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

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 18, 2012**

Innovative Food Holdings, Inc.
(Exact name of registrant as specified in its charter)

Florida	0-9376	20-1167761
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3845 Beck Blvd,. Suite 805, Naples, Florida	34114
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (239) 596-0204

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Statements included in this Current Report filed on Form 8-K/A that do not relate to present or historical conditions are "forward-looking statements." Forward-looking statements may include, without limitation, statements relating to our plans, strategies, objectives, expectations and intentions and are intended to be made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Words such as "believes," "forecasts," "intends," "possible," "estimates," "anticipates," and "plans" and similar expressions are intended to identify forward-looking statements. Our ability to predict projected results or the effect of events on our operating results is inherently uncertain. Forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those discussed in this document. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Important factors that could cause actual performance or results to differ materially from those expressed in or implied by, forward-looking statements include, but are not limited to: factors described under "Risk Factors" contained in our Annual Report on Form 10-K, for the year ended December 31, 2011.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity or performance. Do not place undue reliance on these statements, which speak only as of the date that they were made. These cautionary statements should be considered with any written or oral forward-looking statements that may be issued in the future. Except as required by applicable law, we do not intend to update any of the forward looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events.

Explanatory Note

On May 24, 2012, Innovative Food Holdings, Inc. filed a Current Report on form 8-K under Items 1.01, 2.01, and 9.01 to report the execution of a Stock Purchase Agreement to acquire all of the issued and outstanding shares of Artisan Specialty Foods, Inc., an Illinois corporation ("Artisan"), from its owner, Mr. David Vohaska. The purchase price was $1.2 million, with up to another $300,000 payable in the event certain financial milestones are met over the next one or two years. Prior to the acquisition, Artisan was a vendor and had sold products to the registrant.

At the time of the filing, the audited financial statements of Artisan were not yet available. The purpose of this Amendment No. 1 to the Current Report is to file the historical financial statements and pro forma information required by Item 9.01 of Form 8-K. We are filing this amendment to the Original Form 8-K to include the required financial information. No other amendments to the Form 8-K filed May 24, 2012 are being made by this Form 8-K/A.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired. The audited financial statements of Artisan as of and for the years ended December 31, 2011 and 2010, and the unaudited financial statements of Artisan as of and for the three months ended March 31, 2012 and 2011, are attached hereto as Exhibit 99.1 to this Form 8-K/A and are incorporated in their entirety by reference.

(b) Pro Forma Financial Information. Unaudited Pro Forma Condensed Combined financial information is attached hereto as Exhibit 99.2 to this Form 8-K/A and is incorporated in its entirety by reference.

(d) Exhibits

Exhibit Number	Description
99.1	Audited Financial Statements of Artisan Specialty Foods, Inc. for the twelve months ended December 31, 2011 and 2010, and unaudited financial statements of Artisan Specialty Foods, Inc., for the three months ended March 31, 2012 and 2012.
99.2	Unaudited pro forma condensed combined financial information

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 hereunto duly authorized.

INNOVATIVE FOOD HOLDINGS, INC.

Date: July 31, 2012

By: /s/ Sam Klepfish

Sam Klepfish

Chief Executive Officer

Exhibit 99.1

ARTISAN SPECIALTY FOODS, INC.

Financial Statements

December 31, 2011 and 2010

ARTISAN SPECIALTY FOODS, INC.

Financial Statements

December 31, 2011and 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors

Artisan Specialty Foods, Inc.

We have audited the accompanying balance sheets of Artisan Specialty Foods, Inc. (the “Company”), as of December 31, 2011 and 2010 and the related statements of operations, stockholder’s (deficiency) equity and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Artisan Specialty Foods, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ RBSM LLP

New York, New York
July 18, 2012

Artisan Specialty Foods, Inc.
Balance Sheets

	December 31, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,473	$ 37,172
Accounts receivable, net	420,428	316,599
Inventory	322,734	507,099
Total current assets	745,635	860,870
Property and equipment, net	89,348	152,915
Total assets	$ 834,983	$ 1,013,785
LIABILITIES AND STOCKHOLDER’S DEFICIENCY		
Current liabilities		
Line of credit	$ 747,070	$ 818,885
Accounts payable and accrued liabilities	316,070	212,879
Capital leases, current portion	10,535	14,538
Total current liabilities	1,073,675	1,046,302
Capital leases - long term portion	27,844	38,378
Total liabilities	1,101,519	1,084,680
Stockholder's deficiency) equity		
Common stock, no par value; 1,000 shares authorized, issued, and outstanding	1,000	1,000
Accumulated deficit	(267,536)	(71,895)
Total stockholder's deficiency	(266,536)	(70,895)
Total liabilities and stockholder’s deficiency	$ 834,983	$ 1,013,785

See notes to financial statements.

Artisan Specialty Foods, Inc.
Statements of Operations

	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
Revenue	$ 5,678,211	$ 4,557,372
Cost of goods sold	3,918,259	3,102,363
Gross Profit	1,759,952	1,455,009
Selling, general and administrative expenses	1,492,359	1,362,803
Total operating expenses	1,492,359	1,362,803
Operating income	267,593	92,206
Other expense:		
Interest expense, net	24,592	31,182
Total other expense	24,592	31,182
Income before income taxes	243,001	61,024
Income tax expense	2,000	3,876
Net income	$ 241,001	$ 57,148
Net income per share	$ 241.00	$ 57.15
Weighted average shares outstanding- basic	1,000	1,000

See notes to financial statements.

Artisan Specialty Foods, Inc.
Statements of Cash Flows

	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
Cash flows from operating activities:		
Net income	$ 241,001	$ 57,148
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,567	54,815
Changes in operating assets and liabilities:		
Accounts receivable, net	(103,829)	(48,986)
Inventory	184,365	18,182
Accounts payable and accrued expenses	103,191	(59,403)
Net cash provided by operating activities	488,295	21,756
Cash flows from investing activities:		
Acquisition of property and equipment	-	(48,698)
Net cash used in investing activities	-	(48,698)
Cash flows from financing activities:		
(Repayment of) proceeds from line of credit	(71,815)	91,956
Distributions to owner	(436,642)	(266,062)
Principal payments on debt	(14,537)	(13,004)
Net cash used in financing activities	(522,994)	(187,110)
Decrease in cash and cash equivalents	(34,699)	(214,052)
Cash and cash equivalents at beginning of period	37,172	251,224
Cash and cash equivalents at end of period	$ 2,473	$ 37,172
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 24,592	$ 31,182
Income taxes	$ 2,000	$ 3,876
Non-cash investing and financing activities:		
Non-cash distribution to shareholder	$ -	$ 129,322

See notes to financial statements.

Artisan Specialty Foods, Inc.
Statements of Stockholder's (Deficiency) Equity
For the Two Years Ended December 31, 2011

	Common Stock			
	Shares	**Amount**	**Accumulated Earnings (Deficit)**	**Total**
Balance – January 1, 2010	1,000	$ 1,000	$ 266,341	$ 267,341
Net income for the year ended December 31, 2010	-	-	57,148	57,148
Distributions to shareholder	-	-	(395,384)	(395,384)
Balance - December 31, 2010	1,000	1,000	(71,895)	(70,895)
Net income for the year ended December 31, 2011	-	-	241,001	241,001
Distributions to shareholder	-	-	(436,642)	(436,642)
Balance - December 31, 2011	1,000	$ 1,000	$ (267,536)	$ (266,536)

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements.

Business Activities

Artisan Specialty Foods, Inc. “the Company” was organized on July 8, 2004 as an S-Corporation, in the state of Illinois. The Company is in the business of providing specialty food products to end users.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported periods. Actual results could materially differ from those estimates.

Revenue Recognition

The Company recognizes revenue upon product shipment. The Company ships all its products either overnight shipping terms or three day shipping terms to the customer. Shipping charges to customers and sales taxes collectible from customers, if any, are included in revenues.

For revenue from product sales, the Company recognizes revenue in accordance with Financial Accounting Standards Board “FASB” Accounting Standards Codification “ASC” 605-15-05. ASC 605-15-05 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

Cost of goods sold

The Company has included in cost of goods sold all costs which are directly related to the generation of revenue. These costs include primarily the cost of the product plus the shipping costs.

Selling, general, and administrative expenses

The Company has included in selling, general, and administrative expenses all other costs which support the Company’s operations but which are not includable as a cost of sales. These include primarily payroll, facility costs such as rent and utilities, and other administrative costs including professional fees. Advertising costs are expensed as incurred.

Cash and Cash Equivalents

Cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

Accounts Receivable

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company’s estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company’s estimate of the allowance for doubtful accounts will change. As of December 31, 2011 and 2010, the Company has an allowance for doubtful receivable for $50,000.

Property and Equipment

Property and equipment are valued at cost. Depreciation is provided over the estimated useful lives up to five years using the straight-line method. Leasehold improvements are depreciated on a straight-line basis over the term of the lease.

The estimated service lives of property and equipment are as follows:

Computer Equipment	3 years
Office Furniture and Fixtures	5 years
Warehouse Equipment	5 years
Vehicles	5 years

Inventories

Inventory is valued at the lower of cost or market and is determined by the first-in, first-out method.

Long-lived Assets

The Company reviews its property and equipment and any identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The test for impairment is required to be performed by management at least annually. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted operating cash flow expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

As of December 31, 2011, the Company's management believes there is no impairment of its long-lived assets. There can be no assurance, however, that market conditions will not change which could result in impairment of long-lived assets in the future.

Net Loss Per Common Share

Basic net earnings per share is based on the weighted average number of shares outstanding during the period. The Company did not have any dilutive securities outstanding at December 31, 2011 or 2010.

Fair Value of Financial Instruments

The carrying amount of the Company's cash and cash equivalents, accounts receivable, notes payable, line of credit, accounts payable and accrued expenses, none of which is held for trading, approximates their estimated fair values due to the short-term maturities of those financial instruments.

The Company adopted ASC 820-10, "Fair Value Measurements" (SFAS 157), which provides a framework for measuring fair value under GAAP. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2011 and 2010, the Company did not have any financial assets or liabilities that are measured at fair value on a recurring basis.

Advertising costs

The Company follows the policy of charging the costs of advertising expenses as incurred.

Income taxes

The Company has elected to be treated as subchapter "S" corporations for federal and state income tax purposes. Therefore, no provision has been made for corporate federal and state income taxes and the stockholders have consented to include the income or loss in their individual tax returns. The Company is, however, liable for its state franchise taxes. The Company provides for income taxes based on pre-tax earnings reported in the financial statements. Certain items such as depreciation are recognized for tax purposes in periods other than the period they are reported in the financial statements.

Deferred income taxes are provided in accordance with ASC 740, Subtopic 10. Deferred income taxes are provided for accumulated temporary differences due to basis of differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The Company's temporary differences were deemed to be immaterial.

In June 2006, the FASB issued FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10-25 also provides guidance on derecognition, classification, treatment of interest and penalties, and disclosure of such positions. Effective January 1, 2007, the Company adopted the provisions of ASC 740-10-25, as required. As a result of implementing ASC 740-10-25, there has been no adjustment to the Company's financial statements and the adoption of ASC 740-10-25 did not have a material effect on the Company's financial statements for the years ended December 31, 2011 and 2010.

New Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. ACCOUNTS RECEIVABLE

At December 31, 2011 and 2010, accounts receivable consists of:

	2011	2010
Accounts receivable from customers	$ 470,428	$ 366,599
Allowance for doubtful accounts	(50,000)	(50,000)
Accounts receivable, net	$ 420,428	$ 316,599

3. INVENTORY

At December 31, 2011 and 2010, finished goods inventory was $322,734 and $507,099, respectively.

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2011 and 2010 is as follows:

	2011	2010
Office Equipment	$ 33,926	$ 33,926
Warehouse Equipment	60,134	60,134
Computer Equipment	66,746	66,746
Leasehold Improvements	100,500	100,500
Vehicles	161,023	161,023
	422,329	422,329
Less accumulated depreciation and amortization	(332,981)	(269,414)
Total	$ 89,348	$ 152,915

Depreciation and amortization expense for property and equipment amounted to $63,567 and $54,815 for the years ended December 31, 2011 and 2010, respectively.

5. LINE OF CREDIT

The Company entered into a line of credit facility with The PrivateBank and Trust Company for a maximum borrowing of $1,000,000 available for working capital and maturing June 28, 2012. The line is collateralized by a first lien on all the Company's business assets, a mortgage on the Company's warehouse and office facility which the Company leases and commercial guaranty from the Company's shareholder. The variable interest rate on the line of credit is based upon the prime rate published by the Wall Street Journal.

The Company has a line of credit with a bank. As of December 31, 2011 and 2010, the Company had $747,070 and $818,885 due under the line of credit agreement, respectively. In accordance with the acquisition on May 18, 2012, the line of credit was fully paid off and cancelled.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at December 31, 2011 and 2010 are as follows:

	2011	2010
Trade payables	$ 316,070	$ 212,879

7. CAPITAL LEASES

	December 31, 2011	December 31, 2010
On August 20, 2006, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $646.33 per month. During the years ended December 31, 2011 and 2010, the Company made principal payments on the lease in the amount of $4,923 and $6,614, respectively, and interest payments on the lease in the amount of $249 and $1,142, respectively.	$ -	$ 4,922
On January 1, 2010, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $614 per month. During the year ended December 31, 2011and 2010, the Company made principal payments on the lease in the amount of $5,146 and $4,289, and interest payments on the lease in the amount of $2,222 and $2,465, respectively.	19,493	24,639
On June 30, 2010, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $519.30 per month.	18,886	23,356
Total outstanding	38,379	52,916
Less: current maturities	(10,535)	(14,538)
Long-term	$ 27,844	$ 38,378

Maturities of capital leases for the next five years are as follows:

	December 31, 2011	December 31, 2010
2011	$ -	$ 18,770
2012	13,600	13,600
2013	13,600	13,600
2014	13,600	13,600
2015	3,730	3,730
Subtotal	$ 44,530	$ 63,300
Less interest	(6,151)	(10,383)
Total	$ 38,379	$ 52,917

8. COMMON STOCK

The Company has authorized a total of 1,000 shares of common stock with no par value. As December 31, 2011 and 2010, the Company had issued and outstanding 1,000 shares of common stock.

9. RELATED PARTY TRANSACTIONS

The Company has following transactions with the stockholder, entities under common control which are controlled by the Company's stockholder:

(a) The Company purchases from an entity related to the stockholder. Total purchases from the related party for the years ended December 31, 2011 and 2010 was $79,277 and $59,912, respectively. Related party accounts payable outstanding as of December 31, 2011 and 2010 was $9,601 and $2,743, respectively.
(b) The Company made distributions to the stockholder of $436,642 and $395,384 for the years ended December 31, 2011 and 2010, respectively.
(c) The Company leased warehouse and office space from the stockholder. The Company charged related party rent expense of $100,000 and $100,000 for the years ended December 31, 2011 and 2010, respectively.

10. BUSINESS CONCENTRATION

For the years ended December 31, 2011 and 2010, sales to major customer(s) and purchases from major supplier(s) are as follows:

	2011				2010			
	#	Amount		%	#	Amount		%
Major customer(s)	2	$	2,606,310	45.90	1	$	1,775,485	38.96
Major supplier(s)	0	$	0	00.00	0	$	0	00.00

11. SUBSEQUENT EVENT

Subsequent events have been evaluated through July 18, 2012, a date that the financial statements were issued.

On May 18, 2012, Innovative Foods Holdings, Inc. acting through a newly created subsidiary ("Subsidiary"), entered into a Stock Purchase Agreement to acquire all of the issued and outstanding shares of Artisan Specialty Foods, Inc. The purchase price was $1.2 million, with up to another $300,000 payable in the event certain financial milestones are met over the next one or two years. Prior to the acquisition, Innovative Food Holdings, Inc. was a major customer for the years ended December 31, 2011 and 2010.

As part of the transaction, Mr. Vohaska entered into a two year employment agreement with Subsidiary to continue running the acquired business. The agreement provides for an annual base salary of $120,000 in the first year and $140,000 in the second year.

Also as part of the acquisition of Artisan, the registrant entered into a three year lease for the premises where Artisan conducted its business prior to the acquisition described above. The annual base rent under the lease ranges from approximately $100,000 to approximately $102,010. The landlord is Mr. and Mrs. David Vohaska.

In accordance with the acquisition, a condition precedent to the closing required the seller to pay-off all secured creditors from the Closing Cash Payment necessary to pay all the Company's secured debt in full.

ARTISAN SPECIALTY FOODS, INC.

Financial Statements

March 31, 2012 and 2011

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Artisan Specialty Foods, Inc.
Balance Sheet
(Unaudited)

		March 31, 2012		March 31, 2011
ASSETS				
Current assets				
Cash and cash equivalents	$	75,705	$	84,502
Accounts receivable, net		355,943		321,070
Inventory		419,759		558,595
Total current assets		851,407		964,167
Property and equipment, net		74,899		136,374
Total assets	$	926,306	$	1,100,541
LIABILITIES AND STOCKHOLDERS' (DEFICIENCY)				
Current liabilities				
Line of credit	$	711,121	$	695,372
Accounts payable and accrued liabilities		609,299		430,925
Capital lease payable, current portion		2,821		6,890
Total current liabilities		1,323,241		1,133,187
Capital lease payable - long term portion		33,014		41,910
Total liabilities		1,356,255		1,175,097
Stockholders' (deficiency)				
Common stock, no par value; 1,000 shares authorized, issued and outstanding at March 31, 2012 and December 31, 2011		1,000		1,000
Accumulated deficit		(430,949)		(75,556)
Total stockholders' (deficiency)		(429,949)		(74,556)
Total liabilities and stockholders' (deficiency)	$	926,306	$	1,100,541

See notes to unaudited financial statements.

Artisan Specialty Foods, Inc.
Statements of Operations
(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Revenue	$ 1,599,396	$ 1,217,853
Cost of goods sold	1,002,493	799,690
Gross Profit	596,903	418,163
Selling, general and administrative expenses	289,887	332,952
Total operating expenses	289,887	332,952
Operating income	307,016	85,211
Other expense:		
Interest expense, net	7,685	6,872
Total other expense	7,685	6,872
Income before income taxes	299,331	78,339
Income tax expense	2,500	2,000
Net income	$ 296,831	$ 76,339
Net income per share- basic	$ 296.83	$ 76.34
Weighted average shares outstanding- basic	1,000	1,000

See notes to unaudited financial statements.

Artisan Specialty Foods, Inc.
Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Cash flows from operating activities:		
Net income	$ 296,831	$ 76,339
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	14,449	16,541
Changes in operating assets and liabilities:		
Accounts receivable, net	64,485	(4,471)
Inventory	(97,025)	(51,496)
Accounts payable and accrued expenses	293,229	218,046
Net cash provided by operating activities	571,969	254,959
Cash flows from investing activities	-	-
Cash flows from financing activities:		
Repayment of line of credit	(35,949)	(123,513)
Distributions to owner	(460,244)	(80,000)
Principal payments on debt	(2,544)	(4,116)
Net cash used in financing activities	(498,737)	(207,629)
Increase in cash and cash equivalents	73,232	47,330
Cash and cash equivalents at beginning of period	2,473	37,172
Cash and cash equivalents at end of period	$ 75,705	$ 84,502
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 7,685	$ 6,872
Income taxes	$ 2,500	$ 2,000

See notes to unaudited financial statements.

ARTISAN SPECIALTY FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements.

Business Activities

Artisan Specialty Foods, Inc. "the Company" was organized on July 8, 2004 as an S-Corporation, in the state of Illinois. The Company is in the business of providing specialty food products to end users.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported periods. Actual results could materially differ from those estimates.

Revenue Recognition

The Company recognizes revenue upon product shipment. The Company ships all its products either overnight shipping terms or three day shipping terms to the customer. Shipping charges to customers and sales taxes collectible from customers, if any, are included in revenues.

For revenue from product sales, the Company recognizes revenue in accordance with Financial Accounting Standards Board "FASB" Accounting Standards Codification "ASC" 605-15-05. ASC 605-15-05 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

Cost of goods sold

The Company has included in cost of goods sold all costs which are directly related to the generation of revenue. These costs include primarily the cost of the product plus the shipping costs.

Selling, general, and administrative expenses

The Company has included in selling, general, and administrative expenses all other costs which support the Company's operations but which are not includable as a cost of sales. These include primarily payroll, facility costs such as rent and utilities, and other administrative costs including professional fees. Advertising costs are expensed as incurred.

Cash and Cash Equivalents

Cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

Accounts Receivable

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change. As of March 31, 2012 and 2011, the allowance for doubtful accounts was $50,000.

Property and Equipment

Property and equipment are valued at cost. Depreciation is provided over the estimated useful lives up to five years using the straight-line method. Leasehold improvements are depreciated on a straight-line basis over the term of the lease.

The estimated service lives of property and equipment are as follows:

Computer Equipment	3 years
Office Furniture and Fixtures	5 years
Warehouse Equipment	5 years
Vehicles	5 years

Inventories

Inventory is valued at the lower of cost or market and is determined by the first-in, first-out method.

Long-lived Assets

The Company reviews its property and equipment and any identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The test for impairment is required to be performed by management at least annually. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted operating cash flow expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

As of March 31, 2012, the Company's management believes there is no impairment of its long-lived assets. There can be no assurance, however, that market conditions will not change which could result in impairment of long-lived assets in the future.

Net Loss Per Common Share

Basic net earnings per share is based on the weighted average number of shares outstanding during the period, while fully-diluted net earnings per share is based on the weighted average number of shares of common stock and potentially dilutive securities assumed to be outstanding during the period using the treasury stock method. The Company did not have any dilutive securities outstanding at March 31, 2012 or 2011.

Fair Value of Financial Instruments

The carrying amount of the Company's cash and cash equivalents, accounts receivable, notes payable, line of credit, accounts payable and accrued expenses, none of which is held for trading, approximates their estimated fair values due to the short-term maturities of those financial instruments.

The Company adopted ASC 820-10, "Fair Value Measurements" (SFAS 157), which provides a framework for measuring fair value under GAAP. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Advertising costs

The Company follows the policy of charging the costs of advertising expenses as incurred.

Income taxes

The Company has elected to be treated as subchapter "S" corporations for federal and state income tax purposes. Therefore, no provision has been made for corporate federal and state income taxes and the stockholders have consented to include the income or loss in their individual tax returns. The Company is, however, liable for its state franchise taxes. The Company provides for income taxes based on pre-tax earnings reported in the financial statements. Certain items such as depreciation are recognized for tax purposes in periods other than the period they are reported in the financial statements.

Deferred income taxes are provided in accordance with ASC 740, Subtopic 10. Deferred income taxes are provided for accumulated temporary differences due to basis of differences for assets and liabilities for financial reporting and income tax purposes, including alternative minimum taxes. The Company's temporary differences were deemed to be immaterial.

In June 2006, the FASB issued FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10-25 also provides guidance on derecognition, classification, treatment of interest and penalties, and disclosure of such positions. Effective January 1, 2007, the Company adopted the provisions of ASC 740-10-25, as required. As a result of implementing ASC 740-10-25, there has been no adjustment to the Company's financial statements and the adoption of ASC 740-10-25 did not have a material effect on the Company's financial statements for the three months ended March 31, 2012 and 2011.

New Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. ACCOUNTS RECEIVABLE

At March 31, 2012 and 2011, accounts receivable consists of:

	2012	2011
Accounts receivable from customers	$ 405,943	$ 371,070
Allowance for doubtful accounts	(50,000)	(50,000)
Accounts receivable, net	$ 355,943	$ 321,070

3. INVENTORY

At March 31, 2012 and 2011, finished goods inventory was $419,759 and $558,595, respectively.

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at March 31, 2012 and 2011, is as follows:

	2012	2011
Office Equipment	$ 33,926	$ 33,926
Warehouse Equipment	44,331	44,331
Computer Equipment	66,746	66,746
Leasehold Improvements	100,500	100,500
Vehicles	176,825	176,825
	422,328	422,328
Less accumulated depreciation and amortization	(347,429)	(285,954)
Total	$ 74,899	$ 136,374

Depreciation and amortization expense for property and equipment amounted to $14,449 and $16,541 for the three months ended March 31, 2012 and 2011, respectively.

5. LINE OF CREDIT

The Company entered into a line of credit facility with The PrivateBank and Trust Company for a maximum borrowing of $1,000,000 available for working capital and maturing June 28, 2012. The line is collateralized by a first lien on all the Company's business assets, a mortgage on the Company's warehouse and office facility which the Company leases and commercial guaranty from the Company's shareholder. The variable interest rate on the line of credit is based upon the prime rate published by the Wall Street Journal.

The Company has a line of credit with a bank. As of March 31, 2012 and 2011, the Company had $711,121 and $695,372 due under the line of credit agreement, respectively. In accordance with the acquisition on May 18, 2012, the line of credit was fully paid off and cancelled.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at March 31, 2012 and 2011 are as follows:

	2012	2011
Trade payables	$ 609,299	$ 430,925

7. CAPITAL LEASES

	March 31, 2012	March 31, 2011
On August 20, 2006, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $646.33 per month. During the three months ended March 31, 2012 and 2011, the Company made principal payments on the lease in the amount of $0 and $1,795, respectively, and interest payments on the lease in the amount of $0 and $144, respectively.	$ -	$ 3,127
On January 1, 2010, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $614 per month. During the three months ended March 31, 2012 and 2011, the Company made principal payments on the lease in the amount of $1,368 and $1,239, and interest payments on the lease in the amount of $474 and $603, respectively.	18,125	23,400
On June 30, 2010, the Company entered into a capital lease for a van. The lease agreement is for 60 payments of $519.30 per month. During the three months ended March 31, 2012 and 2011, the Company made principal payments on the lease in the amount of $1,176 and $1,083, and interest payments on the lease in the amount of $382 and $475, respectively.	17,710	22,273
Total outstanding	35,835	48,800
Less: current maturities	2,821	6,890
Long-term	$ 33,014	$ 41,910

Maturities of capital lease for the next five years are as follows:

	March 31, 2012	March 31, 2011
2012	$ -	$ 16,831
2013	13,600	13,600
2014	13,600	13,600
2015	12,372	12,372
2016	1,558	1,558
2017	-	-
Subtotal	$ 41,130	$ 57,961
Less interest	(5,295)	(9,161)
Total	$ 35,835	$ 48,800

8. COMMON STOCK

The Company has authorized a total of 1,000 shares of common stock with no par value. As March 31, 2012 and 2011, the Company had issued and outstanding 1,000 shares of common stock.

9. RELATED PARTY TRANSACTIONS

The Company has following transactions with the stockholder, entities under common control which are controlled by the Company's stockholder:

(a) The Company purchases from an entity related to the stockholder. Total purchases from the related party for the three months ended March 31, 2012 and 2011 was $20,933 and $16,521, respectively. Related party accounts payable outstanding as of March 31, 2012 and 2011 was $12,160 and $10,197, respectively.
(b) The Company made distributions to the stockholder of $460,244 and $80,000 for the three months ended March 31, 2012 and 2011, respectively.
(c) The Company leased warehouse and office space from the stockholder. The Company charged related party rent expense of $25,000 and $25,000 for the three months ended March 31, 2012 and 2011, respectively.

10. BUSINESS CONCENTRATION

For the three months ended March 31, 2012 and 2011, sales to major customer(s) are as follows:

	2012			2011		
	#	**Amount**	**%**	**#**	**Amount**	**%**
Major customer(s)	2	$ 628,849	39.31	2	$ 795,515	65.32

11. SUBSEQUENT EVENT

Subsequent events have been evaluated through June 30, 2012, the date that the financial statements were issued.

On May 18, 2012, Innovative Foods Holdings, Inc. acting through a newly created subsidiary ("Subsidiary"), entered into a Stock Purchase Agreement to acquire all of the issued and outstanding shares of Artisan Specialty Foods, Inc. The purchase price was $1.2 million, with up to another $300,000 payable in the event certain financial milestones are met over the next one or two years. Prior to the acquisition, Innovative Food Holdings, Inc. was a major customer for the years ended December 31, 2011 and 2010.

As part of the transaction, Mr. Vohaska entered into a two year employment agreement with Subsidiary to continue running the acquired business. The agreement provides for an annual base salary of $120,000 in the first year and $140,000 in the second year.

Also as part of the acquisition of Artisan, the registrant entered into a three year lease for the premises where Artisan conducted its business prior to the acquisition described above. The annual base rent under the lease ranges from approximately $100,000 to approximately $102,010. The landlord is Mr. and Mrs. David Vohaska.

In accordance with the acquisition, a condition precedent to the closing required the seller to pay-off all secured creditors from the Closing Cash Payment necessary to pay all the Company's secured debt in full.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined balance sheet at March 31, 2012 and the unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2012, and for the year ended December 31, 2011 presented herein are based on the historical financial statements of Innovative Food Holdings, Inc. ("Innovative") and Artisan Specialty Foods, Inc. ("Artisan") after giving effect to Innovative's acquisition of Artisan and the assumptions and adjustments described in the accompanying notes to these unaudited pro forma condensed combined financial statements.

The unaudited condensed combined pro forma balance sheet data assume that the acquisition took place on March 31, 2012 and combine Innovative's consolidated balance sheet as of March 31, 2012 with Artisan's balance sheet as of March 31, 2012.

The unaudited pro forma condensed combined statement of operations data for the three months ended March 31, 2012 combine the historical unaudited consolidated statement of operations of Innovative for the three months ended March 31, 2012 with the unaudited statement of operations of Artisan for the three months ended March 31, 2012. The unaudited pro forma condensed combined statement of operations data for the three months ended March 31, 2012 give effect to the merger as if it occurred on January 1, 2012.

The unaudited pro forma condensed combined statement of operations data for the year ended December 31, 2011 combine the historical consolidated statement of operations of Innovative for the year ended December 31, 2011 with the unaudited consolidated statement of operations of Artisan for the twelve months ended December 31, 2011. The unaudited pro forma condensed combined statement of operations data for the fiscal year ended December 31, 2011 give effect to the merger as if it occurred on January 1, 2011.

The unaudited pro forma condensed combined financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of Artisan. The final allocation of the purchase price will be determined after the completion of the acquisition and will be based upon actual net tangible and intangible assets acquired as well as liabilities assumed. The preliminary purchase price allocation for Artisan is subject to revision as more detailed analysis is completed and additional information on the fair values of Artisan's assets and liabilities becomes available. Any change in the fair value of the net assets of Artisan will change the amount of the purchase price allocable to goodwill. Additionally, changes in Artisan's working capital, including the results of operations from March 31, 2012 through the date the transaction is completed, will change the amount of goodwill recorded. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

The unaudited pro forma condensed combined financial statements do not give effect to the potential impact of current financial conditions, regulatory matters or any anticipated synergies, operating efficiencies or cost savings that may be associated with the acquisition. The unaudited pro forma condensed combined financial data also do not include any integration costs, cost overlap or estimated future transaction costs, except for fixed contractual transaction costs that the companies expect to incur as a result of the acquisition. In addition, as explained in more detail in the notes to the unaudited pro forma condensed combined financial statements, the acquisition date fair values of the identifiable assets acquired and liabilities assumed reflected in the unaudited pro forma condensed combined financial statements are subject to adjustment to reflect, among other things, the actual closing date, and may vary significantly from the actual amounts that will be recorded upon completion of the acquisition method accounting.

The historical financial information has been adjusted to give effect to events that are directly attributable to the Acquisition, factually supportable and, with respect to the statements of operations, expected to have a continuing impact on the results of the combined company. These unaudited pro forma combined financial statements should be read in conjunction with the historical financial statements and accompanying notes of Artisan (contained elsewhere in this Form 8-K), and Innovative's historical financial statements and accompanying notes appearing in its periodic SEC filings including the Company's Annual Report on Form 10-K for the year ended December 31, 2011, and its Quarterly Report on Form 10-Q for the three months ended March 31, 2012. The adjustments that are included in the following unaudited pro forma combined financial statements are described in Note 2 below, which includes the numbered notes that are marked in those financial statements.

Innovative Foods, Inc. effected a 1-for-50 reverse split of its common stock effective June 13, 2012. The pro forma statements of operations for the three months ended March 31, 2012, the twelve months ended December 31, 2011, and the balance sheet as of March 31, 2012 have been restated for the effects of this reverse stock split.

Innovative Food Holdings, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet

As of March 31, 2012

	Innovative Food Holdings, Inc. and Subsidiaries	Artisan Foods, Inc.	Pro Forma Adjustments	Note	Pro Forma Combined
ASSETS					
Current Assets					
Cash and cash equivalents	$ 818,164	$ 75,705	$ (120,000)	(1)	$ 773,869
Accounts receivable, net	506,545	355,943	-		862,488
Inventory	25,342	419,759	-		445,101
Other current assets	5,420	-			5,420
Total current assets	1,355,471	851,407	(120,000)		2,086,878
Goodwill and other intangibles	-	-	1,218,828	(2)	1,218,828
Property and equipment, net	15,345	74,899	-		90,244
Total assets	$ 1,370,816	$ 926,306	$ 1,098,828		$ 3,395,950
LIABILITIES AND STOCKHOLDERS' DEFICIENCY					
Current liabilities					
Line of Credit	$ -	$ 711,121	(711,121)	(16)	-
Accounts payable and accrued liabilities	898,763	609,299			1,508,062
Accrued liabilities - related parties	87,780	-			87,780
Accrued interest, net	677,555	-			677,555
Accrued interest, related parties, net	31,999	-			31,999
Notes payable, current portion - net of discount	962,982	-	243,559	(3)	1,206,541
Notes payable - related parties, net of discount	130,500	-			130,500
Capital lease payable - current	-	2,821			2,821
Contingent purchase price – current	-	-	150,000	(4)	150,000
Warrant liability	694,835	-	609,004	(5)	1,303,839
Options liability	216,770	-			216,770
Conversion option liability	1,604,150	-	227,437	(6)	1,831,587
Total current liabilities	5,305,334	1,323,241	518,879		7,147,454
Contingent purchase price – long term			150,000	(4)	150,000
Capital lease payable - long term	-	33,014			33,014
Total liabilities	5,305,334	1,356,255	668,879		7,330,468
Stockholders' deficiency					
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, no shares issued or outstanding as of March 31, 2012	-	-			-
Common stock	587	1,000	(1,000)	(7)	587
Additional paid-in capital	3,816,197	-			3,816,197
Common stock subscribed	61,034	-			61,034
Treasure stock, 304 shares as of March 31, 2012	(99)	-			(99)
Accumulated deficit	(7,812,237)	(430,949)	430,949	(8)	(7,812,237)
Total stockholders' deficiency	(3,934,518)	(429,949)	429,949		(3,934,518)
Total liabilities and stockholders' deficiency	$ 1,370,816	$ 926,306	$ 1,098,828		$ 3,395,950

See accompanying notes to the pro forma condensed combined financial statements.

Innovative Food Holdings, Inc
Unaudited Pro Forma Condensed Combined Statement of Operations

For the Three Months Ended March 31, 2012

	Innovative Food Holdings, Inc. and Subsidiaries	Artisan Foods, Inc.	Pro Forma Adjustments	Note	Pro Forma Combined
Revenue	$ 3,285,307	$ 1,599,396	$ (548,983)	(9)	$ 4,335,720
Cost of goods sold	2,611,982	1,002,493	(548,983)	(9)	3,065,492
Gross Profit	673,325	596,903	-		1,270,228
Selling, General and administrative expenses	659,637	289,887	41,027	(10)	990,551
Total operating expenses	659,637	289,887	41,027		990,551
Operating profit (loss)	13,688	307,016	(41,027)		279,677
Other (income) expense:					
Interest expense	46,069	7,685	12,026	(11)	65,780
Loss from change in fair value of warrant liability	193,821	-	135,404	(12)	329,225
Loss from change in fair value of conversion option liability	378,435	-	109,854	(13)	488,289
Total other expense	618,325	7,685	(257,284)		883,294
Income (Loss) before income taxes	(604,637)	299,331	(298,311)		(603,617)
Income tax expense	-	2,500	-		2,500
Net income (loss)	$ (604,637)	$ 296,831	$ (298,311)		$ (606,117)
Net income (loss) per share - basic	$ (0.11)	$ 296.83			$ (0.11)
Net income (loss) per share - diluted	$ (0.11)	$ 296.83			$ (0.11)
Weighted average shares outstanding - basic	5,673,844	1,000	(1,000)	(14)	5,673,844
Weighted average shares outstanding - diluted	5,673,844	1,000	(1,000)	(14)	5,673,844

See accompanying notes to the pro forma condensed combined financial statements.

Innovative Food Holdings, Inc
Unaudited Pro Forma Condensed Combined Statement of Operations

For the Twelve Months Ended December 31, 2011

	Innovative Food Holdings, Inc. and Subsidiaries	Artisan Foods, Inc.	Pro Forma Adjustments	Note	Pro Forma Combined
Revenue	$ 11,552,813	$ 5,678,211	$ (2,011,817)	(9)	$ 15,219,207
Cost of goods sold	8,874,000	3,918,259	(2,011,817)	(9)	10,780,442
Gross Profit	2,678,813	1,759,952	-		4,438,765
Selling, General and administrative expenses	2,007,367	1,492,359	164,106	(10)	3,663,832
Total operating expenses	2,007,367	1,492,359	164,106		3,663,832
Operating profit (loss)	671,446	267,593	(164,106)		774,933
Other (income) expense:					
Interest expense	561,972	24,592	63,309	(11)	649,873
(Gain) on extinguishment of debt	(165,326)	-			(165,326)
Loss on settlement	63,000	-			63,000
(Gain) from change in fair value of warrant liability	(682,350)	-	(150,624)	(12)	(832,974)
(Gain) from change in fair value of conversion option liability	(595,967)	-	(132,266)	(13)	(728,233)
Total other (income) expense	(818,671)	24,592	(219,581)		(1,013,660)
Income before income taxes	1,490,117	243,001	55,475		1,788,593
Income tax expense	-	2,000			2,000
Net income	$ 1,490,117	$ 241,001	$ 55,475		$ 1,786,593
Net income per share - basic	$ 0.34	$ 241.00			$ 0.41
Net income per share - diluted	$ 0.10	$ 241.00			$ 0.12
Weighted average shares outstanding - basic	4,382,459	1,000	(1,000)	(14)	4,382,459
Weighted average shares outstanding - diluted	14,602,154	1,000	446,857	(15)	15,050,011

See accompanying notes to the pro forma condensed combined financial statements.

NOTES TO UNAUDITED PROFORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Purchase Price

The pro forma condensed combined balance sheet as of March 31, 2012 reflects the following allocation of the total purchase price to Artisan's net tangible, with the residual allocated to intangible assets:

Closing cash payment	$	1,200,000
Contingent purchase price		300,000
Total purchase price	$	1,500,000
Tangible assets acquired	$	926,306
Liabilities assumed		645,134(*)
Net tangible assets		281,172
Trade name		60,900
Non-compete agreement		50,000
Customer relationships		914,100
Goodwill		193,828
Total purchase price	$	1,500,000

(*) excluding the Line of Credit paid off with closing cash payment

2. Pro Forma Adjustments

The pro forma condensed combined financial statements are based upon the historical consolidated financial statements of Innovative and Artisan's and certain adjustments which Innovative believes are reasonable to give effect to the Artisan acquisition. These adjustments are based upon currently available information and certain assumptions, and therefore the actual adjustments will likely differ from the pro forma adjustments. The pro forma condensed combined financial statements were prepared using the acquisition method of accounting for the business combination. As discussed above, the purchase price allocation is considered preliminary at this time. However, Innovative believes that the preliminary purchase price allocation and other related assumptions utilized in preparing the pro forma condensed combined financial statements provide a reasonable basis for presenting the pro forma effects of the Artisan acquisition.

Innovative believes there are no adjustments, in any material respects, that need to be made to present the Artisan financial information in accordance with U.S. GAAP, or to align Artisan's historical accounting policies with Innovative's accounting policies.

The following pro forma adjustments are included in the unaudited pro forma condensed combined balance sheet and statements of operations:

(1) To record the net decrease in cash of $120,000 related to the acquisition including (a) $1,080,000 received from the Notes Payable, (b) $781,121 used to pay off the Line of Credit and (c) $488,879 distributed to the prior Shareholder of Artisan ("Seller").
(2) To record the fair value of the intangible assets acquired in the acquisition.
(3) To record the acquisition note payable in the total principal amount of $1,200,000, less original issue discount of $120,000 and discount attributable to the beneficial conversion feature of the note in the amount of $836,441.
(4) To record a contingent liability due to the seller of Artisan.
(5) To record the fair value of warrants issued with the acquisition note payable.
(6) To record the fair value of the conversion option liability of the acquisition note payable.
(7) To eliminate the value of Artisan common stock outstanding.
(8) To eliminate Artisan's retained earnings at the time of the acquisition.
(9) To eliminate intercompany sales.
(10) To record amortization of intangible assets acquired.
(11) To record interest on acquisition note payable, amortization of original issue discount on acquisition note payable, amortization of discounts on acquisition note payable due to conversion options and warrants and eliminate interest on letter of credit (principal paid pursuant to the Acquisition)
(12) To record (gain) loss on the change in fair value of the warrants issued with the acquisition note payable.
(13) To record (gain) loss on the change in fair value of the conversion option on the acquisition note payable.
(14) To eliminate Artisan shares outstanding.
(15) To record the dilutive effect of the warrants issued with the acquisition note payable.
(16) To eliminate the Line of Credit which was not an assumed liability and was paid off from the Closing Cash Payment.