

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Hallmark Venture Group, Inc.

A Florida Corporation

5112 West Taft Road Suite M, Liverpool, NY 13088

424-224-5358

www.hllkinc.com

info@hllkinc.com

SIC Code #6719

Quarterly Report

For the Period Ending: March 31, 2022

(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was:

197,403,374

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

170,257,847

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

170,257,847

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

- Hallmark Venture Group, Inc. was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc.
- On July 12, 1999, the Company changed its name to Homesmart USA, Inc.
- On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc.
- On March 6, 2008, the Company changed its name to Speech Phone, Inc.
- On June 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

- Hallmark Venture Group, Inc. was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc.
- On July 12, 1999, the Company changed its name to Homesmart USA, Inc.
- On March 3, 2006, the Company moved its domicile to Nevada.
- On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc.
- On March 6, 2008, the Company changed its name to Speech Phone, Inc.
- On June 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.
- On March 22, 2022, the Company converted to a Florida corporation.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

- In May of 2020, a reorganization of the Company occurred that resulted in change of control and assets of the Company being divested.
- Upon the successful completion of the reorganization, the Company was able to become PINK Current with OTC Markets.
- On November 4, 2020, the Company disclosed a 3(a)10 settlement as part of a debt restructuring effort.
- On March 15, 2021, the Company announced that it signed a Plan of Merger and Acquisition Agreement for The Mall at Stonecrest.
- On July 12, 2021, the company canceled the Stonecrest Mall acquisition agreement and the board decided to pursue a different strategy.
- Going forward, the Company anticipates it will seek to conduct one or more of the following actions; recapitalization, merger, SEC registration statement, acquisition, reverse merger

The address(es) of the issuer's principal executive office:

The Company's principal place of business is 5112 West Taft Road Suite M, Liverpool, NY 13088.

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol:	HLLK
Exact title and class of securities outstanding:	<u>Common Shares</u>
CUSIP:	<u>406268102</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>2,499,900,000 as of date: 03/31/2022</u>
Total shares outstanding:	<u>197,403,374 as of date: 03/31/2022</u>
Number of shares in the Public Float ² :	<u>74,346,709 as of date: 03/31/2022</u>
Total number of shareholders of record:	<u>1,875 as of date: 03/31/2022</u>

All additional class(es) of publicly traded securities (if any):

Trading symbol:	_____
Exact title and class of securities outstanding:	_____
CUSIP:	_____
Par or stated value:	_____
Total shares authorized:	_____ as of date: _____
Total shares outstanding:	_____ as of date: _____

Transfer Agent

Name: Liberty Stock Transfer, Inc.
Phone: (732) 372-0707
Email: info@@libertystocktransfer.com
Address: 788 Shrewsbury Ave., Suite 2163, Tinton Falls, NJ 07724

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

3) Issuance History

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: 1/01/2020 <u>Opening Balance</u> Common: <u>3,870,847</u> Preferred A: <u>100,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or canceled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
11/6/2020	New Issuance	1,387,000	Common Stock	\$0.001	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
11/09/2020	New Issuance	10,000,000	Common Stock	\$0.001	No	Endicott Holdings Group, LLC / Mahmoud Jrab	services	Restricted	N/A
12/1/2020	New Issuance	120,000,000	Common Stock	\$0.001	No	Endicott Holdings Group, LLC / Mahmoud Jrab	services	Restricted	N/A
12/4/2020	New Issuance	11,000,000	Common Stock	\$0.001	Yes	Top Knot, Inc.- John Kellas, President	debt conversion	Unrestricted	3a10
02/06/2021	New Issuance	12,000,000	Common Stock	\$0.0001	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
02/10/2021	New Issuance	12,000,000	Common Stock	\$0.005	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
01/14/2022	New Issuance	16,855,527	Common Stock	\$0.005	Yes	Bruce Bent	debt conversion	Unrestricted	3a10
02/18/2022	New Issuance	10,290,000	Common Stock	\$0.005	Yes	Trillium Partners- Steven Hicks	debt conversion	Unrestricted	3a10
Shares Outstanding on <u>March 31, 2022:</u> <u>Ending Balance:</u> Common: 197,403,374 Preferred A: <u>100,000</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
2/02/2022	\$300,000	\$300,000	N/A	N/A	Payable upon completion of defined transaction per agreement	JMJ Associates, LLC- John D. Murphy, Jr.	Management Loan to Company

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
- IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Paul Strickland
 Title: Secretary
 Relationship to Issuer: Secretary

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. (“Annual Report,” “Quarterly Report” or “Interim Report”).

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

The Company is in the process of restructuring its business to focus on real estate acquisitions.

B. Please list any subsidiaries, parents, or affiliated companies.

- NA

C. Describe the issuers’ principal products or services.

- Focused on becoming a real estate acquisitions, development, and value-added development.

6) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

- The Company’s principal place of business is 5112 West Taft Road Suite M, Liverpool, NY 13088.
- It does not have a lease.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
John D. Murphy, Jr	Director & CEO	Liverpool, NY	0	N/A	N/A	Elected to Board & appointed CEO on 5/27/2020
Paul Strickland	Secretary	Olympia, WA	0	N/A	N/A	Appointed Secretary on 5/27/2020
Endicott Holdings Group, LLC/ Mahmoud Jrab	Voting Control Shareholder >5%	Tampa, FL	100,000	Pref A	100%	As of 10/19/2020. Super majority 10,000:1 vote
Endicott Holdings Group, LLC/ Mahmoud Jrab	Voting Control Shareholder >5%	Tampa, FL	130,000,000	CS	76.35%	
OC SPARKLE INC/ Abraham Abu	>5%	LAGUNA NIGUEL, CA	24,000,000	CS	14.10%	as of 12/31/2021
TOP KNOT INC USA/ John Kellas	>5%	OSSINING, NY	12,387,000	CS	7.28%	as of 12/31/2021

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of

federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

- On November 3, 2020, the Company completed a 3(a)10 Court Ordered Settlement Agreement.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Allen Tucci
Firm: Archer & Greiner PC
Address 1: One Centennial Square
Address 2: Haddonfield, NJ 08033
Phone: 215-246-3192
Email: atucci@archerlaw.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, John D. Murphy, Jr. certify that:

1. I have reviewed this quarterly disclosure statement of Hallmark Venture Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 18, 2022

/s/ John D. Murphy, Jr. (Officer's signature)

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Paul Strickland certify that:

1. I have reviewed this quarterly disclosure statement of Hallmark Venture Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 18, 2022

/s/ Paul Strickland [Secretary's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

HALLMARK VENTURE GROUP, INC.

BALANCE SHEETS

(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	-	-
Total Current Assets	-	-
PROPERTY AND EQUIPMENT, NET	-	-
OTHER ASSETS		
Total Other Assets	-	-
TOTAL ASSETS	\$ -	\$ -
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 225,128	\$ 225,128
Due to related party	142,116	111,366
Stock payable	36,130	36,130
Settlement liability - related party	271,148	406,876
Total Current Liabilities	674,522	779,500
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred stock, 200,000 shares authorized, \$0.001 par value; 100,000 and 100,000 issued and outstanding, respectively	100	100
Common stock, 2,499,900,000 shares authorized, \$0.001 par value; 197,403,374 and 170,257,847 issued and outstanding, respectively	197,403	170,258
Additional paid-in capital	1,927,484	1,816,673
Accumulated deficit	(2,799,509)	(2,766,531)
Total Stockholders' Deficit	(674,522)	(779,500)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ -	\$ -

See accompanying notes to unaudited interim financial statements.

HALLMARK VENTURE GROUP INC.
STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES	\$ -	\$ -
EXPENSES		
General and administrative	30,750	5,209
Total expenses	30,750	5,209
INCOME (LOSS) FROM OPERATIONS	(30,750)	(5,209)
OTHER INCOME (EXPENSE)		
Imputed interest expense	(2,228)	-
Total other income (expense)	(2,228)	-
NET INCOME	(32,978)	(5,209)
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	189,179,070	152,791,180

See accompanying notes to unaudited interim financial statements.

HALLMARK VENTURE GROUP, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in capital	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount			
Balance, December 31, 2019	100,000	\$ 100	3,870,847	\$ 3,871	\$ 489,060	\$ (984,830)	\$ (491,799)
Common stock issued for services			131,387,000	131,387	1,182,483		1,313,870
Common stock issued for payment on Settlement Liability - related party			11,000,000	11,000	44,000		55,000
Imputed Interest on amounts due to related party					1357		1,357
Net loss	-	-	-	-	-	(1,633,992)	(1,633,992)
Balance, December 31, 2020	100,000	\$ 100	146,257,847	\$ 146,258	\$ 1,716,900	\$ (2,618,822)	\$ (755,564)
Common stock issued for payment on Settlement Liability - related party			24,000,000	24,000	96,000		120,000
Imputed Interest on amounts due to related party					3773		3,773
Net loss	-	-	-	-	-	(147,709)	(147,709)
Balance, December 31, 2021	100,000	\$ 100	170,257,847	\$ 170,258	\$ 1,816,673	\$ (2,766,531)	\$ (779,500)

See accompanying notes to unaudited interim financial statements.

HALLMARK VENTURE GROUP, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Cash Flows From Operating Activities:		
Net income (loss)	\$ (32,978)	\$ (5,209)
Adjustments to reconcile net loss to net cash used in operating activities:		
Imputed interest on amounts due to related party	2,228	
Changes in operating assets and liabilities		
Increase in accounts payable and accrued expenses	30,750	5,209
Net cash used in operating activities	-	-
Cash Flows From Financing Activities:		
Net cash provided by financing activities	-	-
Increase (decrease) in Cash	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
NON-CASH TRANSACTIONS		
Commons stock issued for payment on settlement liability - related party	\$ 135,728.00	\$ 120,000.00

See accompanying notes to unaudited interim financial statements.

Hallmark Venture Group, Inc.
Notes to the Financial Statements
Three Months Ended March 31, 2022 and 2021

Note 1 — Organization and Operations

Hallmark Venture Group, Inc. was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc. On July 12, 1999, the Company changed its name to Homesmart USA, Inc. On March 6, 2008, the Company changed its name to Speech Phone, Inc. On March 3, 2006, the Company moved its domicile to Nevada. On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc. On July 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.

On May 4, 2020, Living Waters, LLC (“LWLLC”) obtained management control of the Company from its previous CEO and Director, Robert Cashman (“Cashman”), pursuant to a contingent Share Purchase Agreement (the “SPA”), dated as of May 4, 2020, by and among LWLLC and Cashman, whereby certain preferred shares (the “Preferred Shares”) that represent the voting control interest in the Company were to be issued to LWLLC (the “Transaction”).

On May 27, 2020, in connection with the Transaction and in accordance with provisions of the SPA, LWLLC assigned the SPA to Medical Southern, LLC (“MSLLC”). On August 13, 2020, all issued and outstanding Preferred Shares were issued to a designee of MSLLC, Top Knot, Inc. USA (“TKIU”).

On August 17, 2020, in connection with the Transaction and in accordance with provisions of the SPA, MSLLC assigned the SPA to Stonecrest Acquisition, LLC (“SALLC”). As a consequence of the Transaction, a change of control of the Company occurred. As a result of the Transaction TKIU obtained voting control of the Company. Subsequently, on October 19, 2020, TKIU assigned 100% of the Preferred Shares it held to Endicott Holdings Group, LLC (“Endicott”).

Note 2 — Basis of Presentation and Going Concern

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States, consistently applied; that all material matters necessary for a fair presentation are included and disclosed to the extent necessary and that all material adjustments have been made.

Going Concern

The Company’s financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As of March 31, 2022, the Company had an accumulated deficit of \$2,766,531 and requires additional funds to support its operations and to achieve its business development goals, the

Hallmark Venture Group, Inc.
Notes to the Financial Statements
Three Months Ended March 31, 2022 and 2021

attainment of which are not assured.

These factors and uncertainties raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might incur in the event the Company cannot continue in existence. Management intends to seek additional capital from new equity securities offerings, debt financing and debt restructuring to provide funds needed to increase liquidity, fund internal growth and fully implement its business plan. However, management can give no assurance that these funds will be available in adequate amounts, or if available, on terms that would be satisfactory to the Company.

The timing and amount of the Company's capital requirements will depend on a number of factors, including maintaining its status as a public company and supporting shareholder and investor relations.

Note 3 — Summary of Significant Accounting Policies

Revenue Recognition

On January 1 2018, we adopted Accounting Standards Update No. 2014-09, (*Revenue from Contracts with Customers*) (*Topic 606*), which supersedes the revenue recognition requirements in Accounting Standards Codification (ASC), *Revenue Recognition*. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606. The impact of adopting the new revenue standard was not material to our financial statements and there was no adjustment to beginning retained earnings on January 1, 2018.

Topic Under 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

The Company recognizes revenues based on monthly fees for services provided to customers. Some customers prepay for annual services and the Company defers such amounts and amortizes them into revenues as the service is provided.

The adoption of Topic 606 has no impact on the Company's financials as the Company has not generated any revenues.

Hallmark Venture Group, Inc.
Notes to the Financial Statements
Three Months Ended March 31, 2022 and 2021

Stock-based Compensation

ASC 718, *Compensation – Stock Compensation*, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions included recurring liabilities, or issuing or offering to issue shares, options and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized in the period of grant.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, *Equity – Based Payments to Non-Employees*. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

For the three-month ended March 2022 and 2021, the Company issued shares for expenses and payment on its settlement liability. The Company issued 27,145,527 common shares and 24,000,000 common shares during the three months ended March 31, 2022 and 2021, respectively.

Accounting Basis

The basis is accounting principles generally accepted in the United States of America. The Company utilizes an accrual basis of accounting and has a December 31st year end.

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Property and Equipment

Expenditures for major equipment are capitalized when such costs are determined to extend the useful life of the asset or are part of the cost of acquiring the asset. Maintenance and repairs costs are charged to expense as incurred. Gains and losses on sales of property used in operations are classified within operating expenses.

For financial reporting purposes, we record depreciation and amortization of property and equipment on a straight-line basis over the asset’s service life or related lease term, if shorter. For

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income tax purposes, depreciation is computed using accelerated methods when applicable.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include **a.** affiliates of the Company; **b.** entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; **c.** trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; **d.** principal owners of the Company; **e.** management of the Company; **f.** other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and **g.** other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: **a.** the nature of the relationship(s) involved; **b.** a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; **c.** the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and **d.** amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.”

Derivative Financial Instruments

The Company accounts for freestanding contracts that are settled in a company’s own stock, including common stock warrants, to be designated as an equity instrument or generally as a liability. A contract so designated is carried at fair value on a company’s balance sheet, with any changes in fair value recorded as a gain or loss in a company’s results of operations.

The Company records all derivatives on the balance sheet at fair value, adjusted at the end of each reporting period to reflect any material changes in fair value, with any such changes classified as changes in derivatives valuation in the statement of operations. The calculation of the fair value of derivatives utilizes highly subjective and theoretical assumptions that can materially

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affect fair values from period to period. The recognition of these derivative amounts does not have any impact on cash flows.

At the date of the conversion of any convertible debt, the pro rata fair value of the related embedded derivative liability is transferred to additional paid-in capital.

There was no derivative activity in the three months ending March 31, 2022 and 2021. Therefore, no derivative liabilities were recorded during the three months ended March 31, 2021 and 2020.

Net Income (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares, which primarily consist of convertible notes, stock issuable to the exercise of stock options and warrants have been excluded from the diluted loss per share calculation because their effect is anti-dilutive.

Recently Issued Accounting Pronouncements

Recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission are not believed by management to have a material impact on the Company's present or future financial statements.

Note 4 – Settlement Liability

On November 3, 2020, the Company entered into a settlement agreement with Green Horseshoe, LLC., Inc. on its past due notes payable with a principal balance of \$285,206 and accrued interest of \$296,670 representing a total amount of the settlement of \$581,876. The settlement is non-interest bearing.

The agreement calls for the Company's transfer agent to issue free-trading common shares to Green Horseshoe, LLC. at a conversion rate of 50% of the average closing price of the Company's shares for the 10 prior trading days prior to any issuance notice issued by Green Horseshoe, LLC. The Company shall issue its unrestricted common stock in one or more tranches of less than 10% of the Company's then issued and outstanding shares until the agreed upon settlement is satisfied.

For the three months ended March 31, 2022 and 2021, the Company issued 27,145,527 and 24,000,000 shares of its common stock respectfully in payment of \$135,728 and \$120,000 towards the settlement with no gain or loss recorded.

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Note 5 – Stockholders' Equity

Common Stock:

The Company is authorized to issue 2,499,900,000 shares of \$0.001 par value common stock.

Issuance of common stock for services, acquisitions and debt repayments:

During the three months ended March 31, 2022 and 2021, the Company issued the following shares of common stock.

- 24,000,000 shares for payment of the settlement liability to a related party in the amount of \$120,000 with no gain or loss reported.
- 27,145,527 shares for payment of the settlement liability to a related party in the amount of \$135,728 with no gain or loss reported.

The Company has 197,403,374 and 170,257,847 common shares issued and outstanding as of March 31, 2022 and March 31, 2021.

Preferred Stock:

The Company is authorized to issue 200,000 shares of \$0.001 par value preferred stock. Each share of Preferred Stock, is convertible at the option of the holder into nine hundred shares of common stock.

The Company has 100,000 preferred shares issued and outstanding as of March 31, 2022 and 2021.

Note 6 – Related Party Transactions

For the three months ended March 31, 2022 and 2021, the Company had the following related party transactions from the result of services provided to the Company, repayment of the settlement liability and proceeds of loan provided by management.

On February 10, 2021 the Company issued 24,000,000 of its shares of common stock as payment on debt to related parties in the amount of \$120,000 with no gain or loss reported.

For the quarter ending March 31, 2021, the Company's management directly paid for various company expenses in the amount of \$5,209. The amount is payable on demand and has no stated interest rate.

On January 14, 2022 the Company issued 16,855,527 of its shares of common stock as payment on the settlement liability to related parties in the amount of \$84,278 with no gain or loss reported.

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On February 18, 2022 the Company issued 10,290,000 of its shares of common stock as payment on the settlement liability to related parties in the amount of \$51,450 with no gain or loss reported.

For the quarter ending March 31, 2022, the Company's management directly paid for various company expenses in the amount of \$30,750. The amount is payable on demand and has no stated interest rate.

Note 7 – Contingencies and Litigation

Legal Proceedings

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on the financial position, results of operations or liquidity. As of March 31, 2022 and 2020, the Company is not involved in any litigation or disputes.

Note 8 – Subsequent Events

Management has evaluated all activity from December 31, 2021 through the date the financial statements were issued and has concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.