Corporate Report

Date: September 30, 2010

Section One:

Part A General Company Information

- I. Javalution Coffee Company
 - A. Image Nutrition, 9/26/2003
- II. 2485 E Sunrise Blvd, Suite 201-A, Ft. Lauderdale, FL 33304
 - A. Phone 954-568-1747, Fax 954-568-0851
 - B. www.myjavafit.com, www.javafitbuilder.com, www.javafitgivesback.com
 - C. shareholders@javalution.com
- III. State of Florida, 2/19/2003

Part B Share Structure

- IV. Common and Series A Convertible Preferred Shares, Restricted, CUSIP # 47189N103, Stock Symbol JCOF.PK
- V. Par or stated value and description of the security
 - A. No Par Value
 - B. Common or Preferred Stock
 - 1. Holders of Common Stock have one vote per share on any matters brought to a vote of the shareholder stock, will receive dividends on a pro rata basis if any dividends are declared by the company. No preemptive rights.
 - 2. Only class of preferred authorized is Series A 8% Convertible. Interest payable in cash or shares of common stock. Series A converts into common stock at \$0.25 a share. Each holder of the Series A shares is entitled to convert 1 Series A into 4 Common at \$0.25. No voting rights with respect to any matters concerning Common Stock.
 - 3. NA
 - 4. NA

VI. Number of Shares

A. Common

| | December 31, 2008 | December 31, 2009 | Sept 30, 2010 |
|----|-------------------|-------------------|---------------|
| 1. | 500,000,000 | 500,000,000 | 500,000,000 |
| 2. | 71,313,138 | 116,337,620 | 152,800,641 |
| 3. | 5,400,000 | 12,909,866 | 45,885,061 |
| 4. | 2 | 2 | 2 |
| 5. | 259 | 304 | 401 |

B. Series A Convertible Preferred Shares

| 1. | December 31, 2008 | December 31, 2009 | Sept 30, 2010 |
|----|-------------------|-------------------|---------------|
| 2. | 100.000.000 | 100.000.000 | 100.000.000 |

| 3. | 1,548,700 | 1,558,700 | 401,135 |
|----|-----------|-----------|---------|
| 4. | 0 | 152,000 | 0 |
| 5. | 0 | 0 | 0 |
| 6. | 30 | 31 | 13 |

Part C Business Information

- VII. Fidelity Transfer Company, 8915 South 700 East, Suite 102, Sandy, Utah 84070, (801) 562-1300, yes registered under the Exchange Act and the regulatory authority of the transfer agent is the Securities and Exchange Commission
- VIII. The nature of the issuer's business.
 - A. <u>Business Development</u>. Javalution Coffee Company is a Florida corporation (hereinafter referred to as the "Company," "we," "our," or "us") formed in February of 2003. The Company's Fiscal Year End is December 31st. We are an early stage revenue producing, publically traded company (JCOF) that has developed and begun marketing our unique JavaFit™ line of coffee based nutritionally enhanced "functional food" products. Additionally, the company owns a 100% equity interest in CLR Roasters which is a coffee roasting operation that produces the JavaFit brand of coffee among other coffee brands.

We are in our eighth year in business. We began by developing our first fortified coffee, Diet Plus, which targeted the weight conscious consumer. Shortly after establishing market acceptance to its Diet Coffee the company began developing additional fortified gourmet coffees.

The base product in JavaFit's gourmet coffee consists of a blend of coffee beans that are of the highest quality available in the world. We only utilize choice Grade 1 beans from the world's finest coffee growing regions. We combine these beans with various nutrients and supplements that when blended together provide a great tasting cup of coffee that provides wellness functions and we market these coffees under the brand JavaFit®.

Fortified foods and beverages have gained wide acceptance on a worldwide basis and has experienced significant growth over the last several years. Many product categories are evaluating the entry into the fortified arena. We believe that the key to entry is to fortify a product that already has wide and, more importantly, daily use by consumers. We believe that with the wide and daily use of coffee by so many consumers JavaFit's fortified gourmet coffee has significant market potential. To date, we have tried a number of distribution channels and a wide variety of advertising media. None of these distribution channels has generated sufficient revenues for us to operate profitably. Management has explored and evaluated multi-level marketing as an optimal distribution strategy for the JavaFit brand since 2007. Beginning in

2009 we elected to enter this business platform and launched a Multi Level Marketing Program ("MLM") approach in April of 2009.

The following 11 items are necessary are necessary to be in compliance with pink sheets reporting requirements:

- 1. The issuer is a corporation formed in the state of Florida.
- 2. The issuer was organized in February of 2003.
- 3. The issuer's fiscal year end date is on a calendar year.
- 4. The issuer has never been in bankruptcy, receivership or any similar proceeding.
- 5. The issuer has no material reclassification, and has not participated in a merger, consolidation, or purchase or sale of a significant amount of assets other than those outlined in the notes to the 12/31/2009 financial statements posted on March 30, 2010
- 6. The issuer has no defaults of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments.
- 7. The issuer has no change of control.
- 8. The issuer has not had any increase of 10% or more of the same class of outstanding equity securities;
- 9. The issuer has no plans for any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;
- 10. The issuer has not had any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and
- 11. The issuer has no material current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

B. MULTI LEVEL MARKETING:

MLM is a business-distribution model that allows a parent company to market its products directly to consumers by means of relationship referrals and direct selling. Independent, unsalaried salespeople of multi-level marketing, referred to as distributors (or associates, independent business owners, dealers, sales consultants, consultants, independent agents, etc.), represent the parent company and are awarded a commission based upon the volume of product sold through each of their independent business operations.

Independent distributors develop their organizations by either building an active customer base, who buy direct from the parent company, or by recruiting a *downline* of independent distributors who also build a customer base, thereby expanding the overall organization. Additionally, distributors can also earn a profit by retailing products they purchased from the parent company at wholesale price.

Distributors earn a commission based on the sales efforts of their organization, which includes their independent sale efforts as well as the leveraged sales efforts of their downline. Commissions are paid to multi-level marketing distributors according to the company's compensation plan. There can be multiple levels of people receiving royalties from one person's sales. After investing significant dollars in software, web development, recruiting tools, and alternative packaging JavaFit orchestrated a national launch in July of 2009.

RICHMONT HOLDINGS STRATEGIC ALLIANCE: As of July 15,2010 the company entered into a strategic alliance with Richmont Holdings. Richmont brings a experienced team of leaders to Javalution led by their Chariman, John Rochon, who is the former chairman of Mary Kay Cosmetics. Richmont will focus their efforts on sales and marketing.

Through September 30, 2010 approximately 3500 affiliates have joined the company and JavaFit products are distributed in 48 states. The company plans to enter it first international markets in later this year.

CLR ROASTERS

In 2007 Javalution Coffee Company acquired a 50% stake in its coffee roaster. In October of 2008 the company acquired an additional 10% of the roasting business and by September 1, 2009 the remaining interest in CLR Roasters was acquired by Javalution Coffee Company. CLR Roasters is a strategic investment for the company and will help to maximize shareholder value. We strongly feel vertical integration is an important step to controlling quality, growing revenue and servicing our customers.

Currently CLR Roasters generates revenue with its product and roasting capabilities as follows:

1 Brick Packs in Retail: CLR, our roasting division, has a proprietary brand known as Café La Rica. Café La Rica is an espresso sold in a 10 oz brick pack (Vacuum sealed for long shelf life). This brand is currently sold in Wal-Mart, Winn-Dixie, and Albertsons'. We service this

- market directly and through sales representatives. We expect further growth in our brick pack business over the next several years and have received interest from both Navarro's and Sam's.
- 2 Super Sacks to Distributors: Since our roasting capabilities are greater than our packaging capabilities we market our roasting services to a number of distributors to take advantage of our excess roasting capacity. We roast coffee for a number of distributors and ship to them in 1,000 pound sacks called Super Sacks. Our distributors then package these roasted coffees (either whole bean or ground) with their own packaging equipment.

Packs and Bags to Distributors and Private Label Users: CLR Roasters roasts and packages coffee for a number of companies as their private label producers. We currently produce product for wholesalers like Best Coffee, Gourmet Cup and Diplomat Coffee as well as manufacture and distribute coffee and coffee accessories to LP Signature assisted living centers. CLR is targeting other wellness centers to expand this opportunity as well as exploring opportunities with cruise lines to be their private label provider of ground coffee.

The following 7 items are necessary to be in compliance with pink sheet current information:

1. The issuer's primary SIC Code is 2095.

The issuer is currently conducting operations.

- 2. The Issuer has never at any time been a "shell company";
- 3. The Issuer operates as Javalution Coffee Company and owns a wholly owned subsidiary by the name of CLR Roasters. Both companies financial statements are posted on www.pinksheets.com under the symbol JCOF.
- 4. There is no material effect of existing or probable governmental regulations on the issuer's business.
- 5. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;
- 6. The issuers do not have any material costs related to compliance with environmental laws (federal, state and local).
- 7. The issuer has a total employees 16 full-time employees.

IX. The Nature of Products and Services

- a. JavaFit Immune with Multivitamins 2 oz frac packs *
- b. JavaFit Diet Plus 2 oz frac packs *
- c. JavaFit Energy Extreme 2 oz frac packs *
- d. JavaFit Fair Trade organic coffee in whole bean and ground form
- e. Javafit Royal Water Decaf Coffee
- f. JavaFit Impact Coffee with 14 Beneficial Mushrooms
- g. JavaFit Extreme Ready to Drink Latte
- h. JavaFit Diet Ready to Drink Latte
- i. JavaFit Focus Ready to Drink Latte
- j. JavaFit Immune Ready to Drink Latte
- k. JavaFit Single Serves available in Diet, Energy, Immune, Focus and impact
- I. Café La Rica Brick Pack Espresso

Frac packs*

As our distribution grows we will likely continue to offer new and improved products to meet consumer demands and changing tastes.

Our JavaFit Brand and the Importance of Functional Foods

Two of the most visible functional foods are (1) nutrition/sports bars, which deliver energy, fiber and nutritional ingredients in a convenient, easy to eat food form, and (2) functional beverages, which are enhanced with vitamins, calcium and other nutrients. We expect to see a proliferation of functional foods and beverages, creating widespread awareness of their benefits. We intend to use our unique JavaFit line of coffee products to develop a leading position within the coffee category within the fast growing "functional food" market, estimated to grow to be \$49 billion by decade's end. "Functional foods" are commonly consumed food or drink products that have been enhanced by the addition of vitamins or other nutraceuticals to provide special nutritional benefits. Examples, include, bottled fruit juice or water with added nutrients (i.e., Sobe®, VitaminWater®, Tazo®); orange juice fortified with calcium or breakfast cereals fortified with vitamins.

At least 109 million Americans drink coffee every day. An estimated 127 million Americans are overweight and dieters are spending an estimated \$48 billion each year on equipment, supplements and other diet products. Energy based beverages in 2007 experienced 700% growth. Wellness as a general category is experiencing exponential growth. Our goal is to aggressively target our marketing efforts at the fitness, energy and general wellness segments of the market. We believe that drinking JavaFit, when combined with a proper diet and exercise regimen, will assist consumers in reducing fat, losing weight, increasing energy, and maintaining a healthy lifestyle.

The Demand for Energy Products

We are living in a high intensity, high performance world, in which the demanding level of expectation in almost everything we do requires more energy, whether that's at the office, in school, at the gym or in just coping with the pressures of everyday life.

This has created a huge market that has grown around products that help people have more energy. From Red Bull, Gatorade, Excel, Accelerade and the plethora of sports energy drinks to an array of nutritional supplements and food bars containing ephedra, Ma Huang, ginseng, yerbamate and guarana, the enhanced energy business is booming and these products have nearly ubiquitous retail distribution.

Manufacturing and Raw Materials

JavaFit Ground Coffee and Espresso: All of our product manufacturing is currently placed through our wholly owned subsidiary CLR Roasters. Our roasting company maintains their own inventory of coffee beans and roasts and grinds our coffee to our specifications on a per order basis. The blending of our proprietary formulation of nutrients and supplements is handled by our science team under the leadership of our Chief Science Officer.

To assist us in meeting the rapid ramp up that occurs within a direct marketing platform we have already invested in a second roaster that will allow us to produce up to 3.5 million pounds of coffee annually.

JavaFit Ready to Drink Products: In 2007 we aligned ourselves with three large organizations in the development and manufacturing of our Ready to Drink Products ("RTD"). Utilizing the research and development from Insight Beverage Company we have developed a line of RTD's that have performed well in internal taste studies. Insight has selected Tetra Pak as our packaging company and we have selected Jasper Co. out of Joplin, Missouri as our manufacturer. Our sales samples are produced and ready to be placed in the hands of our direct marketing team at the appropriate time. The shelf life on our product is 1 year non-refrigerated.

CLR Roasters: Currently all JavaFit ground coffee is roasted and packaged with our own roast plant operating under the name CLR Roasters. Our plant is currently operating at 40% of its roasting capacity and we already have additional roasting equipment in place that will allow us to double our roasting capacity. Our roasting operation is capable of producing regular and decaf coffee in ground coffee, espresso coffee, and in whole roasted beans. We also can produce flavored coffees. In the second quarter of 2008 we added production equipment that allows us the ability to produce brick packs in house as well as additional equipment that automates the production of our bagged ground coffee.

Compliance with Government Regulations

The manufacturing, processing, formulating, packaging, labeling, distributing, selling and advertising of our products are subject to regulation by one or more federal agencies. The most active regulation has been administered by The Food and Drug Administration (hereinafter the FDA) which regulates our products pursuant to the Federal Food, Drug and Cosmetic Act (hereinafter the FDCA) and regulations promulgated there under. In particular, the FDA regulates the safety, manufacturing, labeling and distribution of dietary supplements, including vitamins, minerals and herbs, food additives, food supplements, over-the-counter drugs and prescription drugs, medical devices and cosmetics. In addition, the Federal Trade Commission (hereinafter the FTC) has overlapping jurisdiction with the FDA to regulate the labeling, promotion and advertising of dietary supplements, over the counter drugs, cosmetics and foods.

Compliance with applicable FDA and any state or local statute is critical. Although we believe that we will be in compliance with applicable statutes, there can be no assurance that, should the FDA amend its guidelines or impose more stringent interpretations of current laws or regulations, we would be able to comply with these new guidelines. We are unable to predict the nature of such future laws, regulations, interpretations or applications, nor can we predict what effect additional governmental regulations or administrative orders, when and if promulgated, would have on our business in the future. These regulations could, however, require the reformation of our coffee to meet new standards, market withdrawal or discontinuation of certain products not able to be reformulated.

Advertising of dietary supplement products is subject to regulation by the FTC under the Federal Trade Commission Act (hereinafter the "FTCA"). Section 5 of the FTCA prohibits unfair methods of competition and unfair or deceptive trade acts or practices in or affecting commerce. Section 12 of the FTCA provides that the dissemination or the causing to be disseminated of any false advertising pertaining to drugs or foods, which would include dietary supplements, is an unfair or deceptive act or practice. Under the FTC's Substantiation Doctrine, an advertiser is required to have a "reasonable basis" for all objective product claims before the claims are made. Pursuant to this FTC requirement, we are required to have adequate substantiation of all material advertising claims made for its products.

Marketing Campaign

The key to JavaFit's acceptance in the market place is to get the consumer tasting our coffee. All of our marketing efforts will be geared toward achieving that goal. We hope to accomplish this objective through a number of approaches that puts a cup of JavaFit into the hands of the consumer. Although we will support or direct marketing effort with some target marketing it has been proven that with a direct marketing approach word of mouth from your army of sales people will produce the greatest results.

Advertising, Public Relations and Trade Shows:

JavaFit in the News: We are in an exciting industry and our product will take advantage of free press and publicity wherever possible.

We have also paid for different types of media advertising. We have appeared in over 30 television spots including:

- WSVN FOX, Miami,
- KTNV ABC, Las Vegas
- KABC ABC, Los Angeles.

We have appeared in various print magazines and publications including:

- Muscle & Fitness, Flex
- The New York Post , The Washington Post
- Florida Business Journal
- First for Women, Women's Health and Fitness
- The National Enquirer, Star Magazine
- Men's Edge, Outside Magazine
- Redbook , Upscale
- College Bound Teens

We take part in various trade shows with the goal of increasing brand awareness and credibility via grassroots marketing efforts including:

- Arnold Classic, Olympia
- NATSO (National Association of Truck Stops and Travel Centers)
- Regional Distribution Buyer Shows
- NAMA (National Automatic Merchandising Association)
- International Society of Sports Nutrition
- Coffee Services Show, Coffee Fest
- Power House Convention, Club Industry, IHRSA
- Boston Marathon, Miami Marathon, Austin Marathon, Los Angeles Marathon
- NACS (Nationals Association of Convenience Stores)
- National Association of Chain Drug Stores
- Specialty Coffee Association

Patent Application.

We filed a patent application with United States Patent Trademark Office (the "PTO") for a patent entitled, "Nutrified Coffee Compositions." This patent application seeks to protect rights to our use of coffee as a nutrient and supplement delivery device and to protect certain of our proprietary product formulations. We have been assigned all right, title and interest in the intellectual property relating to the patent application, free and clear of any claims or rights to royalties.

Trademarks

We have been granted the following United States trademarks:

JavaFit

The Functional Coffee Company

JavaFit Extreme

Functional Gourmet Coffee

Functional Gourmet Coffee Company

Javalution Coffee Company

Stylized V" logo

Convenience in a Cup

Performance Coffee

We don't do flavors we do functions

See "RISK FACTORS - Unauthorized use of our intellectual property and trade secrets may affect our market share and profitability".

Competition

The diet fitness and health food industries, as well as the food and drink industries in general, are highly competitive, rapidly evolving and subject to constant change. The number of competitors in the overall diet, fitness, health food, nutraceutical industries is virtually endless. We expect that as our products establish a market niche, competition will arise from a variety of sources, from large multinationals like General Foods and Nestle, already in the coffee business, to the myriad of other smaller national and regional nutraceutical companies.

Many of our potential competitors have:

- greater financial, technical, personnel, promotional and marketing resources;
- longer operating histories;
- greater name recognition; and
- larger consumer bases than us.

We believe that existing industry competitors are likely to continue to expand their product offerings. Moreover, because there are few, if any, substantial barriers to entry, we expect that new competitors are likely to enter the "functional foods" and nutraceutical market and attempt to market a "functional food" or nutraceutical coffee products similar to our products, which would result in greater competition. We cannot be certain that we will be able to compete successfully in this extremely competitive market.

X. The nature and extent of issuer facilities.

We operated our business at the following facilities:

1. Roasting, Distribution and Operations is handled in our Miami, Florida based facility which consists of 18,000 square feet that includes 2500 square feet of office. This facility is leased for five years with a five year option. Our rent is approximately \$12,000 per month.

2. Sales and Marketing is handled in our Fort Lauderdale, Florida based facility. This facility is

leased on a month to month basis at a rate of \$1,450 per month. The office is equipped with sufficient

furniture, computers, telephone and other office equipment to meet our current needs.

Employees

Presently, we have fifteen (15) full time employees. We believe that our current personnel are capable of meeting our operating requirements in the near term. We expect that as our business grows we may hire additional personnel to handle the increased demands on our operations and to handle some of the services that are currently being outsourced, such as brand management and sales efforts. We do not currently offer any fringe benefits plans, but we may offer such benefits as may be required

to promote employee retention. None of our personnel are represented by a union.

Recent Financings

Legal proceedings

Since inception, we have financed our operations through various types of financing including debt and equity. Some of these financings were self underwritten, in others; we relied on the services of registered broker dealers including Sandgrain Capital and Joseph Stevens & Company. We secured net proceeds of approximately \$7,600,000 net of brokerage fees from these various financings. If all outstanding warrants are exercised, we will receive additional proceeds of approximately \$6,000,000 in financing and we will be required to issue approximately 24,000,000shares of our common stock.

There is no outstanding litigation.

Part D Management Structure and Financial Information

XI. The following information sets forth the names of our officers and director:

A. Name Office(s) Held

David Briskie Chief Executive Officer / Director

Scott Pumper President / Director

Michael Zimmerman Director

* Business address for all Officer/Directors is 2485 E Sunrise Blvd, Suite 201-A, Ft. Lauderdale, FL 33304

David Briskie joined our Company in 2007 as Chief Executive Officer and a director Prior to joining our company; Mr. Briskie had an 18-year career with Drew Pearson Marketing ("DPM"), a consumer product company marketing headwear and fashion accessories. He began his career at DPM in 1989 as Executive Vice President of Finance and held numerous positions in the company, including vice president of marketing, chief financial officer, chief operating officer and president. During his tenure, DPM's annual sales reached \$70 million. In addition, DPM expanded its global position by adding offices in Dallas, New York, Hong Kong and Minnesota and by forming Drew Pearson International ("DPI"), which introduced the DPM products to fifteen

European countries, Canada, Mexico, Latin America and Asia. From 1996 through 2006, Mr. Briskie served as Chief Executive Officer of DPM and DPI. He assisted those companies in obtaining multi-million dollar contracts and building relationships with companies such as Disney, Warner Brothers, the National Football League, the National Basketball Association, Major League Baseball, the National Hockey League, major universities, Anheuser Bush and General Motors. In 2001, Dave orchestrated a merger of DPM and DPI with its key manufacturing partner, Mainland Headwear, and the merged company was taken public on the Hong Kong Stock Exchange. Mr. Briskie graduated magna cum laude from Fordham University with a double major in marketing and finance.

Scott Pumper has been a health and exercise enthusiast who has dedicated many years to the actualization of optimum personal health and fitness, Scott Pumper is one of the co-founder and President of Javalution Coffee Company. Since its inception in 2003, Scott has served as the company's director, President and Treasurer. Scott began his business career on Wall Street in 1989, where he became a licensed stock broker and principal. While on Wall Street, Scott became involved in all aspects of venture capital, IPO's, portfolio management and equity trading.

Michael Zimmerman, Director - Mr. Zimmerman has served as a Director since 2004 and since 2003 has been and continues to be a certified baseball agent for Aces Sports Management, one of most respected sports agencies. He was selected by the Pittsburgh Pirates in the first round of the 1990 Major League Baseball Draft and had a ten year career in the minor leagues playing in the United States, Venezuela, Dominican Republic, Mexico and Taiwan. He was the Northeast Scouting Supervisor for the Tampa Bay Devil Rays from October 2000 through June 2003. He attended the University of South Alabama for three years, concentrating in business.

Employment and Professional Agreements

Mr. Briskie and Mr. Pumper are parties to identical employment agreements that run through December 31, 2012. Their current salaries are \$132,000 per year. They will also participate in a pooled bonus program that will pay out a total 1.5% of the gross revenues (less returns and allowances) generated from the sale of Javalution and CLR products, 2.5% of gross margins, as well as participation in an incentive bonus pool for meeting the company's net profit objectives. In addition, each is entitled to be awarded Stock Options as outlined in their employment agreement. The Company also provides health insurance coverage for each of the above and each receives a car allowance of \$800 per month.

Securities Owned

Scott Pumper: 13,120,183 Dave Briskie: 13,223,182 Mike Zimmerman: 10,000

Directors

Our bylaws provide that the Board of Directors shall consist of such number as may be fixed from time to time by resolution of the Board of Directors. The directors need not be stockholders. Presently, Mr. Briskie, Mr. Pumper, Mr. Zimmerman are our directors.

Term of Office

Our directors hold office until their successors are elected and qualified or until their earlier resignation or removal. Our officers are appointed by our Board of Directors and hold office until removed by the Board.

- B. There is no Legal/Disciplinary History with respect to all identified Officers/Directors.
- C. There are no family relationships between or among the directors, executive officers or persons nominated or chosen by our stockholders or us to become directors or executive officers.
- D. There are no related party transactions between or among the directors, executive officers or persons nominated or chosen by our stockholders or us to become directors or executive officers.
- E. There are no conflicts of interest to disclose.
- XII. Such financial statements are incorporated by reference to filings posted on pinksheets.com under the symbol JCOF
- XIII. Such financial statements are incorporated by reference to filings posted on pinksheets.com under the symbol JCOF

- XIV. Beneficial Owners:
- XV. Cede & Co. 23,548,704 shares (18.5749%) Depository Trust Co otherwise known as DTC
- XVI. Name, address, telephone number, and email address of each of the following:
 - A. NA
 - B. NA
 - C. Counsel: Jeffrey Klein, 2600 N Military Trail, Boca Raton, FL 33431, (561) 997-9920, jklein@jkleinlegal.com
 - D. Auditor: Sherb & Co., Chris Valleau, 1900 NW Corporate Blvd, Suite 210 East, Boca Raton, FL 33431. (561) 886-4200, <u>cvalleau@sherbcpa.com</u>, Audited the 12/31/2007 Financials and the Board of Directors reviewed the audited financials.
 - E. NA
 - F. NA
 - G. NA

XVII. MANAGEMENT'S DISCUSSION AND ANALYSIS

A. Operations to Date

We have incurred significant operating losses to date. These losses are directly attributable to the fact that we were required to spend significant sums of money developing and testing our product, conducting market research, identifying proper channels of distribution, traveling to trade shows and taking such steps as necessary in order for us to bring our product to market.

For the 12 months interim reporting period ended December 31, 2009, our net sales were 3,543,229, cost of sales were, \$2,667,649 resulting in a gross loss of \$875,580. Total operating expenses were \$2,308,125 consisting of \$730,087 in compensation expense, \$364,322 in advertising and marketing, \$113,956 in professional fees and \$1,099,764 in selling, general and administrative expenses. We incurred a loss from operations of \$(1,432,549) and experienced additional non-cash losses totaling 3,026,570 consisting of stock based compensation and stock based dividends and interest. The total loss for the year including all items was (\$4,460,695)

During 2010 we will continued to operate at a loss. As we enter 2010 our current burn rate has been reduced by 37% vs 2009. Assuming we receive the required financing and our market research proves correct, management anticipates reaching profitability by the end of 2010 and beyond.

Copies of our 2009 year end financial statements and our interim 2010 financial statements are posted on pinksheets.com under the trading symbol jcof.

B. Management Discussion

We concluded the soft launch of our network marketing business in the month of June 2009 and are officially underway with out network marketing business that is distributing the Javafit brand. We launched nationally on July 6 2009 and we are pleased with our first year performance.

Our initial strategy was to bring our site up live and conduct a beta test for our JavaFit Network Marketing Business Builder System on April 1, 2009. Our web development partner was unable to bring the site up until April 13, 2009 where we recorded our first Network Marketing Revenue. We were met with extraordinary demand when we finally opened up the site for business. The feed back on our products has been overwhelmingly positive and we are very bullish on the future of our JavaFit brand being marketed via this sales and distribution strategy. We were not pleased with the look, feel, capabilities and performance of our web site during the beta testing period, and therefore, we decided in mid-soft launch to implement major upgrades for the look, feel and performance of our site. A strong web presence including an efficient back office, recruiting tools, training tools, and strong administrative functionality is a critical asset to grow a strong network marketing business. Our affiliates are a crucial asset and we were required to provide them with the best tools available to help us grow our business. We have been able to attract a number of fulltime network marketers that are considered at the top of their field and their encouragement to make the switch to a more capable web presence weighed heavily in our decision to upgrade our site while we are relatively small. We formed a tri-party partnership with By Design and MLM Team Sites to substantially improve our web based sales, marketing and support capabilities. We are proud to have you view our new site at www.myjavafit.com. Our web based capabilities now place us in a position to capitalize on the growth prospects before us both domestically and internationally and we strongly feel our investment has us well positioned to attract and retain the best networkers.

Our new software and web platform is stable is performing as anticipated. We are continuing to modify the site and our presence as necessary and we are please with the performance of our development partners. As of September, 2010, 3500 affiliates have already joined our network and our product is being actively marketed in 48 states. We expect continue growth of our affiliate base for the foreseeable future.

CLR Roasters

Our effort go acquire 100% of our coffee roasting facility was accomplished on September 1, 2009. We are pleased to have CLR Roasters operating as a wholly owned subsidiary of Javalution Coffee Company. We believe controlling 100% of our roasting for the JavaFit brand as well as the additional revenue opportunities that exist through CLR Roasters Café La Rica brand and its established private label business provides us with a more stable diversified revenue platform that we could establish by only marketing under the JavaFit brand..

Diversified Revenue Model

We have a very exciting and stable business model that includes four areas for revenue generation. We are generating revenue in the following areas:

Traditional Retail: CLR Roasters Café La Rica brand is currently sold in Wal-Mart and Winn Dixie and various other small retailers

Private Label: CLR Roasters currently provides roasting service to a number of customers and our coffees can be found in Farm Stores, Walt Disney world Resorts, and various cruise line

Distribution Business: CLR Roasters has been providing coffee to LP Signature Wellness centers for quite some time. In March we were granted distribution rights for other products and negotiated distributorships with Splenda, Filter Pack, Diamond Crystal and other suppliers.

Network Marketing Business: JavaFit is now being marketing through a network marketing platform that already has 2800 active affiliates in our program.

Summary: We expect to see continued quarter to quarter revenue growth and have our sites on achieving profitability by the end of 2010.

C. NA

Part E Issuance History

- 3 List of securities offerings and shares issued for services in the past two years
 - C. 9/27/2007
 - i. Rule 506
 - ii. CO, FL, NY, MN, TX, GA, AL, IL, NC, CA, NJ
 - iii. Up to \$4,000,000 of our Series A Convertible Preferred Shares offered @ \$1.00 per share
 - iv. 1,292,565
 - v. \$1.00 per share, \$1,292,565
 - vi. Shares were not trading at the time of the offering
 - vii. Yes all securities were issued with restriction
 - D. 6/9/2008

- i. Rule 506
- ii. FL, MT, TX, AR, CT, NY
- iii. Offering 20 Units, each unit consisting of \$50,000 shares of our Series A Convertible Preferred Shares and 50,000 Common Stock Purchase Warrants, total offering \$1,000,000
- iv. 240,000
- v. \$50,000 per unit, \$240,000
- vi. Shares were not trading at the time of the offering
- vii. Yes all securities were issued with restriction

E. 2/13/2009

- i. Rule 506
- ii. FL, NY, CA, VA, TX, IL, WI, NV, NJ
- iii. Offering 40 Units, each unit consisting of a \$25,000 Debenture and 2,500 Common Stock Purchase Warrants, \$25,000 per Unit, Total Offering: \$1,000,000
- iv. 28,407,014
- v. \$25,000 per unit, \$1,215,000
- vi. Shares were not trading at the time of the offering
- vii. Yes all securities were issued with restriction
- F. Warrants Issued for Services in past 2 years: Catapult Funding 1,500,000 warrants

Part F Exhibits

- 4 NA
- 5 Articles of incorporation are posted at www.pinksheets.com under the symbol JCOF with the posting date of 11/3/2009
- 6 NA
- 7 See Attached Exhibit B that contains the Issuer's Certification.

i, Dave Briskle, certify that:

- 1. I have reviewed this annual and quarterly disclosure statement of Javalution Coffee Company;
- Based on my knowledge, this disclosure state 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 the 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: 9/30, 2010

Jave Briskl

CEO

1/30/2010