion of capital lease obligations	30,891	34,360
Current portion of derivative liabilities	1,883,549	284,279
Total current liabilities	2,672,790	801,443
Long-term liabilities		
Capital lease obligations	245,980	260,361
Notes payable	791	1,045
Convertible debt, net of discount of $24,719 and $47,772, respectively	10,586	7,228
Derivative liabilities	249,949	67,800
Total long-term liabilities	507,306	336,434
Total liabilities	3,180,096	1,137,877
Commitments and contingencies		

STOCKHOLDERS' DEFICIT		
Preferred stock; $0.01 par value, 10,000,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock; $0.001 par value, 300,000,000 shares authorized; 61,317,133 and 49,340,003 shares issued and outstanding, respectively	61,317	49,340
Additional paid-in capital	1,218,177	1,024,024
Accumulated deficit	(3,804,133)	(1,489,174)
Total stockholders' deficit	(2,524,639)	(415,810)
Total Liabilities and Stockholders' Deficit	$655,457	$722,067

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

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4Cable TV International Inc.
Consolidated Statements of Operations
For the Six Months Ended June 30, 2015 and 2014
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	$99,833	$241,239	$212,123	$480,558
Cost of goods sold	77,679	107,091	181,248	395,085
Gross profit	22,154	134,148	30,875	85,473
Operating costs and expenses				
Selling, general and administrative	229,157	111,610	472,161	236,499
Research and development	11,632	16,413	28,023	30,847
Total operating costs and expenses	240,789	128,023	500,184	267,346
Operating income loss	(218,635)	6,125	(469,309)	(181,873)
Other income (expense)				
Interest expense	(105,098)	(29,109)	(214,731)	(58,201)
Unrealized gain on change in fair value of derivatives	(1,812,699)	-	(1,630,919)	-
Total other income (expense)	(1,917,797	(29,109)	(1,845,650)	(58,201)
Net loss	$(2,136,432)	$(22,984)	$(2,314,959)	$(240,074)
Net loss per common share – basic and diluted	$(0.04)	$(0.00)	$(0.05)	$(0.01)
Weighted average common shares outstanding – basic and diluted	52,186,871	45,050,000	50,745,519	45,050,000

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

4Cable TV International Inc.
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2015 and 2014
(Unaudited)

	June 30, 2015	June 30, 2014
Cash flows from operating activities		
Net loss	$ (2,314,959)	$ (240,074)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	19,945	17,399
Amortization of debt discount	154,729	3,500
Stock issued for services	9,200	-
Stock-based compensation	107,286	21,280
Unrealized loss in change in fair value of derivatives	1,630,919	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,822)	(15,135)
Inventories	11,532	(53,954)
Prepaid expenses and other current assets	5,178	(244)
Accounts payable and accrued liabilities	72,449	13,418
Related party payables	-	26,665
Net cash used in operating activities	(305,543)	(227,145)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,957)	(8,494)
Net cash used in investing activities	(4,957)	(8,494)
Cash flows from financing activities		
Payments of capital lease obligations	(17,850)	(22,761)
Proceeds from sale of stock	-	159,000
Proceeds from notes payable	150,000	97,705
Payments on notes payable	(34,966)	(73,537)
Proceeds from convertible debt	167,500	-
Proceeds from related party debt	18,731	419
Payment on related party debt	(18,922)	(930)
Capital contributions	-	63,998
Net cash provided by financing activities	264,493	223,894
Net increase (decrease) in cash	(46,007)	(11,745)
Cash, beginning of period	30,734	21,928
Cash, end of period	$ (9,273)	$ 10,183
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for:		
Income taxes	$ -	$ -
Interest	$ 60,179	$ 29,109

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

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

1. Business Description

Basis of Presentation

The accompanying unaudited consolidated financial statements of 4Cable TV International Inc. and its subsidiary have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, or the SEC, including the instructions to Form 10-Q and Regulation S-X. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted from these statements pursuant to such rules and regulations and, accordingly, they do not include all the information and notes necessary for comprehensive consolidated financial statements and should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2014, in our Annual Report on Form 10-K filed with the SEC on April 15, 2015.

In the opinion of the management of the Company, all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the nine month period have been made. Results for the interim period presented is not necessarily indicative of the results that might be expected for the entire fiscal year.

Description of Business

4Cable TV International, Inc., was incorporated in Nevada on November 8, 2007. The Company was engaged in the business of developing, manufacturing, and selling artificial lobster meat specifically for major food retailers in Southeast Asia.

4Cable TV, Inc., a wholly owned subsidiary of 4Cable TV, International, Inc., was incorporated on May 19, 2005 as a South Carolina Corporation and has been a specialty solutions provider for the cable television (“CATV”) sector spanning the range of repair, upgrading, and testing. The Company provides service and customized solutions to CATV operators and was founded by two veterans of the cable industry seeking a new challenge to work on diagnostic and repair issues for cable operators.

When used in these notes, the terms "Company", "we", "us" or "our" mean 4Cable TV International, Inc. (“4Cable”) and all entities included in our consolidated financial statements.

2. Summary of significant accounting policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its majority-owned subsidiary, 4Cable TV, Inc., after elimination of all intercompany accounts, transactions, and profits.

Reclassifications

Certain reclassifications have been made to amounts in prior periods to conform to the current period presentation. All reclassifications have been applied consistently to the periods presented.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with general accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

The most significant estimates and assumptions include the:

- Impairment, useful lives and salvage values of our machinery and equipment
- Reserve for excess and obsolete inventory
- Loss contingencies
- Allowance for doubtful accounts
- Derivative liabilities

It is reasonably possible that these above significant estimates we make may change in the future and could have a material effect on our financial statements.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

Financial Instruments

The Company's financial instruments include cash, accounts receivable, accounts payable, accrued liabilities, convertible debt, notes payable, and related party debt, the carrying amounts of these financial instruments are considered by management to approximate their fair value due to their short term maturities.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company's valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

Cash

Cash and cash equivalents consist primarily of cash on deposit, certificates of deposit, money market accounts, and investment grade commercial paper that are readily convertible into cash and purchased with original maturities of three months or less. As of June 30, 2015 and December 31, 2014, the Company did not hold any cash equivalents.

Accounts Receivable

Accounts receivable represents receivables, net of allowances for doubtful accounts. The allowance for doubtful accounts reflects our best estimate of probable losses inherent in the accounts receivable balance. As of June 30, 2015 and December 31, 2014, we had allowance for doubtful accounts of $16,039. We determine the allowance based on historical experience and other currently available information. When a specific account is deemed uncollectible, the account is written off. For the six months ended June 30, 2014 and 2013, we had no write offs of accounts receivable.

The Company factors substantially all of its invoices for certain customers (approved by the third party factor) without recourse to us and paid factoring fees of $16,203 and $17,491 for the six months ended June 30, 2015 and 2014, respectively.

Under our factoring agreement, invoices for products are generated and transmitted to our customers, with copies to the factor as products are shipped to our customers. The factor collects the amounts due and remits collected funds to us, less factoring fees. The invoiced amounts are reported as accounts receivable on our balance sheets, generally when the merchandise is shipped to our customer until payment is received from the factor.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

Concentrations of Risk

Sales to two customers accounted for 73% of the Company's total net sales during the six months ended June 30, 2015 compared to 81% for two customers during the six months ended June 30, 2014. Other than the customers mentioned above, no customer accounted for 10% or more of the Company's total net sales for the six months ended June 30, 2015 and 2014.

Inventories

Inventories are stated at the lower of cost or market. Inventory cost is determined on a weighted average cost method. The Company maintains reserves to reduce the value of inventory to the lower of cost or market, including reserves for excess and obsolete inventory.

Evaluation of Long-Lived Assets

The Company periodically reviews its long-term assets and makes adjustments, if the carrying value exceeds fair value, based on the undiscounted cash flows expected to be derived from the use and ultimate disposition of the assets. Assets identified as impaired are carried at estimated fair value. Due to the changing technology and market conditions, it is possible that future impairment reviews may indicate additional impairments of our long-lived assets, which could result in charges that are material to the Company's results of operations.

Property, Plant and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures that extend the life, increase the capacity, or improve the efficiency of property and equipment are capitalized, while expenditures for repairs and maintenance are expensed as incurred. Depreciation is recognized using the straight-line method over the following approximate useful lives:

Depreciation is recognized using the straight-line method over the following approximate useful lives:

Machinery and equipment including capitalized leased equipment	5 to 7 years
Buildings including capitalized leased buildings	27.5 years

Product Warranties

The Company does not have any written obligation to replace malfunctioning equipment or repair defects. To-date, such replacement or repair requests from customers have been immaterial in amount and frequency and the Company has dealt with such requests on a case-by-case basis.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or service has been rendered, the selling price is fixed or determinable and collectability is reasonably assured. Product sales revenue is recognized when the risks and rewards of ownership have passed to the customer and revenue is measurable. Service revenue is recognized at the time the service is complete and the customer has received an invoice. Revenue is recorded at the net amount to be received after deductions for estimated discounts, allowances and returns.

Advertising and Development

The Company expenses advertising and market development costs as incurred. Total advertising and marketing costs were $4,081 and $76,167 for the six months ended June 30, 2015 and 2014, respectively.

Research and Development Costs

Research and development (“R&D”) costs are expensed in the period in which they are incurred. R&D costs include materials, equipment and facilities that have no alternative future use, depreciation on equipment and facilities currently used for R&D purposes, personnel costs, contract services and reasonable allocations of indirect costs, if clearly related to an R&D activity. Expenditures in the pre-production phase of an R&D project are recorded as R&D expense. However, costs incurred in the pre-production phase that are associated with output actually used in production are recorded in cost of sales. A project is considered finished with pre-production efforts when management determines that it has achieved acceptable levels of scrap and yield, which vary by project. Expenditures related to ongoing production are recorded in cost of sales. Total R&D costs were $28,023 and $30,847 for the six months ended june 30, 2015 and 2014, respectively.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to be reversed. An allowance against deferred tax assets is recorded, when it is more likely than not, that such tax benefits will not be realized.

Basic and Diluted Net Loss Per Common Share

Basic loss per common share equals net loss divided by weighted average common shares outstanding during the period. Diluted loss per share includes the impact on dilution from all contingently issuable shares, including options, warrants and convertible securities. The common stock equivalents from contingent shares are determined by the treasury stock method. The Company incurred net losses for the six months ended June 30, 2015 and 2014, and therefore, basic and diluted loss per share for those periods are the same as all potential common equivalent shares would be anti-dilutive.

Potential equivalent common shares are as follows:

	2015	2014
Stock options	7,750,000	-
Warrants	1,750,000	-
Convertible debt	162,318,334	200,000
Total	171,818,334	200,000

Stock-Based Compensation

The Company sometimes grants shares of stock for goods and services and in conjunction with certain agreements. These grants are accounted for based on the grant date fair values.

Subsequent Events

The Company has evaluated all transactions from June 30, 2015 through the financial statement issuance date for subsequent event disclosure consideration.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgement and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients; or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The Company is currently evaluating the impact of our pending adoption of ASU 2014-09 on our consolidated financial statements and have not yet determined the method by which the Company will adopt the standard in 2017.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. The new standard requires management to assess the company’s ability to continue as a going concern. Disclosures are required if there is substantial doubt as to the company’s continuation as a going concern within one year after the issue date of financial statements. The standard provides guidance for making the assessment, including consideration of management’s plans which may alleviate doubt regarding the company’s ability to continue as a going concern. ASU 2014-15 is effective for years beginning after December 15, 2016. We do not expect the adoption of this pronouncement to have a material impact on our consolidated financial statements.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

3. Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has suffered recurring losses from operations and had a working capital deficit and accumulated deficit at June 30, 2015. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading, or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent upon its ability to raise capital to meet its obligations and attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Company’s management is planning to raise funds through sale of equity and long-term debt financing.

4. Inventories

The inventory consists of raw materials that are used in the preparation of goods for sale. There were no finished products at June 30, 2015 and December 31, 2014. The Company’s inventories consisted of the following (rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
Inventories	$289,000	$302,000
Less: Excess and obsolete reserve	(23,000)	(24,000)
Inventories, net	$266,000	$278,000

5. Property, Plant and Equipment

The Company’s property, plant and equipment consist of the following (rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
Capital lease – building	$297,000	$297,000
Capital lease – equipment	81,000	81,000
Computer equipment	11,000	9,000
Machinery and tools	137,000	137,000
Office equipment	4,000	4,000
Test equipment	102,000	99,000
Subtotal	632,000	627,000
Accumulated depreciation	(260,000)	(240,000)

Total property, plant and equipment	$372,000	$387,000

For the six months ended June 30, 2015 and 2014, the Company recognized depreciation expense of $19,945 and $17,399, respectively.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

6. Notes Payable

Notes payable consist of the following items and payment terms (outstanding balances rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
Superior Finance, interest at 4.5%, repay at $62 per month, due May 2017, guaranteed by shareholder	$1,000	$2,000
Current Electronics, zero interest, repay at $500 per month, paid in full	-	1,000
EBF Partners, original principal of $50,000, interest at 15%, payments of $540 per day, paid in full	-	17,000
Strategic Funding, original principal of $60,000, interest at 11%, payments of $567 per day, paid in full	-	1,000
IOU Central, original principal of $18,000, interest at 15%, payments of $1,894 per month, paid in full	-	1,000
On-Deck, interest at 36% per annum, repay at $540 per day for 378 days, due July 22, 2016	124,000	-
Third party loans, interest range at 0% to 24%, various terms	106,000	130,000
Loan from individual, interest at 15%, payments of interest only monthly, due July 10, 2015 (a)	25,000	25,000
Total notes payable	256,000	177,000
Current portion of notes payable	(255,000)	(176,000)
Long-term portion of notes payable	$1,000	$1,000

(a) In the event the note is not paid in full on or before the due date, the Company will be required to issue 2,500,000 shares of the Company's common stock to the lender.

7. Convertible Debt

In December 2013, the Company issued a 15% convertible note payable for $50,000, due June 2014. The interest on the convertible note payable is 15% per annum, payable monthly. The convertible note payable is convertible into shares of common stock at the option of the lender at a conversion price of $0.25 per share. In July 2014, the Company entered into an amendment with the note holder to extend the maturity date of this note to December 1, 2014 at a conversion price of $0.12 per share. Unpaid interest is subject to conversion. This convertible note payable is in default and negotiations are presently underway to extend the note.

In October 2014, the Company issued a convertible note payable for $88,000 to Typenex Co-Investment, LLC ("Typenex"), due November 2015. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $12,500 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at the lesser of the lender conversion price and 70% of the average market price of the three lowest trading prices in the twenty trading days preceding conversion. Unpaid interest is subject to conversion.

In November 2014, the Company issued a convertible note payable for $54,000 to KBM Worldwide, Inc. ("KBM"), due August 2015. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $4,000 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 59% of the average market price of the three lowest trading prices in the ten trading days preceding conversion. Unpaid interest is subject to conversion.

In November 2014, the Company issued a convertible note payable for $55,000 to JMJ Financial ("JMJ"), due November 2016 with the option to borrow an additional $295,000. The interest on the convertible note payable is 12% per annum. The note contained an original issue discount of $5,000 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at the lesser of $0.12 per share and 60% of the lowest trading price in the twenty-five trading days preceding conversion. Unpaid interest is subject to conversion.

In December 2014, the Company issued a convertible note payable for $66,000 to LG Capital Funding, LLC ("LG"), due November 2015. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $6,150 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 60% of the lowest closing price in the ten trading days preceding conversion. Unpaid interest is subject to conversion.

In January 2015, the Company issued a convertible note payable for $54,000 to KBM, due September 2015. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $4,000 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 59% of the average market price of the three lowest trading prices in the ten trading days preceding conversion. Unpaid interest is subject to conversion.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

7. Convertible Debt (cont`d)

In January 2015, the Company issued a convertible note payable for $26,500 to LG, due January 2015. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $1,500 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 58% of the lowest closing price in the fifteen trading days preceding conversion. Unpaid interest is subject to conversion.

In January 2015, the Company issued a convertible note payable for $55,750 to Auctus Private Equity Fund, LLC ("Auctus"), due October 2015. The interest on the convertible note payable is 10% per annum. The note contained an original issue discount of $5,750 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 55% of the lowest closing price in the twenty-five trading days preceding conversion. Unpaid interest is subject to conversion.

In February 2015, the Company issued a convertible note payable for $31,500 to Adar Bays, LLC ("Adar"), due February 2016. The interest on the convertible note payable is 8% per annum. The note contained an original issue discount of $6,000 which was excluded from the cash proceeds received. The convertible note payable is convertible into shares of the Company's common stock at the option of the lender at 60% of the lowest closing price in the ten trading days preceding conversion. Unpaid interest is subject to conversion.

The Company evaluated the terms of the convertible notes issued in 2014 and 2015 above in accordance with ASC 815 – 40, Derivatives and Hedging - Contracts in Entity's Own Stock and determined that the underlying common stock is indexed to the Company's common stock. The Company determined that the conversion features did meet the definition of a liability and therefore bifurcated the conversion features and accounted for them as separate derivative liabilities (see Note 8). The Company recognized a debt discount in the amount of $431,000 that will be amortized to interest expense of the lives of the notes. As of June 30, 2015, the amount of discount amortized for these notes was approximately $155,000.

Convertible debt consists of the following (outstanding balances rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
Convertible note, dated December 13, 2013, bearing interest at 15% per annum, matures December 1, 2014, and convertible into shares of common stock at $0.12 per share, in default	$50,000	$50,000
Convertible note, dated October 24, 2014, bearing interest at 8% per annum, matures November 24, 2015, and convertible into shares of common stock at a variable conversion price	50,000	88,000
Convertible note, dated November 17, 2014, bearing interest at 8% per annum, matures August 19, 2015, and convertible into shares of common stock at a variable conversion price	10,000	54,000
Convertible note, dated November 19, 2014, bearing interest at 12% per annum, matures November 15, 2016, and convertible into shares of common stock at a variable conversion price	55,000	55,000
Convertible note, dated December 5, 2014, bearing interest at 8% per annum, matures December 5, 2015, and convertible into shares of common stock at a variable conversion price	58,000	66,000

Convertible note, dated January 5, 2015, bearing interest at 8% per annum, matures September 30, 2015, and convertible into shares of common stock at a variable conversion price	54,000	-
Convertible note, dated January 23, 2015, bearing interest at 8% per annum, matures January 23, 2016, and convertible into shares of common stock at a variable conversion price	26,000	-
Convertible note, dated January 30, 2015, bearing interest at 8% per annum, matures October 30, 2015, and convertible into shares of common stock at a variable conversion price	56,000	-
Convertible note, dated January 30, 2015, bearing interest at 8% per annum, matures October 30, 2015, and convertible into shares of common stock at a variable conversion price	32,000	-
Less: debt discount	(294,000)	(252,000)
Convertible debt, net	97,000	61,000
Less: current portion	(86,000)	(54,000)
Long-term portion	$11,000	$7,000

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4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

8. Derivative Liabilities

Convertible Debt

Due to the conversion feature contained in some of the notes that the Company has issued, the actual number of shares of common stock that would be required if a conversion of the notes was made through the issuance of the Company's common stock cannot be predicted, and the Company could be required to issue an amount of shares that may cause it to exceed its authorized share amount. As a result, the conversion feature requires derivative accounting treatment and will be bifurcated from the note and "marked to market" each reporting period through the income statement. The fair value of the conversion feature of these notes was recognized as a derivative liability instrument and will be measured at fair value at each reporting period. In determining the fair value, the Company uses the Black-Scholes Model. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes Model.

In 2014, the Company issued convertible debt to several companies for an aggregate principal amount of $263,000 (see detail in Note 7), of which the Company received cash proceeds of $235,000. These notes had variable conversion rates. The Company analyzed these conversion options, and determined that these instruments should be classified as liabilities and recorded at fair value due to there being no explicit limit as to the number of shares to be delivered upon settlement of the aforementioned conversion options.

During the three months ended March 31, 2015, the Company issued convertible debt to several companies for an aggregate principal amount of $168,000 (see detail in Note 7), of which the Company received cash proceeds of $151,000. These notes had variable conversion rates. The Company analyzed these conversion options, and determined that these instruments should be classified as liabilities and recorded at fair value due to there being no explicit limit as to the number of shares to be delivered upon settlement of the aforementioned conversion options.

The derivative liabilities was valued on issuance date using the Black-Scholes Model with the following assumptions:

The derivative liabilities was valued on June 30, 2015 and December 31, 2014 using the Black-Scholes Model with the following assumptions:

	June 30, 2015	December 31, 2014
Shares of common stock issuable upon exercise of debt	162,318,334	3,559,295
Estimated market value of the common stock on measurement date	$0.0169	$0.085
Exercise price	$0.002	$0.04 – 0.12
Risk free interest rate (1)	0.27% - 0.54 %	0.25% - 0.67 %
Expected dividend yield	0 %	0 %
Expected volatility (2)	115 %	196 %
Expected exercise term in years	0.14 – 1.38	0.63 - 1.89
Fair value of debt derivative liability (rounded to nearest thousand)	$2,133,000	$290,000

(1) The risk-free interest rate was determined by management using the one year and two year Treasury bill yield as of December 31, 2014 and June 30, 2015.

(2) The volatility was determined by referring to the average historical volatility of a peer group of public companies because we do not have sufficient trade history to determine our historical volatility.

Warrants

In connection with the Typenex convertible debt (see Note 7), the Company also issued 437,500 warrants to Typenex to purchase an equivalent number of shares of the Company's common stock with an exercise price of $0.20. The Company determined that these warrants contain provisions that protected holders from future issuances of the Company's common stock at prices below the exercise price of these warrants that could result in modification of the exercise price based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815-40. The warrants were recognized as derivative warrant instruments at issuance and are measured at fair value each reporting period.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

8. Derivative Liabilities (cont`d)

The derivative liability was valued using the Black-Scholes Model with the following assumptions:

	June 30, 2015		December 31, 2014	
Shares of common stock issuable upon exercise of debt	1,750,000		875,000	
Estimated market value of common stock on measurement date	$0.017		$0.085	
Exercise price	$0.05		$0.100	
Risk free interest rate (1)	0.89	%	1.10	%
Expected dividend yield	0.00	%	0.00	%
Expected volatility (2)	115	%	196	%
Expected exercise term in years	2.32		2.84	
Fair value of warrants derivative liability (rounded to the nearest thousand)	$5,000		$62,000	

Fair values

The following table sets forth by level within the fair value hierarchy our financial liabilities that were accounted for at fair value on a recurring basis as of June 30, 2015 and December 31, 2014 (rounded to the nearest thousand):

	Fair Value Measurements at June 30, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value
Derivative liability - debt	$ -	$ -	$ 2,118,000	$ 280,000
Derivative liability – warrants	-	-	5,000	41,000
Total	-	-	2,133,000	321,000
Less: current portion	-	-	(1.883,000)	(269,000)
Long-term portion	$ -	$ -	$ 250,000	$ 52,000

	Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value
Derivative liability - debt	$ -	$ -	$ 290,000	$ 290,000
Derivative liability – warrants	-	-	62,000	62,000
Total	-	-	352,000	352,000
Less: current portion	-	-	(284,000)	(284,000)
Long-term portion	$ -	$ -	$ 68,000	$ 68,000

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4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

8. Derivative Liabilities (cont`d)

The following table sets forth the changes in fair value measurements of our Level 3 debt and warrant derivative liabilities from December 31, 2014 to March 31, 2015 (rounded to the nearest thousand):

	December 31, 2014	Additions	Decrease in Fair Value of Derivative Liability	June 30, 2015
Derivative liability - debt	$290,000	$151,000	$1,677,000	$2,118,000
Derivative liability - warrants	62,000	-	(21,000)	5,000
	352,000	$151,000	$1,656,000	2,133,000
Less: current portion	(284,000)			(1,883,000)
Long-term portion	$68,000			$250,000

The following table sets forth a reconciliation of changes in the fair value of financial liabilities classified as Level 3 in the fair value hierarchy from December 31, 2014 to June 30, 2015 (rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
December 31, 2014	$352,000	$-
Additions	151,000	235,000
Unrealized loss (gain)	1,739,000	117,000
Settlements	(109,000)	-
Transfers	-	-
June 30, 2015	$2,133,000	$352,000
Change in unrealized loss (gain) included in earnings related to derivatives still held as of June 30, 2015 and December 31, 2014	$1,639,000	$117,000

9. Significant Transactions with Related Parties

The shareholders of the Company have advanced the Company money and have received partial payment on those advances. The total related party payables at June 30, 2015 and December 31, 2014 was approximately $17,000 and $10,000, respectively. All related party advances bear no interest, are payable on demand and are classified on the accompanying balance sheets as current liabilities.

The shareholders of the Company have loaned the Company money and have received partial payment on those loans. The total related party loans payable at June 30, 2015 and December 31, 2014 was approximately $77,000 and $22,000, respectively. All related party loans have interest rates between 6% and 7%, are payable on demand and are classified on the accompanying balance sheets as current liabilities.

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

10. Capital Lease Obligations

Capital lease obligations consisted of the following as of June 30, 2015 and December 31, 2014 (rounded to the nearest thousand):

	June 30, 2015	December 31, 2014
Capital lease – building #1, interest at 6.25% , payments of $1,485 per month, final payment due December 1, 2031	$183,000	$186,000
Capital lease – building #2, interest at 6.00% , payments of $910 per month, final payment due October 7, 2023	71,000	75,000
Capital leases – equipment, interest at 36%, payments of $3,630 per month, terms 1-3 years	23,000	33,000
Total capital lease obligations	277,000	294,000
Current portion of capital lease obligations	(31,000)	(34,000)
Long-term portion of capital lease obligations	$246,000	$260,000

11. Stockholders' Deficit

Preferred Stock

At June 30, 2015, the Company was authorized to issue 10,000,000 shares of its preferred stock with a par value of $0.01 per share.

There were no shares of the Company's preferred stock issued and outstanding.

Common Stock

At March 31, 2015, the Company was authorized to issue 300,000,000 shares of its common stock with a par value of $0.0001 per share.

During the three months ended March 31, 2015, the Company issued 133,332 shares of common stock for services and recorded stock-based compensation of $9,200 based on the grant date fair value.

During the three months ended June 30, 2015, the Company issued 11,843,798 shares of common stock for conversion of convertible debt based on the agreement price of 89,473 on the day of conversion.

Options

On February 6, 2015, the Company granted options to purchase 400,000 shares of common stock at an exercise price of $0.10 per share. On each annual anniversary following the grant date, 100,000 options will fully vest. The aggregate fair value of the options on the date of grant, using the Black-Scholes model, was $37,000. Variables used in the Black-Scholes option-pricing model for the options issued included: (1) a discount rate of 1.03%, (2) expected term of 4 years, (3) expected volatility of 82.92%, and (4) zero expected dividends.

During the six months ended June 30, 2015, the Company recognized option stock-based compensation expense of $100,952.

The intrinsic value of the outstanding and exercisable options at June 30, 2015 was $0.

Option activity during six months ended June 30, 2015 was:

4Cable TV International Inc.
Notes to Unaudited Consolidated Financial Statements

11. Stockholders' Deficit (cont`d)

	Number of Shares	Weighted Average Exercise Price		Weighted Average Remaining Contract Term (Years)
Outstanding at December 31, 2014	7,350,000	$	0.10	
Granted	400,000		0.10	
Exercised	-		-	
Cancelled	-		-	
Outstanding at June 30, 2015	7,750,000	$	0.10	9.21
Exercisable at June 30, 2015	-	$	-	-

Warrants

See discussion of warrants in Note 8.

12. Commitments and Contingencies

The Company has an agreement with a consultant which requires the Company to issue 33,333 shares of common stock per month through September 2015.

13. Subsequent Events

Common stock certs for the following debt conversions were issued in July and recorded as common stock payable:
On June 24, 2015, a convertible note holder converted $11,391 of the Company's convertible note obligation into 4,045,135 shares of Company's common stock.
On June 26, 2015, a convertible note holder converted $4,375 of the Company's convertible note obligation into 2,500,000 shares of Company's common stock.
On June 30, 2015, a convertible note holder converted $4,400 of the Company's convertible note obligation into 2,470,844 shares of Company's common stock.

On August 6, 2015 the Board of Directors issued 5 shares of Series A preferred stock to certain officers and directors of the Company.

On August 11, 2015 the Board of Directors approved an amendment to the Articles of Incorporation to:
- increase the number of authorized common shares to 5,000,000,000
- increase the number of authorized preferred shares to 50,000,000
- set the par value of the Common and Preferred stock to $.00001

On August 11, 2015 the Board of Directors accepted the resignation of Ross DeMello as Interim Chief Financial Officer and as a member of the board.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains statements that constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The words “expect,” “estimate,” “anticipate,” “predict,” “believe,” and similar expressions and variations thereof are intended to identify forward-looking statements. Such forward-looking statements include statements regarding, among other things, (a) our projected sales and profitability, (b) our growth strategies, including the potential results of any acquisition or similar transaction, (c) anticipated trends in our industry, (d) our future financing plans, (e) our anticipated needs for working capital, and (f) the benefits related to ownership of our common stock. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements for the reasons, among others, described within the various sections of this Form 10-Q. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this Form 10-Q will in fact occur as projected. We undertake no obligation to release publicly any updated information about forward-looking statements to reflect events or circumstances occurring after the date of this Form 10-Q or to reflect the occurrence of unanticipated events.

The risks described below are the ones we believe are most important for you to consider. These risks are not the only ones that we face. If events anticipated by any of the following risks actually occur, our business, operating results or financial condition could suffer and the future price of our common stock could decline.

The following discussion should be read in conjunction with the information contained in the financial statements of 4Cable TV International Inc. (“we”, “us”, “our”, or the ‘Company’) and the notes which form an integral part of the financial statements which are attached hereto.

The financial statements mentioned above have been prepared in conformity with accounting principles generally accepted in the United States of America and are stated in United States dollars.

Background

We were organized under the laws of the State of Nevada on November 8, 2007 under the name “Liberto, Inc.” with a focus on the development, manufacture and sale of artificial lobster meat. On April 25, 2013, we affected an 11 for 1 forward split of its common stock payable in the form of a stock dividend.

On September 30, 2013, we closed a voluntary share exchange transaction with 4Cable TV, Inc., a South Carolina corporation (“4Cable TV”) and the shareholders of 4Cable TV (the “Selling Shareholders”) pursuant to the Share Exchange Agreement (the “Exchange Transaction”). As a result of the Exchange Transaction, the Selling Shareholders acquired approximately 46.91% of our issued and outstanding common stock, 4Cable TV became our wholly-owned subsidiary, and the Company acquired the business and operations of 4Cable TV. This is treated as a reverse merger because there was a complete change in board of directors to 4Cable TV directors, there was a complete change in management to 4Cable TV management, 4Cable TV had significantly more assets and revenues than the Company, and the Selling Shareholders hold the largest block of stock, clearly garnering a control block.

Since its founding in 2005, 4Cable TV has been a specialty solutions provider for the cable television (CATV) sector including repair, upgrading, and testing, and service and customized solutions to CATV operators. The two founders of 4Cable TV have previously owned and operated CATV systems across the United States, directed design validation laboratories, qualified hundreds of amplifier bandwidth upgrades, developed the first satellite block down converter now used in all satellite systems, and were involved in the first voice over IP experiments as International Long

Distance Operators.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations, including the discussion on liquidity and capital resources, is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments.

The going concern basis of presentation assumes we will continue in operation throughout the next fiscal year and into the foreseeable future and will be able to realize our assets and discharge our liabilities and commitments in the normal course of business. Certain conditions, discussed below, currently exists which raise substantial doubt upon the validity of this assumption. The financial statements do not include any adjustments that might result from the outcome of the uncertainty.

Results of Operations

The following discussion of the financial condition, results of operations, cash flows, and changes in our financial position should be read in conjunction with our audited consolidated financial statements and notes included in our 10-K for the fiscal years ended December 31, 2014 filed on April 20, 2015. Such financial statements have been prepared in conformity with U.S. GAAP and are stated in United States dollars.

Comparison of the Three-month Periods Ended June 30, 2015 and 2014

For the three months ended June 30, 2015, we incurred a net loss of $2,136,432 compared to a loss of $22,894 for the same period ended June 30, 2014.

Net sales for the three months ended June 30, 2015 totaled $99,833 a decrease of 59% from $241,239 for the three months ended June 30, 2014. This decrease was attributable to continued impact of the first quarter bad weather conditions which resulted in slow sales.

Cost of goods sold for the three months ended June 30, 2015 was $77,679. Cost of goods sold decreased 46%, from $107,091 for the three months ended June 30, 2014. The cost of goods sold decreased due to lower sales and inventory adjustments.

General and administration expenses for the three months ended June 30, 2015 increased to $229,157 compared to $111,610 for the three months ended June 30, 2014. The increase was due primarily to an increase of $55,400 in stock based compensation and $53,000 in employee salaries.

Research and development expenses for the three months ended June 30, 2015 increased to $11,632 compared to $16,413 for the three months ended June 30, 2014. The increase was due primarily to decreased efforts in new product development.

Interest expense for the three months ended June 30, 2015 increased to $105,098 from $29,109 for the three months ended June 30, 2014, related to an increase from borrowings to finance operations.

Gain on change in fair value of derivatives for three months ended June 30, 2015 was $1,812,699, compared to $0 for three months ended June 30, 2014. For the three months ended June 30, 2014, the Company had no derivative liabilities.

Comparison of the Six month Periods Ended June 30, 2015 and 2014

For the six months ended June 30, 2015, we incurred a net loss of $2,314,959 compared to a loss of $240,074 for the same period ended June 30, 2014.

Net sales for the six months ended June 30, 2015 totaled $212,123 a decrease of 56% from $480,558 for the six months ended June 30, 2014. This decrease was attributable to bad weather conditions in the first quarter with clients requiring more repair and maintenance time resulting in slower new product orders.

Cost of goods sold for the six months ended June 30, 2015 was $181,248. Cost of goods sold decreased 54%, from $395,085 for the six months ended June 30, 2014. The cost of goods sold decreased due to lower sales and inventory adjustments.

General and administration expenses for the six months ended June 30, 2015 increased to $472,161 compared to $236,499 for the six months ended June 30, 2014. The increase was due primarily to an increase of $ 79,600 in stock based compensation and $128,000 in employee salaries.

Research and development expenses for the six months ended June 30, 2015 increased to $28,023 compared to $30,847 for the six months ended June 30, 2014. The increase was due primarily to decreased efforts in new product development.

Interest expense for the six months ended June 30, 2015 increased to $214,731 from $58,201 for the six months ended June 30, 2014, related to an increase from borrowings to finance operations.

Gain on change in fair value of derivatives for six months ended June 30, 2015 was $1,630,919, compared to $0 for six months ended June 30, 2014. For the six months ended June 30, 2014, the Company had no derivative liabilities.

Cash and Cash Equivalents

As of June 30, 2015, we had negative cash of $9,273 as compared to $36,734 as of December 31, 2014. We anticipate that a substantial amount of cash will be used as working capital and to execute our strategy and business plan. As such, we further anticipate that we will have to raise additional capital of approximately $1,000,000 to fund our operational and research and development needs over the next twelve months.

Liquidity and Capital Resources

As of June 30, 2015, we had deficit cash of $9,273 and a working capital deficit of $2,389,575. During the six month period ended June 30, 2015, we funded our operations from advances and loans from third parties.

For the six month period ended June 30, 2015, we used net cash of $305,543 in operations compared to $227,145 for the six month period ended June 30, 2014. The increase was primarily due to the increased operating loss.

For the six month period ended June 30, 2015 we used net cash of $4,957 for investing activities compared to $8,494 for the six month period ended June 30, 2014. The decrease was primarily due to reduced spending on equipment.

For the six month period ended June 30, 2015, we had net cash provided by financing activities of $264,493 compared to $223,894 for the six month period ended June 30, 2014. The increase was primarily due to proceeds from notes payable and proceeds from convertible debt.

Our current cash requirements are significant based upon our plan to develop and market new product lines to grow our business. We estimate a need for $1,000,000 in additional capital over the next 12 months which we expect will be provided by the Financing. While we do not have any short-term plans to conduct any debt or equity financings beyond the financing commitment we presently have, we may in the future use debt and equity financing to fund operations, as we look to expand and fund development of our products and services and changes in our operating plans, increased expenses, acquisitions, or other events, may cause us to seek such financing sooner than anticipated. There are no assurances that we will be able to raise such required working capital on terms favorable, or that such working capital will be available on any terms when needed. The terms of such working capital may result in substantial dilution to existing shareholders. Any failure to secure additional financing may force the Company to modify its business plan. In addition, we cannot be assured of profitability in the future.

Off-Balance Sheet Arrangements

At June 30, 2015, there are no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

At this time this is not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Our management with the participation and under the supervision of our Principal Executive Officer and Principal Financial Officer reviewed and evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined by Rule 13a-15(e) or 15d-15(e)) of the Exchange Act Rule 13a-15 as of the end of the period covered by this report. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are not effective as of June 30, 2015 in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. This conclusion is based on findings that constituted material weaknesses. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s interim financial statements will not be prevented or detected on a timely basis.

Management’s Report on Internal Control Over Financial Reporting

In performing the above-referenced assessment, our management identified the following material weaknesses:

i) We have insufficient quantity of dedicated resources and experienced personnel involved in reviewing and designing internal controls. As a result, a material misstatement of the interim and annual financial statements could occur and not be prevented or detected on a timely basis.

ii) We do not have an audit committee or an independent audit committee financial expert. While not being legally obligated to have an audit committee or independent audit committee financial expert, it is the management's view that to have an audit committee, comprised of independent board members, and an independent audit committee financial expert is an important entity-level control over our financial statements.

iii) We did not perform an entity level risk assessment to evaluate the implication of relevant risks on financial reporting, including the impact of potential fraud-related risks and the risks related to non-routine transactions, if any, on our internal control over financial reporting. Lack of an entity-level risk assessment constituted an internal control design deficiency which resulted in more than a remote likelihood that a material error would not have been prevented or detected, and constituted a material weakness.

iv) We lack personnel with formal training to properly analyze and record complex transactions in accordance with U.S. GAAP.

v) We have not achieved the optimal level of segregation of duties relative to key financial reporting functions.

We are currently reviewing our disclosure controls and procedures related to these material weaknesses and expect to implement changes as our financial situation allows, including identifying specific areas within our governance, accounting and financial reporting processes to add adequate resources and personnel to potentially mitigate these material weaknesses.

Our present management will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2015 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no legal proceedings to which we are a party, nor to the best of management's knowledge are any material legal proceedings contemplated.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

The following exhibits are included as part of this report by reference:

Exhibit No.	Description
2.1	Share Exchange Agreement, dated April 4, 2013 (incorporated by reference from registrant's Current Report on Form 8-K filed on April 8,2013)
3.1	Articles of Incorporation (incorporated by reference from registrant's Quarterly report on Form 10-Q filed on August 19, 2013
3.2	Bylaws (incorporated by reference from registrant's Registration Statement on Form SB-2 filed on January 22, 2008
31.1	Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)
31.2	Rule 13a-14(d)/15d-14(d) Certification (Principal Financial Officer)
32	Section 1350 Certifications
101*	Interactive data files pursuant to Rule 405 of Regulation S-T

Footnotes to Exhibits Index:

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

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.

4CABLE TV INTERNATIONAL INC.
(Registrant)

Date: August 19, 2015

/s/ Steve Richey
Steve Richey
Chief Executive Officer and President
(Principal Executive Officer)

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