

EastBridge Investment Group Corp
Form 10-Q
August 14, 2012

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2012

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-52282

EastBridge Investment Group Corporation
(Exact name of registrant as specified in its charter)

Arizona
(State or Other Jurisdiction of Incorporation)

86-1032927
(I.R.S. Employer Identification No.)

8040 E. Morgan Trail, Unit 18, Scottsdale, Arizona 85258
(Address of Principal Executive Offices)

(480) 966-2020
(Registrant's telephone number)

Securities registered under Section 12(b) of the Exchange Act:
None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock, no par value per share
(Title of Class)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

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any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-Accelerated filer ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

| Class | Outstanding at August_3, 2012 |
|----------------------------|-------------------------------|
| Common stock, no par value | 156,667,041 |

EastBridge Investment Group Corporation

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EASTBRIDGE INVESTMENT GROUP CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

| | June 30, 2012 (unaudited) | December 31, 2011 |
|--|---------------------------------|----------------------|
| Assets | | |
| Cash | \$ 61,569 | \$ 602,747 |
| Other current assets | 56,557 | - |
| Total current assets | 118,126 | 602,747 |
| Investments | 959,350 | 942,483 |
| Total assets | \$ 1,077,476 | \$ 1,545,230 |
| Liabilities and Stockholders' Deficit | | |
| Liabilities: | | |
| Accounts payable | 131,738 | 189,296 |
| Disputed accounts payable | 202,020 | 208,350 |
| Accrued expenses | 1,070,981 | 982,003 |
| Deferred revenue | 251,834 | 376,104 |
| Advances payable to related party | 8,313 | 115,133 |
| Other current liabilities | 133,334 | 100,000 |
| Total current liabilities | 1,798,220 | 1,970,886 |
| Total liabilities | 1,798,220 | 1,970,886 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock series A, no par value, 50,000,000 shares authorized; none issued and outstanding as of June 30, 2012 and December 31, 2011, respectively | - | - |
| Preferred stock series B, no par value, 50,000,000 shares authorized; none issued and outstanding as of June 30, 2012 and December 31, 2011, respectively | - | - |

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| | | |
|---|--------------|--------------|
| Common stock, no par value, 300,000,000 shares authorized; 156,542,041 and 154,590,189 issued and outstanding as of June 30, 2012 and December 31, 2011, respectively | 6,311,063 | 6,190,051 |
| Accumulated deficit | (7,008,960) | (6,592,860) |
| Accumulated other comprehensive loss | (22,847) | (22,847) |
| Total stockholders' equity | (720,744) | (425,656) |
| Total liabilities and stockholders' equity | \$ 1,077,476 | \$ 1,545,230 |

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

EASTBRIDGE INVESTMENT GROUP CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|--------------|------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| Revenues | \$ 166,771 | \$ 28,000 | 166,771 | 28,000 |
| Cost of services | - | - | - | - |
| Gross profit | 166,771 | 28,000 | 166,771 | 28,000 |
| Operating expenses: | | | | |
| General and administrative | 313,349 | 318,347 | 526,180 | 629,669 |
| Selling and marketing | 24,766 | 48,785 | 38,230 | 61,652 |
| Total operating expenses | 338,115 | 367,132 | 564,410 | 691,321 |
| Operating loss | (171,344) | (339,132) | (397,639) | (663,321) |
| Other income (expense): | | | | |
| Interest expense | 272 | 2,050 | (1,403) | 6,047 |
| Gain on extinguishment of debt | - | - | (6,128) | 0 |
| Other (income) expense | - | - | 25,883 | 95 |
| Total other (income) expense | 272 | 2,050 | 18,352 | 6,142 |
| Loss before taxes | (171,616) | (341,182) | (415,991) | (669,463) |
| Income tax provision | 109 | - | 109 | - |
| Net loss | \$(171,725) | \$(341,182) | \$(416,100) | \$(669,463) |
| Other comprehensive income: | | | | |
| Unrecognized gain on investments | - | (102,812) | (22,847) | 45,694 |
| Comprehensive net loss | \$(171,725) | \$(443,994) | \$(438,947) | \$(623,769) |
| Earnings per share: | | | | |
| Basic and diluted: | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) |
| Weighted average common shares outstanding: | | | | |
| Basic and diluted: | 156,370,600 | 151,152,249 | 156,370,600 | 150,627,875 |

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

EASTBRIDGE INVESTMENT GROUP CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Six Months Ended June 30, | |
|--|------------------------------|--------------|
| | 2012 | 2011 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$(416,100) | \$(669,463) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Common stock issued for services | 30,600 | 327,154 |
| Loss (gain) on the extinguishment of debt | (6,128) | - |
| Value of investment stock exchanged for services | (16,867) | - |
| Changes in operating assets and liabilities: | | |
| Other current assets | (56,557) | (25,500) |
| Accounts payables | (25,118) | 10,058 |
| Accrued liabilities | 82,648 | 227,372 |
| Deferred revenue | (124,270) | - |
| Other current liabilities | 33,334 | (10,000) |
| Net cash used in operating activities | (498,458) | (140,379) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of line of credit | - | (18,750) |
| Repayment of advances from affiliate | (46,120) | - |
| Advances from affiliate | 3,400 | 143,345 |
| Net cash provided by (used in) financing activities | (42,720) | 124,595 |
| (DECREASE) INCREASE IN CASH | (541,178) | (15,784) |
| CASH, BEGINNING OF PERIOD | 602,747 | 49,898 |
| CASH, END OF PERIOD | \$61,569 | \$34,114 |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | \$450 | \$1,790 |
| Issuance of company stock for accrued liabilities | \$32,440 | \$- |
| Debt extinguished with issuance of company stock | \$64,100 | \$- |

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

EASTBRIDGE INVESTMENT GROUP CORPORATION
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

EastBridge Investment Group Corporation (formerly ATC Technology Corporation) was incorporated in the State of Arizona on June 25, 2001. The Company's principal activity through June 30, 2005 was to manufacture mobile entertainment products that provided a means to play video game consoles made by Sony, Microsoft and Nintendo in a customer's car, RV, SUV, van or boat with attachable viewing monitors.

In 2005, EastBridge decided to exit the mobile video game market and dedicate its activities to providing consulting services to its clients to help them achieve a higher growth by partnering with US companies or becoming public companies in the United States. EastBridge is one of a small group of United States companies solely concentrated in marketing such consulting services to closely held small to mid-size Asian and American companies that require these services for expansion. EastBridge has eleven clients as of the date of this filing, that it is assisting in becoming public companies in the United States and obtaining listings for their stock on a U.S. stock exchange or over-the-counter market. EastBridge had formed three subsidiaries which have been consolidated with EastBridge from the date of formation as further described below. As of June 30, 2012 these three subsidiaries were dissolved.

NOTE 2 - BASIS OF PRESENTATION

The accompanying condensed consolidated balance sheet as of December 31, 2011, which has been derived from audited consolidated financial statements, and the accompanying unaudited condensed consolidated financial statements as of June 30, 2012 and for the three and six months ended June 30, 2012 and June 30, 2011, have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for audited financial statements. In the opinion of the Company's management, the interim information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. The results of operations for the three and six months ended June 30, 2012 are not necessarily indicative of the results to be expected for the year ending December 31, 2012. The footnote disclosures related to the interim financial information included herein are also unaudited. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto as of December 31, 2011 and for the year then ended included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates and assumptions have been used by management throughout the preparation of the condensed consolidated financial statements including in conjunction with establishing allowances for customer refunds, non-paying customers, dilution and fees, analyzing the recoverability of the carrying amount of intangible assets, estimating forfeitures of stock-based compensation and evaluating the recoverability of deferred tax assets. Actual results could differ from these estimates.

NOTE 3 - GOING CONCERN

As indicated in the accompanying financial statements, the Company has incurred cumulative net operating losses of \$7,008,960 since inception. So far, most of the working capital has been provided by the Company's management team members and their contacts. They have done so since EastBridge's inception and have indicated their continued support for EastBridge; however, there is no assurance that additional funds will be advanced. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Management plans to successfully achieve milestones in the near future with respect to the Company's client engagements which will provide the Company with some liquidity from payments due on achievement of milestones; however, there is no assurance that the Company will be successful in achieving any milestones under its client agreements.

The Company's ability to meet its obligations and continue as a going concern is dependent upon its ability to obtain additional financing, achievement of profitable operations and/or ability to achieve client listing obligations. Although the Company plans to pursue additional financing, there can be no assurance that the Company will be able to secure financing when needed or to obtain such financing on terms satisfactory to the Company, if at all.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Principles of Consolidation

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

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.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition

The Company utilizes the guidance set forth in the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 104, regarding the recognition, presentation and disclosure of revenue in its financial statements. The Company engages in listing contracts with its clients which provide for the payment of fees, either in cash or equity, upon the achievement of certain milestones by the client, including the successful completion of a financial statement audit, the successful listing on a national stock exchange or over-the-counter market and the maintenance of ongoing 1934 Act reporting requirements with the Securities and Exchange Commission. In some instances, payment may be made in advance of performance; however, such payment is often refundable in the event that milestones are not reached. The Company recognizes revenue on a systematic basis as milestones are reached in accordance with FASB's Accounting Standards Codification ("ASC") 605 "Revenue Recognition" Update No. 2009-13. Such guidance stipulates that revenue be recognized for individual elements in a multiple deliverable arrangement using the relative selling price method. The Company relies on internal estimates of the relative selling price of each element as objective third-party evidence is unattainable.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At June 30, 2012 and December 31, 2011, respectively, cash and cash equivalents include cash on hand and cash in the bank. At times, cash deposits may exceed government-insured limits.

Income Taxes

Income taxes are accounted for using the asset and liability method as prescribed by ASC 740 "Income Taxes". Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance would be provided for those deferred tax assets for which it is more likely than not that the related benefit will not be realized.

A full valuation allowance has been established against all net deferred tax assets as of June 30, 2012 based on estimates of recoverability. While the Company has optimistic plans for its business strategy, we determined that such a valuation allowance was necessary given the current and expected near term losses and the uncertainty with respect to our ability to generate sufficient profits from our business model.

Share-Based Compensation

The Company periodically uses stock-based awards, consisting of shares of common stock, to compensate certain officers and consultants. Shares are expensed on a straight line basis over the requisite service period based on the grant date fair value, net of estimated forfeitures, if any. Typically, stock awards are fully vested at the date of grant, so forfeitures are not applicable.

Investments

Marketable securities held by the Company are held for an indefinite period of time and thus are classified as available-for-sale securities. Realized investment gains and losses are included in the statement of operations, as are provisions for other than temporary declines in the market value of available for-sale securities. Unrealized gains and unrealized losses deemed to be temporary are excluded from earnings (losses), net of applicable taxes, as a component of other comprehensive income (loss). Factors considered in judging whether an impairment is other than temporary include the financial condition, business prospects and creditworthiness of the issuer, the length of time that fair value has been less than cost, the relative amount of decline, and the Company's ability and intent to hold the investment until the fair value recovers.

Non-marketable securities are carried at cost. In cases where the Company receives non-marketable securities in exchange for services, the cost is estimated to be the fair value of the services rendered or the securities received, whichever is more readily determinable.

Fair Value

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC ("ASC 820-10"), fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. When determining fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

The three levels of inputs that may be used to measure fair value are as follows:

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

Level 2. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), inputs that are other than quoted prices that are observable for the asset or liability or market corroborated inputs.

Level 3. Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities, which may include internal data or valuation data received from the security issuer.

The Company uses Level 1 inputs in determining its fair value of marketable equity securities and Level 3 inputs in determining the fair value of non-marketable equity securities. See Note 6.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for the Company is the same as basic net loss per share, as the inclusion of common stock equivalents would be anti-dilutive.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The carrying amounts of the Company's financial instruments, including cash, accounts payable and accrued liabilities, income tax payable and related party payable approximate fair value due to their short maturities.

Reclassification

Certain prior period amounts have been reclassified to conform to current year presentations.

Recent Accounting Pronouncements

Recent accounting pronouncements that the Company has adopted or that it will be required to adopt in the future are summarized below.

In May 2011, the FASB issued ASU 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements ("ASU 2011-04") in GAAP and International Financial Reporting Standards ("IFRS"). Under ASU 2011-04, the guidance amends certain accounting and disclosure requirements related to fair value measurements to ensure that fair value has the same meaning in GAAP and IFRS and that their respective fair value measurement and disclosure requirements are the same. ASU 2011-04 is effective for public entities during interim and annual periods beginning after December 15, 2011. The Company does not believe that the adoption of this guidance will have a material impact on the Company's consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income" ("ASU 2011-05"). ASU 2011-05 requires companies to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The provisions of ASU 2011-05 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Since ASU 2011-05 only amends the disclosure requirements concerning comprehensive income, the adoption of ASU 2011-05 will not affect the consolidated financial position, results of operations or cash flows of the Company.

NOTE 5 - OTHER CURRENT ASSETS

Short Term Note

In the first quarter of 2012 the Company provided cash to a client in exchange for a short term note. The note matures upon demand of the Company, but not less than 6 months. The note carries a fixed interest amount of \$10,000. The Company plans to call the note in the 4th quarter of 2012.

NOTE 6 - INVESTMENTS

Marketable Equity Securities

Marketable equity securities consist of shares in Alpha Lujo, Inc. received by the Company for services rendered. The following is a summary of available-for-sale marketable securities as of June 30, 2012 and December 31, 2011:

| | Cost | Unrealized Gain | Unrealized (Losses) | Market or Fair Value |
|-------------------|------------|--------------------|------------------------|-------------------------|
| Equity Securities | \$ 137,082 | \$- | \$(22,847) | \$ 114,235 |
| Total | \$ 137,082 | \$- | \$(22,847) | \$ 114,235 |

The following is a summary of the net unrealized gains and losses as presented in Other Comprehensive Income as of June 30, 2012 and December 31, 2011:

| | Unrealized Gains | Unrealized (Losses) Short Term | Unrealized (Losses) Long Term | Other Comprehensive Income (Loss) |
|-------------------|---------------------|--------------------------------------|-------------------------------------|---|
| Equity Securities | \$- | \$(22,847) | \$- | \$ (22,847) |
| Total | \$- | \$(22,847) | \$- | \$ (22,847) |

The Company did not sell any such securities during the six months ended June 30, 2012 or during the year ended December 31, 2011.

Non-marketable Equity Securities

Non-marketable equity securities consist of shares of Tsingda eEDU Corp. received by the Company for services rendered during 2010. These shares are carried at a cost of \$1,477,000 which was estimated to be the value of the securities at the date of receipt.

In 2011, the Company issued 300,018 shares of Tsingda to the shareholders of the Company as a dividend, with a value of \$284,074. The Company also exchanged 26,875 shares of Tsingda per subscription agreements the Company had entered into with a cost of \$19,086. The Company exchanged 86,603 shares of Tsingda for outstanding liabilities with a cost of \$61,504.

In 2012, the Company repurchased one of the subscription agreements for 23,750 shares of Tsingda with an original cost of \$16,867.

NOTE 7 – OTHER LIABILITIES

Disputed Accounts Payable

At June 30, 2012 and December 31, 2011, the Company carried balances totaling \$202,020 and \$208,350, respectively, owed to various vendors relating to EastBridge's former business called ATC Technology. The Company currently considers these balances as in dispute with the vendors and continues to work on a resolution.

Other Current Liabilities

Other current liabilities at June 30, 2012 and December 31, 2011 of \$133,334 and \$100,000, respectively, consisted of deposits received from a combination of individuals and a trust, which all have agreed to purchase from EastBridge a fixed number of shares of common stock in one of EastBridge's clients. The remaining \$133,000 will be earned by EastBridge as part of a fee arrangement once the clients' shares are publicly registered or otherwise released to EastBridge as permitted under EastBridge's agreement with the client.

NOTE 8 – LEASES

The Company is leasing office space in Scottsdale, Arizona, under a non-cancelable operating lease agreement, which expired in August 2011, and continues on a month-to-month basis. In 2010, the Company entered into a lease agreement for housing in Beijing with the CEO's spouse. This lease is intended for the employees of the Company while in Beijing and expired December 2011. Rent expense for the six months ended June 30, 2012 and 2011 was \$13,203 and \$43,228, respectively.

As of June 30, 2012, all leases have expired and are continuing on a month-to-month basis.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Company received advances from its two officers and a shareholder in the ordinary course of business at a rate of 4.5% interest which is the federal long term interest rate. As of June 30, 2012 and December 31, 2011 advances payable to the Company's two officers and this shareholder were \$8,313 and \$110,198, respectively. As of June 30, 2012 and December 31, 2011 the accrued compensation liability to the officers was \$971,929 and \$841,929, respectively.

The Company entered into an employment agreement with the CEO on June 1, 2005. Under the terms of the agreement the CEO receives compensation in the amount of \$240,000 annually. The Company entered into an employment agreement with its CFO on June 1, 2005. Under the terms of the agreement the CFO received \$84,000 in compensation annually from the inception of the agreement through January 1, 2007 at which point the compensation increased to \$180,000.

In 2010, the Company entered into a lease agreement with the spouse of the Company's CEO for housing in Beijing. This lease is intended for the employees of the Company while in Beijing and expired December 2011. Per the lease agreement the rent is to be paid in shares of the Company's stock. For the six months ended June 30, 2012 and 2011, the expense of this lease included in the rent expense in Note 8 was \$13,203 and \$43,228, respectively.

NOTE 10 – EQUITY

As of June 30, 2012, EastBridge had 156,542,041 shares of no par common stock issued and outstanding with 300,000,000 common shares authorized.

During the three and six months ended June 30, 2012, the Company issued 195,014 and 1,041,766, shares of common stock, respectively, to consultants for services rendered. The Company expensed \$15,601 and \$66,406, respectively, in connection with these issuances based on the quoted market prices on the dates of issuance.

During the three and six months ended June 30, 2012, the Company issued 0 and 910,086, shares of common stock, respectively, to individuals for \$0 and \$64,100, respectively, of debt owed by the Company. The Company benefited \$9,495 in connection with these issuances based on the quoted market prices on the date of grant.

During the three and six months ended June 30, 2011, the Company issued 1,085,107 and 2,241,229, shares of common stock, respectively, to consultants for services rendered. The Company expensed \$84,123 and \$220,297 in connection with these issuances based on the quoted market prices on the dates of issuance.

During the three and six months ended June 30, 2011, the Company issued 0 and 971,429, shares of common stock, respectively, to the CEO's spouse per the lease agreement described in Note 9. The Company expensed \$0 and \$106,857, respectively, in connection with these issuances based on the quoted market prices on the dates of issuance.

NOTE 11 – DEFERRED REVENUE

The following table represents the balance of deferred revenue that has not yet been recognized under the Company's revenue recognition policies:

| | June 30, 2012 | June 30, 2011 |
|---------------------------------------|------------------|------------------|
| Jinkuizi Science & Technology Company | - | (45,000) |
| Alpha Green Energy Company | - | (112,212) |
| Kaida Road Construction Company | (73,000) | (73,000) |
| Huang Wei Pharmaceutical Company | - | (9,559) |
| AREM Pacific Corporation | (92,985) | (50,485) |
| Dwarf Technologies | (75,814) | (44,615) |
| LongWen | (10,035) | - |
| Deferred Revenue | (251,834) | (334,871) |

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Employment Agreements

On June 1, 2005, we entered into an employment agreement with Keith Wong, our President and Chief Executive Officer. The agreement provides for annual compensation in the amount of \$240,000, effective June 1, 2005. Mr. Wong's agreement contains confidentiality, non-compete, and good faith cooperation covenants. The agreement may not be terminated by either party except with cause on the part of the Company, upon the occurrence of Mr. Wong's death, disability, bankruptcy or incompetency, lack of performance, officer integrity, or with the mutual consent of both parties.

On June 1, 2005, we entered into an employment agreement with Norm Klein, our Chief Financial Officer, Chief Operating Officer and Investor Relations Officer. The agreement provides for annual compensation in the amount of \$84,000, effective on June 1, 2005, and was increased to an annual compensation of \$180,000, effective January 1, 2007. Mr. Klein's agreement contains confidentiality, non-compete and good faith cooperation covenants. The agreement may not be terminated by either party except with cause on the part of the Company, upon the occurrence of Mr. Klein's death, disability, bankruptcy or incompetency, lack of performance, officer integrity, or with the mutual consent of both parties.

NOTE 13 – STOCK BASED COMPENSATION

2009 Stock Option Plan

During the first quarter of 2009, the Company's Board of Directors approved and adopted the 2009 Stock Option Plan (the "Plan") and designated 10,000,000 of our no par common stock for issuance under the Plan to employees, directors or consultants for EastBridge through either the issuance of shares or stock option grants. Under the terms of the Plan, stock option grants shall be made with exercise prices not less than 100% of the fair market value of the shares of Common Stock on the grant date. Since adoption, the Company issued an aggregate of approximately 9.5 million shares of Common Stock under the plan. These grants were not stock options but instead represent fully vested shares at the date of grant. For the three and six months ended June 30, 2012, the Company issued 195,014 shares of common stock under the 2009 Incentive Plan.

2011 Incentive Stock Option Plan

During the first quarter of 2012, the Company's Board of Directors approved and adopted the 2011 Incentive Stock Option Plan (the "2011 Incentive Plan") and designated 30,000,000 of our no par common stock for issuance under the 2011 Incentive Plan to employees, directors or consultants for EastBridge through either the issuance of shares or stock option grants. Under the terms of the 2011 Incentive Plan, stock option grants shall be made with exercise prices not less than 100% of the fair market value of the shares of common stock on the grant date. For the three and six months ended June 30, 2012, the Company issued 0, and 336,752, respectively, shares of common stock under the 2011 Incentive Plan. All shares were issued to a single vendor in exchange for payable owed.

| | Total shares reserved under the plan | Remaining shares available for issuance under the plan |
|----------------------------------|--------------------------------------|--|
| 2009 Stock Option Plan | 10,000,000 | 484,276 |
| 2011 Incentive Stock Option Plan | 30,000,000 | 29,663,248 |

NOTE 14 – SEGMENT INFORMATION

The Company operates only one reporting segment. Substantially all assets are contained in the United States. Although most of the Company's business is providing consulting services to foreign companies seeking access to the U.S. capital markets, substantially all revenue generating activities are conducted in the United States.

NOTE 15 – SUBSEQUENT EVENTS

On July 6, 2012, the Company executed a Listing Agreement with Golden Gate Enterprises ("GGE"), a digital advertising company headquartered in Minneapolis, Minnesota, pursuant to which agreement the Company will assist GGE with its growth plans and becoming a public company in the United States.

On July 23, 2012, our client, Wonder International Education and Investment Group Corporation, has successfully started trading on the OTC Bulletin Board under the symbol WIEL. This will result in recognition of our revenue and deferred revenue in an aggregate amount of approximately \$8,500,000 to be recorded in our third quarter financials of 2012.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this Quarterly Report on Form 10-Q, "Company," "EastBridge," "our company," "us," and "our" refer to EastBridge Investment Group Corporation and its subsidiaries unless the context requires otherwise.

The Company's Form 10-K, this and any other Form 10-Q or any Form 8-K of the Company or any other written or oral statements made by or on behalf of the Company may contain forward-looking statements which reflect the Company's current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," and similar expressions identify forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Such "forward-looking statements" are subject to risks and uncertainties set forth from time to time in the Company's SEC reports and include, among others, the Risk Factors set forth under Item 1A below and in the Company's Form 10-K for its fiscal year ended December 31, 2011.

The risks included herein are not exhaustive. The Company's annual report on Form 10-K, this and other quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC include additional factors which could impact EastBridge Investment Group Corporation's business and financial performance. Moreover, EastBridge Investment Group Corporation operates in a rapidly changing and competitive environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors. Further, it is not possible to assess the impact of all risk factors on EastBridge Investment Group Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Readers are cautioned not to place undue reliance on such forward-looking statements as they speak only of the Company's views as of the date the statement was made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

EastBridge Investment Group Corporation (formerly ATC Technology Corporation) was incorporated in the State of Arizona on June 25, 2001. The Company's principal activity through June 30, 2005 was to manufacture mobile entertainment products that provided a means to play video game consoles made by Sony, Microsoft and Nintendo in a customer's car, RV, SUV, van or boat with attachable viewing monitors.

In 2005, EastBridge decided to exit the mobile video game market and dedicate its activities to providing investment related services in Asia and in the United States, with a strong focus on the high GDP growth countries, such as China, Australia and the U.S.. In China, we are focusing most of our efforts in mainland China. We provide consulting services to provide viable corporate infrastructure necessary for small to medium-size companies to attract new partners or become U.S. public companies. EastBridge also assists its clients in structuring joint ventures, wholly owned foreign enterprises, or guaranteed return ventures, and assists in locating investment banking, financial advisory and other financial services as allowed by the local government. EastBridge locates consultants which assist with marketing, sales and strategic planning services for its clients to prepare them to enter the United States market.

EastBridge is one of a small group of United States companies solely concentrated in marketing business consulting services to closely held, small to mid-size Asian and American companies that require these services for expansion. In

business sectors where EastBridge sees a unique opportunity for growth, EastBridge may form its own foreign subsidiaries with local partners to capture the opportunity.

As of the date of this filing, EastBridge was providing consulting services to eleven clients to assist them with the auditing and legal processes to become public companies in the United States and become listed on a U.S. stock exchange. Eastbridge is also assisting Cambium Learning, a NASDAQ listed company (symbol: ABCD), and International Air Medical Services, Inc. with locating potential joint venture business partners in China. To learn more about our clients, review the Company's Form 10-K (filed with the SEC on March 30, 2012).

On March 12, 2012, the Company entered into two Listing Agreements. The first agreement is with American C&D Logistics, LLC, a Pennsylvania construction material recycling company, pursuant to which agreement the Company will assist American C&D with its growth plans, including to become a public company in the U.S. The second agreement was with Photofunds, Inc. a New Jersey photography company, pursuant to which agreement the Company will assist Photofunds with its growth plans, including becoming a public company in the U.S.

On June 25, 2012, the Company entered into a Listing Agreement with QualityCall Connections, Inc. ("QualityCall"), an Arizona company, pursuant to which agreement the Company will assist QualityCall in with its growth plans, including to become a public company in the U.S.

On July 6, 2012, the Company executed a Listing Agreement with Golden Gate Enterprises ("GGE"), a digital advertising company headquartered in Minneapolis, Minnesota, pursuant to which agreement the Company will assist GGE with its growth plans, including to become a public company in the U.S.

As of March 28, 2012, Chris Klein, an independent contractor of EastBridge, entered into a registered representative agreement with Intellivest Securities, Inc. ("Intellivest"). Intellivest may act as placement agent for private capital financings for our client companies.

EastBridge had formed three subsidiaries which have been consolidated with EastBridge from the date of formation. As of June 30, 2012 these three subsidiaries have been dissolved.

Results of Operations

Revenues

| | | Net Revenues | | | |
|-----------------------------|------------|--------------|------------|---------|---|
| | 2012 | 2011 | Change | Percent | |
| Three months ended June 30, | \$ 166,771 | \$ 28,000 | \$ 138,771 | 496 | % |
| Six months ended June 30, | \$ 166,771 | \$ 28,000 | \$ 138,771 | 496 | % |

During the second quarter of 2012 we recorded revenue related to cash payments received from listing agreements becoming non-refundable as the clients terminated the agreements. These payments totaled \$166,771 for the three and six months ended June 30, 2012.

The Company received recordable revenue in the three and six months ending June 30, 2011 of which \$20,000 was from client agreements, \$5,000 from a month to month arrangement with a client and \$3,000 from a onetime assistance service.

General and Administrative Expenses

| | General & Administrative Expenses | | | |
|-----------------------------|-----------------------------------|------------|--------------|---------|
| | 2012 | 2011 | Change | Percent |
| Three months ended June 30, | \$ 313,349 | \$ 318,347 | \$ (4,998) | (2)% |
| Six months ended June 30, | \$ 526,180 | \$ 629,669 | \$ (103,489) | (16)% |

General and administrative expenses decreased in the three months ended June 30, 2012 as compared to the three months ended June 30, 2011 due to the following: a decrease in consulting expense of approximately \$42,000, rent expense of approximately 11,000 and payroll tax expense of approximately \$73,000, partially offset by an increase in fees paid to legal, professional and audit services of approximately \$105,000.

General and administrative expenses decreased in the six months ended June 30, 2012 as compared to the six months ended June 30, 2011 due to the following: a decrease in consulting expense of approximately \$139,000, rent expense of approximately \$30,000, and payroll tax expense of approximately \$78,000, partially offset by an increase in fees paid to legal, professional and audit services of approximately \$102,000, and management fees of approximately \$37,000.

Sales and Marketing Expenses

| | Sales & Marketing Expenses | | | |
|-----------------------------|----------------------------|-----------|-------------|---------|
| | 2012 | 2011 | Change | Percent |
| Three months ended June 30, | \$ 24,766 | \$ 48,785 | \$ (24,019) | (49)% |
| Six months ended June 30, | \$ 38,230 | \$ 61,652 | \$ (23,422) | (38)% |

Sales and marketing expenses decreased in the three months ended June 30, 2012 as compared to the three months ended June 30, 2011 due to a decrease in investor relations expenses of approximately \$31,000, partially offset by an increase in market research and travel of \$7,000.

Sales and marketing expenses decreased in the six months ended June 30, 2012 as compared to the six months ended June 30, 2011 due to a decrease in investor relations expenses of approximately \$35,000, partially offset by an increase in market research and travel of \$12,000.

Operating Loss

| | Operating Loss | | | |
|-----------------------------|----------------|--------------|------------|---------|
| | 2012 | 2011 | Change | Percent |
| Three months ended June 30, | \$ (171,344) | \$ (339,132) | \$ 167,788 | (49)% |
| Six months ended June 30, | \$ (397,639) | \$ (663,321) | \$ 265,682 | (40)% |

The decrease in our operating loss for the three and six months ended June 30, 2012 as compared to the three and six months ended June 30, 2011 is primarily due to the increase in revenue and the decreases in general and administrative expenses and sales and marketing expenses, each of which is described above.

Total Other Income (Expense)

| | Total Other Income (Expense) | | | |
|-----------------------------|------------------------------|-------------|-------------|---------|
| | 2012 | 2011 | Change | Percent |
| Three months ended June 30, | \$ (272) | \$ (2,050) | \$ 1,778 | (87)% |
| Six months ended June 30, | \$ (18,352) | \$ (6,142) | \$ (12,210) | 199 % |

In the three months ended June 30, 2012, the decrease was due to decreased interest expense of approximately \$1,800.

In the six months ended June 30, 2012, the increase in expense was due to the buyback of the stock subscription of approximately \$25,800 partially offset by decreases in interest expense of approximately \$7,500 and the gain on extinguishment of debt of approximately \$6,000.

Income Tax Provision (Benefit)

| | Income Tax Provision (Benefit) | | | |
|-----------------------------|--------------------------------|------|--------|---------|
| | 2012 | 2011 | Change | Percent |
| Three months ended June 30, | \$ 109 | \$ - | \$ 109 | 0 % |
| Six months ended June 30, | \$ 109 | \$ - | \$ 109 | 0 % |

While we have optimistic plans for our business strategy, we determined that a valuation allowance was necessary given the current and expected near term losses and the uncertainty with respect to our ability to generate sufficient profits from our business model. Therefore, we established a valuation allowance for all deferred tax assets.

Net Loss

| | 2012 | 2011 | Net Loss Change | Percent |
|-----------------------------|--------------|--------------|--------------------|---------|
| Three months ended June 30, | \$ (171,725) | \$ (341,182) | \$ 169,457 | (50)% |
| Six months ended June 30, | \$ (416,100) | \$ (669,463) | \$ 253,363 | (38)% |

Changes in net loss are primarily attributable to changes in operating loss and other income (expense), each of which is described above.

Comprehensive Net Loss

| | 2012 | 2011 | Comprehensive Net Loss Change | Percent |
|-----------------------------|--------------|--------------|----------------------------------|---------|
| Three months ended June 30, | \$ (171,725) | \$ (443,994) | \$ 272,269 | (61)% |
| Six months ended June 30, | \$ (438,947) | \$ (623,769) | \$ 184,822 | (30)% |

For the three months ended June 30, 2012, we did not record an unrecognized loss on investments. For the three months ended June 30, 2011, we recorded an unrecognized loss on investments of approximately \$103,000.

For the six months ended June 30, 2012, we recorded an unrecognized loss on investments of approximately \$23,000. For the six months ended June 30, 2011, we recorded an unrecognized gain on investments of approximately \$46,000.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was \$498,458 and \$140,379 for the six months ended June 30, 2012 and 2011, respectively. The increase is mainly attributable to decreases in stock issued for services of approximately \$320,000, decreases in working capital and other current assets of approximately \$292,000, partially offset by the decrease in our net loss of approximately \$253,000.

Our primary source of cash inflows has historically been from our clients. Since late 2009, we received advance payments in shares of client companies whose listings are expected to be completed in 2012 and 2013. As of June 30, 2012 and 2011, no single client accounted for greater than 10% of accounts receivable as part of the agreements require deposits in advance rather than billing after the fact.

Cash provided by (used in) financing activities was \$(42,720) and \$124,595 for the six months ended June 30, 2012 and 2011, respectively. During the six months ended June 30, 2012, we repaid affiliates \$46,120 partially offset by \$3,400 that was advanced from affiliates. During the six months ended June 30, 2011, we made repayments of \$18,750 on our line of credit, offset by \$143,345 of amounts advanced from affiliates.

We had working capital of \$(1,680,094) as of June 30, 2012 compared to \$(1,368,139) as of December 31, 2011. Our cash position decreased to \$61,569 at June 30, 2012 compared to \$602,747 at December 31, 2011, as we had a decrease in cash flows from operations, and by financing activities. We have also decreased our accounts payable since December 31, 2011.

Our monthly cash requirement amount is approximately \$40,000, and as of June 30, 2012, cash on hand would fund operations for approximately two months. For the six months ended June 30, 2012, we have decreased deferred revenue by approximately \$124,270 as compared to the six months ended June 30, 2011, as a result of revenue recognition of \$166,771 partially offset by \$42,501 of additional cash deposits on listing agreements. Management expects that the Company will need to continue to rely on loans from shareholders or other affiliated parties until such time as the Company begins generating revenue.

In the past, we have received cash through loans extended by our management to the Company and through sales of shares of common stock to individual investors. As we are a consulting company with no proprietary technology it is doubtful we will obtain capital from institutional or other sources and will need to rely on our officers for cash infusions, which they are under no obligation to provide. As much of our revenue will come through sales of equity in our clients it may be several months until we obtain positive cash flows as this will occur only if and when our clients have registration statements cleared by the SEC which include client shares of common stock owned by the Company and these clients become listed on U.S. stock exchanges or over-the-counter markets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, the Company is not required to provide Part I, Item 3 disclosure.

ITEM 4. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. However, management believes that our system of disclosure controls and procedures is designed to provide a reasonable level of assurance that the objectives of the system will be met.

b) Changes in Internal Control over Financial Reporting.

During the quarter ended June 30, 2012, there was no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. Furthermore, smaller reporting companies face additional limitations. Smaller reporting companies employ fewer individuals and find it difficult to properly segregate duties. Often, one or two individuals control every aspect of the Company's operation and are in a position to override any system of internal control. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls.

LACK OF INDEPENDENT BOARD OF DIRECTORS AND AUDIT COMMITTEE

Management is aware that an audit committee composed of the requisite number of independent members along with a qualified financial expert has not yet been established. Considering the costs associated with procuring and providing the infrastructure to support an independent audit committee and the limited number of transactions, management has concluded that the risks associated with the lack of an independent audit committee are not justified. Management will periodically reevaluate this situation.

LACK OF SEGREGATION OF DUTIES

Management is aware that there is a lack of segregation of duties at the Company due to the small number of employees dealing with general administrative and financial matters. However, at this time management has decided that considering the abilities of the employees now involved and the control procedures in place, the risks associated with such lack of segregation are low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management will periodically reevaluate this situation.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Neither our Company nor any of its officers or directors is a party to any material legal proceeding or litigation and such persons know of no material legal proceeding or litigation contemplated or threatened. There are no judgments against the Company or its officers or directors. None of the officers or directors has been convicted of a felony or misdemeanor relating to securities or performance in corporate office.

ITEM 1A - RISK FACTORS

There have been no material changes for the risk factors disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2011.

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

During the three months ended June 30, 2012, we did not issue any securities not registered under the Securities Act by reason of the exemption afforded under Section 4(2) of the Securities Act of 1933. No underwriting discounts or commissions were paid with respect to any transactions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

N/A

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

| | |
|-------------|---|
| <u>31.1</u> | Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act |
| <u>31.2</u> | Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act |
| <u>32.1</u> | Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. |
| <u>32.2</u> | Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. |

SIGNATURES

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

EastBridge Investment Group Corporation

Dated - August 13, 2012

By: /s/ Keith Wong
Keith Wong
Chief Executive Officer
(Principal Executive Officer)

Dated - August 13, 2012

By: /s/ Norman Klein
Norman Klein
Chief Financial Officer
(Principal Financial and Accounting
Officer)