Bergio International, Inc.
Form 10-Q
August 11, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2010

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to __________

Commission File Number: 333-150029

Bergio International, Inc.
(Exact name of Registrant as specified in its charter)

Nevada	27-1338257
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

12 Daniel Road E.
Fairfield, New Jersey 07004
(Address of principal executive offices)

(973) 227-3230
(Registrant's telephone number)

____

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

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 [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 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.

[ ] Large accelerated filer [ ] Non-accelerated filer
Accelerated filer
[X] 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 [X] No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 118,702,509 as of August 3, 2010.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our financial statements included in this Form 10-Q are as follows:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended June 30, 2010 are not necessarily indicative of the results that can be expected for the full year.

BERGIO INTERNATIONAL, INC.
BALANCE SHEETS

	June 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets:		
Current Assets:		
Accounts Receivable – Net	$ 333,666	$ 341,695
Inventory	1,571,640	1,378,271
Prepaid Expenses and Other Current Assets	9,001	2,937
Other Receivable	175,000	--
Total Current Assets	2,089,307	1,722,903
Property and Equipment – Net	133,655	160,307
Other Assets:		
Investment in Unconsolidated Affiliate	5,000	5,000
Total Other Assets	5,000	5,000
Total Assets	$ 2,227,962	$ 1,888,210

See notes to financial statements.

BERGIO INTERNATIONAL, INC.
BALANCE SHEETS

	June 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Liabilities and Stockholders' Equity (Deficit):		
Liabilities		
Current Liabilities:		
Cash Overdraft	$2,198	$13,717
Accounts Payable and Accrued Expenses	287,797	587,443
Bank Lines of Credit – Net	172,342	883,583
Convertible Debt - Net	103,433	15,925
Current Maturities of Notes Payable	50,206	69,335
Current Maturities of Capital Leases	23,565	22,375
Advances from Stockholder – Net	203,283	463,342
Sales Returns and Allowances Reserve	--	34,808
Derivative Liability	109,888	9,858
Total Current Liabilities	952,712	2,100,386
Long-Term Liabilities		
Bank Lines of Credit	36,637	38,380
Notes Payable	128,354	150,498
Capital Leases	4,084	16,717
Total Long-Term Liabilities	169,075	205,595
Commitments and Contingencies	--	--
Total Liabilities	1,121,787	2,305,981
Stockholders' Equity (Deficit)		
Common Stock - $.001 Par Value, 200,000,000 Shares Authorized, 114,775,341 and 51,703,500 Shares Issued and Outstanding as of June 30, 2010 and December 31, 2009, respectively	114,775	51,703
Additional Paid-In Capital	3,814,727	1,627,647
Accumulated Deficit	(2,823,327)	(2,097,121)
Total Stockholders' Equity (Deficit)	1,106,175	(417,771)
Total Liabilities and Stockholders' Equity (Deficit)	$2,227,962	$1,888,210

See notes to financial statements.

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BERGIO INTERNATIONAL, INC.
STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Sales – Net	$437,893	$263,581	$548,995	$454,307
Cost of Sales	179,740	181,422	202,213	361,694
Gross Profit	258,153	82,159	346,782	92,613
Selling Expenses	95,830	82,002	134,240	130,272
General and Administrative Expenses				
Share-Based Compensation	--	5,000	--	10,000
Share Based Services	--	2,000	242,900	44,000
Other	124,561	86,348	248,127	182,627
Total General and Administrative Expenses	124,561	93,348	491,027	236,627
Total Operating Expenses	220,391	175,350	625,267	366,899
Income (Loss) from Operations	37,762	(93,191)	(278,485)	(274,286)
Other Income [Expense]				
Interest Expense	(10,418)	(24,128)	(31,078)	(45,647)
Gain on Sale of Subsidiary	--	--	225,000	--
Financing Costs – Shared Based	(535,160)	--	(595,160)	--
Amortization of Debt Discount	(36,412)	--	(45,844)	--
Change in Fair Value of Derivative	13,380	--	18,306	--
Loss on Disposal of Equipment	--	--	(18,945)	--
Other Income	--	--	--	1,158
Total Other Income [Expense]	(568,610)	(24,128)	(447,721)	(44,489)
Net Loss	$(530,848)	$(117,319)	$(726,206)	$(318,775)
Net Loss Per Common Share - Basic and Diluted	$(0.01)	$--	$(0.01)	$(0.01)
Weighted Average Common Shares Outstanding – Basic and Diluted	103,300,592	51,703,500	82,319,760	51,703,500

See notes to financial statements.

BERGIO INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,	
	2010	2009
Operating Activities		
Net Loss	$(726,206)	$(318,775)
Adjustments to Reconcile Net Loss to Net Cash (Used for) by Operating Activities:		
Depreciation and Amortization	27,947	31,902
Share-Based Compensation	--	10,000
Share-Based Services	242,900	44,000
Share-Based Financing Costs	595,160	--
Allowance for Doubtful Accounts	(6,000)	6,000
Amortization of Debt Discount	45,844	--
Change in Fair Value of Derivative	(18,306)	--
Gain on Sale of Subsidiary	(225,000)	--
Loss on Disposal of Equipment	18,945	--
Sales Returns and Allowances Reserve	(34,808)	(63,432)
Changes in Assets and Liabilities		
[Increase] Decrease in:		
Accounts Receivable	14,029	377,645
Inventory	(214,869)	(131,847)
Prepaid Expenses	(6,064)	36,238
Increase [Decrease] in:		
Accounts Payable and Accrued Expenses	(19,312)	(12,747)
Total Adjustments	420,466	297,759
Net Cash Used for Operating Activities	(305,740)	(21,016)
Investing Activities:		
Capital Expenditures	(18,095)	(51,065)
Proceeds from Sale of Subsidiary	50,000	--
Payments for Disposal	(2,145)	--
Net Cash Used for Investing Activities	29,760	(51,065)
Financing Activities:		
Increase [Decrease] in Cash Overdraft	(11,519)	19,580
Advances under Bank Lines of Credit – Net	(12,985)	12,409
Proceeds from Notes Payable	--	100,000
Proceeds from Convertible Debt	160,000	--
Repayments of Notes Payable	(19,773)	(60,408)
Advances from Stockholder – Net	141,700	13,032
Repayments of Capital Leases	(11,443)	(12,532)
Proceeds from Sale of Stock	30,000	--
Net Cash Provided by Financing Activities	275,980	72,081

Net Change in Cash	--	--
Cash - Beginning of Period	--	--
Cash - End of Period	$--	$--

See notes to financial statements.

BERGIO INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30, 2010	2009
Supplemental Disclosures of Cash Flow Information:		
Cash Paid during the periods for:		
Interest	$40,000	$38,000
Income Taxes	$--	$--
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Debt Discount from Fair Value of Imbedded Derivative	$118,336	$--
Issuance of Common Stock for Deferred Offering Costs	$519,160	$--
Issuance of Common Stock for Bank Line of Credit	$699,999	$--
Issuance of Common Stock for Stockholder Advances	$401,759	$--
Notes Payable Settled with Inventory	$21,500	$--
Issuance of Common Stock for Vendor Payables		
and Accrued Expenses	$280,333	$50,000
Issuance of Common Stock for Share Liability	$180,000	$--

See notes to financial statements.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[1] Nature of Operations and Basis of Presentation

Nature of Operations – Bergio International, Inc. [the "Company"] was incorporated in the State of Delaware on July 24, 2007 under the name Alba Mineral Exploration, Inc. On October 21, 2009, as a result of a Share Exchange Agreement (defined below), the corporate name was changed to Bergio International, Inc. and the Company implemented a 12 for 1 forward stock split of its common shares. All share and per share data has been adjusted to reflect such stock split. The Company is engaged in the product design, manufacturing, distribution of fine jewelry throughout the United States and is headquartered from its corporate office in Fairfield, New Jersey. Based on the nature of operations, the Company's sales cycle experiences significant seasonal volatility with the first two quarters of the year representing 15% - 25% of annual sales and the remaining two quarters representing the remaining portion of annual sales.

On October 19, 2009, the Company entered into a Share Exchange Agreement (the “Exchange Agreement”), with Diamond Information Institute, Inc. (“Diamond”), a New Jersey corporation. Pursuant to the Exchange Agreement the Company acquired all the issued and outstanding common stock of Diamond, and Diamond became a wholly-owned subsidiary of the Company. In addition, the Company acquired all Diamond’s assets and liabilities effective as of the date of the Exchange Agreement. Per the Exchange Agreement, the Company issued 31,022,100 (2,585,175 pre-split) shares of the Company’s common stock to the shareholders of Diamond (approximately .21884 pre-split shares of Company common stock for each share of Diamond common stock), representing approximately 60% of the Company’s aggregate issued and outstanding common stock following the closing of the Exchange Agreement and the Stock Agreement (defined below). The acquisition of Diamond was treated as a recapitalization, and the business of Diamond became the business of the Company. At the time of the recapitalization, the Company was in the exploration development stage and was not engaged in any active business. The accounting rules for recapitalizations require that beginning October 19, 2009, the date of the recapitalization, the balance sheet reflects the consolidated assets and liabilities of Bergio International, Inc. and the equity accounts were recapitalized to reflect the newly capitalized company. The results of operations reflect the operations of Diamond for all periods presented.

In February 2010, the Company sold all its shares in Diamond to an unrelated third party for $225,000 and recognized a gain from the sale of $225,000.

In conjunction with the Exchange Agreement, the Company, on October 20, 2009, entered into a Stock Purchase Agreement (the “Stock Agreement”) with certain stockholders of the Company (the “former stockholders”). Pursuant to the Stock Agreement, the Company spun out its 100% interest in Alba Mineral Exploration, Inc., an Alberta, Canada Corporation (“Alba Canada”) to the former stockholders for nominal consideration and the cancellation of all of the shares of common stock of the Company then owned by the former stockholders. As a result, a total of 39,720,000 (3,310,000 pre-split) shares were cancelled.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

Basis of Presentation - The accompanying unaudited interim financial statements as of June 30, 2010, and for the six months ended June 30, 2010 and 2009 have been prepared in accordance with accounting principles generally accepted for interim financial statement presentation and in accordance with the instructions to Form 10-Q. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statement presentation. In the opinion of management, the financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of June 30, 2010 and the results of operations for the three and six months ended June 30, 2010 and 2009 and cash flows for the six months ended June 30, 2010 and 2009. The results of operations for the six months ended June 30, 2010 are not necessarily indicative of the results to be expected.

[2] Summary of Significant Accounting Policies

Other significant accounting policies are set forth in Note 2 of the audited financial statements included in the company's 2009 Form 10-K.

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 reporting period. Actual results could differ from those estimates.

Revenue Recognition - Revenue is recognized upon the shipment of products to customers with the price to the buyer being fixed and determinable and collectability reasonably assured. The Company maintains a reserve for potential product returns based on historical experience.

Inventories - Inventory consists primarily of finished goods and is valued at the lower of cost or market. Cost is determined using the weighted average method and average cost is recomputed after each inventory purchase or sale.

Subsequent Events – The Company evaluated subsequent events, which are events or transactions that occurred after June 30, 2010 through August 2, 2010, the date of issuance of the accompanying financial statements.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[2] New Authoritative Accounting Guidance

In January 2010, the Financial Accounting Standards Board ("FASB") issued, and the Company adopted, Accounting Standards Codification (“ASC”) Update No. 2010-05 “Escrowed Share Arrangements and the Presumption of Compensation” (“ASCU No. 2010-05”). ASCU No. 2010-05 codifies the SEC staff’s views on escrowed share arrangements which historically has been that the release of such shares to certain shareholders based on performance criteria is presumed to be compensatory. When evaluating whether the presumption of compensation has been overcome, the substance of the arrangement should be considered, including whether the transaction was entered into for a reason unrelated to employment, such as to facilitate a financing transaction. In general, in financing transactions the escrowed shares should be reflected as a discount in the allocation of proceeds. In debt financings the discounts are to be amortized using the effective interest method, while discounts on equity financings are not generally amortized. As it relates to future financings, the adoption of this update may have an effect on the Company’s financial statements.

In January 2010, the FASB issued ASC Update No. 2010-06 “Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements” which updated guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. This update also requires a reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition to these new disclosure requirements, this update clarifies certain existing disclosure requirements. For example, this update clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities rather than each major category of assets and liabilities. This update also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. This update will become effective for the Company with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the Company with the interim and annual reporting period beginning January 1, 2011. The Company will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update will not have a material effect on the Company's financial statements.

Management does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying financial statements.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[3] Property and Equipment

Property and equipment and accumulated depreciation and amortization are as follows:

	June 30, 2010	December 31, 2009
Selling Equipment	$8,354	$64,353
Office and Equipment	314,715	296,621
Leasehold Improvements	7,781	7,781
Furniture and Fixtures	18,487	18,487
Total – At Cost	349,337	387,242
Less: Accumulated Depreciation and Amortization	215,682	226,935
Property and Equipment – Net	$133,655	$160,307

Depreciation and amortization expense for the three months ended June 30, 2010 and 2009 and the six months ended June 30, 2010 and 2009 amounted to approximately $14,000, $16,000, $28,000 and $32,000, respectively.

[4] Notes Payable

	June 30, 2010	December 31, 2009
Notes payable due in equal monthly installments, monthly payments of $2,500 and one payment on June 30, 2011 equal to the outstanding balance; interest rates of 7.60%. The notes are collateralized by the assets of the Company. (1)	$102,706	115,259
Notes payable due in equal monthly installments, over 60 months, maturing through December 2013 at interest rates of 9.47%. The notes are collateralized by specific assets of the Company.	75,854	83,074
Notes payable due on demand at interest rate of 10%.	--	11,500
Notes payable due on demand at interest rate of 10%.	--	10,000
Total	178,560	219,833
Less: Current Maturities Included in Current Liabilities	50,206	69,335
Total Long-Term Portion of Debt	$128,354	$150,498

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BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[4] Notes Payable (Continued)

As of June 30, 2010 maturities of long-term debt are as follows:

2011	$ 50,206
2012	93,351
2013	22,762
2014	12,241
Total	$ 178,560

(1) Terms are per the Post Judgment Payment and Forbearance Agreement dated October 9, 2009 between the company and the bank.

[5] Bank Lines of Credit

A summary of the Company's credit facilities is as follows:

	June 30, 2010	December 31, 2009
Credit Line of $700,000, minimum payment of interest only is due monthly at the bank's prime rate plus .75%. At December 31, 2009, the interest rate was 4.00%. Collateralized by the assets of the Company. (1)	$--	$699,999
Credit Line of $55,000, monthly payments of $500 and one payment on June 30, 2011 equal to outstanding balance; interest at the Bank's prime rates plus 75%, 4.00% at June 30, 2010 and December 31, 2009; collateralized by the assets of the Company. (2)	42,637	44,380
Various unsecured Credit Cards of $180,300 and $178,700, minimum payment of principal and interest are due monthly at the credit card's annual interest rate. At June 30, 2010 and December 31, 2009, the interest rates ranged from 3.99% to 24.90% and 3.99% to 24.90%, respectively.	166,342	177,584
Total	208,979	921,963
Less: Current maturities included in current liabilities	172,342	883,583
Total Long-Term Portion	$36,637	$38,380

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[5] Bank Lines of Credit (Continued)

The Company's CEO and majority shareholder also serves as a guarantor of the Company's debt.

The Company had approximately $12,000 and $10,000 available under the various credit facilities (not including credit cards) at June 30, 2010 and December 31, 2009, respectively.

As of June 30, 2010 maturities of long-term debt are as follows:

2011	$ 6,000
2012	36,637
Total	$ 42,637

1) In February 2010, through an agreement with Socius CG II, Ltd ("Socius"), the Company settled a $699,999 payment of its credit line with Columbia Bank with the issuance of 14,282,990 shares of common stock (adjusted from an initial issuance of 5,700,000 shares) to Socius.

2) Terms are per the Post Judgement Payment and Forbearance Agreement dated October 9, 2009 between the company and the bank.

[6] Convertible Debt

On February 1, 2010, the Company issued an 8% secured convertible note (the "February 2010 Note") in the amount of $50,000 to Asher Enterprises, Inc. ("Asher"). The principal and accrued interest is payable on January 2, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

On March 12, 2010, the Company issued an 8% secured convertible note (the "March 2010 Note") in the amount of $30,000 to Asher. The principal and accrued interest is payable on December 13, 2010 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

In April 2010, the Company issued an 8% secured convertible note in the amount of $40,000 to Asher. The principal and accrued interest is payable on January 13, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

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[6] Convertible Debt (Continued)

In May 2010, the Company issued an 8% secured convertible note in the amount of $40,000 to Asher. The principal and accrued interest is payable on February 11, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

Asher is entitled to have all shares issued upon conversion of the above notes listed upon each national securities exchange or other automated quotation system, if any, upon which shares of the Company common stock are then listed.

On November 16, 2009, the Company issued a 7% Secured Convertible Debenture (the "November 2009 Debenture") in the amount of $25,000 to Tangiers Capital, LLC. The principal and accrued interest is payable on August 16, 2010 or such earlier date as defined in the agreement. Upon issuance, the November 2009 Debenture, including any accrued interest, was convertible into shares of the Company's common stock at a price of 80% of the average of the two lowest trading prices, determined on the then current trading market for the Company's common stock, for the ten trading days prior to conversion, at the option of the holder. The holder is entitled to "piggyback" registration rights on shares of common stock issued upon conversion

The Company accounts for the fair value of the conversion features in accordance with ASC Topic No. 815-15 "Derivatives and Hedging; Embedded Derivatives" ("Topic No. 815-15"). Topic No. 815-15 requires the Company to bifurcate and separately account for the conversion features as an embedded derivative contained in the Company's convertible debt. The Company is required to carry the embedded derivative on its balance sheet at fair value and account for any unrealized change in fair value as a component of consolidated results of operations. The Company valued the embedded derivative using the Black-Scholes pricing model. The fair value upon issuance of the February 2010 Note, March 2010 Note, April 2010 Note, and May 2010 Note, $23,500, $27,513, $40,362 and $26,961, respectively, was recorded as a derivative liability and a discount to the convertible debt. The fair value upon issuance of the November 2009 Debenture, $10,890, was recorded as a derivative liability and a discount to the convertible debt in 2009. Amortization of debt discount amounted to $45,844 for the six months ended June 30, 2010. The derivative liability is revalued each reporting period using the Black-Scholes model. For the six months ended June 30, 2010, the Company recorded an unrealized gain from the change in the fair value of the derivative liability of $18,306. Convertible debt as of June 30, 2010 and December 31, 2009, is shown net of debt discount of $81,567 and $9,075, respectively.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[7] Equipment Held Under Capital Leases

The Company's equipment held under the capital lease obligations as of June 30, 2010 and December 31, 2009 is summarized as follows:

	June 30, 2010	December 31, 2009
Showroom Equipment	$40,000	$96,000
Less: Accumulated Amortization	20,667	54,933
Equipment Held under Capitalized Lease Obligations - Net	$19,333	$41,067

Amortization related to the equipment held under capital leases for the three months ended June 30, 2010 and 2009 and the six months ended June 30, 2010 and 2009 amounted to approximately $2,000, $5,000, $4,000 and $10,000, respectively.

As of June 30, 2010 the future minimum lease payments under the capital leases are as follows:

2011	$26,432
2012	4,188
Total	30,620
Less: Amount Representing Imputed Interest	2,971
Present Value of Net Minimum Capital Lease Payments	27,649
Less: Current Portion of Capitalized Lease Obligations	23,565
Non Current Portion of Capitalized Lease Obligations	$4,084

Interest expense related to capital leases for the three months June 30, 2010 and 2009 and the six months ended June 30, 2010 and 2009 amount to approximately $1,000, $2,000, $2,000 and $3,000, respectively.

[8] Income Taxes

Deferred income tax assets [liabilities] are as follows:

	June 30, 2010	December 31, 2009
Deferred Income Tax Assets:		
Net Operating Loss Carryforwards	$493,941	$656,485
Allowance for Doubtful Accounts	32,115	34,511
Allowance for Sales Returns	--	13,903
Totals	526,056	704,899
Deferred Income Tax Liabilities:		
Property and Equipment	$(7,642)	$(25,925)
Sec. 481 Adjustment - Accrual Basis	(281,159)	(249,919)
Totals	(288,801)	(275,844)
Gross Deferred Tax Asset [Liability]	237,255	429,055
Valuation Allowance for Deferred Taxes	(237,255)	(429,055)
Net Deferred Tax Asset [Liability]	$--	$--

At December 31, 2009, the Company had approximately $1,600,000 of federal net operating tax loss carryforwards expiring at various dates through 2029. The Tax Reform Act of 1986 enacted a complex set of rules which limits a company's ability to utilize net operating loss carryforwards and tax credit carryforwards in periods following an ownership change. These rules define an ownership change as a greater than 50 percent point change in stock ownership within a defined testing period which is generally a three-year period. As a result of stock which may be issued by us from time to time and the conversion of warrants, options or the result of other changes in ownership of our outstanding stock, the Company may experience an ownership change and consequently our utilization of net operating loss carryforwards could be significantly limited.

Based upon the net losses historically incurred and, the prospective global economic conditions, management believes that it is not more likely than not that the deferred tax asset will be realized and has provided a valuation allowance of 100% of the deferred tax asset. The valuation allowance (decreased) increased by approximately $(191,800) and $154,000 in the six months ended June 30, 2010 and the year ended December 31, 2009, respectively.

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[8] Income Taxes (Continued)

The Company does not believe it has any uncertain tax positions through the six months ended June 30, 2010. The Company is subject to U.S. federal and state income tax examinations by tax authorities for all tax periods. The Company recognizes interest and penalties accrued related to unrecognized tax benefits, if any, in its income tax provision. The Company had no interest or penalties accrued at June 30, 2010 or December 31, 2009.

[9] Stockholders' Equity

On February 23, 2010, the Company amended its certificate of incorporation to increase the number of authorized common shares. The Company is authorized to issue 200,000,000 shares of common stock, par value $.001 per share. At March 31, 2010 and December 31, 2009, there were 71,709,288 and 51,703,500 common shares issued and outstanding, respectively. In October 2009, the Company effected a 12 for 1 forward split of its common stock. All share and per share data has been adjusted to reflect such stock split.

On October 19, 2009, the Company entered into a Share Exchange Agreement (the “Exchange Agreement”), with Diamond Information Institute, Inc. (“Diamond”), a New Jersey corporation. Pursuant to the Exchange Agreement the Company acquired all the issued and outstanding common stock of Diamond, and Diamond became a wholly-owned subsidiary of the Company. In addition, the Company acquired all Diamond’s assets and liabilities effective as of the date of the Exchange Agreement. Per the Exchange Agreement, the Company issued 31,022,100 (2,585,175 pre-split) shares of the Company’s common stock to the shareholders of Diamond (approximately .21884 pre-split shares of Company common stock for each share of Diamond common stock), representing approximately 60% of the Company’s aggregate issued and outstanding common stock following the closing of the Exchange Agreement and the Stock Agreement (defined below). The acquisition of Diamond was treated as a recapitalization, and the business of Diamond became the business of the Company. At the time of the recapitalization, the Company was in the exploration development stage and was not engaged in any active business. The accounting rules for recapitalizations require that beginning October 19, 2009, the date of the recapitalization, the balance sheet reflects the consolidated assets and liabilities of Bergio International, Inc. and the equity accounts were recapitalized to reflect the newly capitalized company. The results of operations reflect the operations of Diamond for all periods presented.

[9] Stockholders' Equity (Continued)

In conjunction with the Exchange Agreement, the Company, on October 20, 2009, entered into a Stock Purchase Agreement (the "Stock Agreement") with certain stockholders of the Company (the "former stockholders"). Pursuant to the Stock Agreement, the Company spun out its 100% interest in Alba Mineral Exploration, Inc., an Alberta, Canada Corporation ("Alba Canada") to the former stockholders for nominal consideration and the cancellation of all of the shares of common stock of the Company then owned by the former stockholders. As a result, a total of 39,720,000 (3,310,000 pre-split) shares were cancelled.

In January 2010, the Company finalized a Securities Purchase Agreement with Tangiers Investments, LP ("Tangiers") (See Note 11). Pursuant to the agreement the Company issued Tangiers 1,111,111 shares of common stock valued at the market price of $500,000 for a one-time commitment fee which is recorded as deferred offering costs.

In January 2010, the Company issued 1,885,687 shares of common stock to Caesar Capital Group, LLC ("Caesar") to settle approximately $402,000 of stockholder advances and accrued interest.

In February 2010, the Company sold 1,500,000 shares of common stock to Caesar for $30,000. The value of the stock on the date of sale based on the market price was $90,000 and the Company recorded an expense for financing costs of $60,000.

In January 2010 and March 2010, the Company issued 50,000 and 86,000 shares of common stock, respectively, for legal services rendered for the registration of securities with the SEC. The shares are valued at $14,000 and $5,160, respectively, the market price, and are recorded as deferred offering costs.

In March 2010, the Company issued 1,090,000 shares of common stock to a consultant for services rendered. The shares are valued at the market price of $62,900 and are recorded as share-based consulting expense.

In April 2010 and May 2010, the Company issued an aggregate of 8,573,680 shares of common stock to Socius for settlement of approximately $247,000 in payables.

In April 2010, the Company issued 100,000 shares of common stock for legal services rendered for the registration of securities with the SEC. The shares are valued at $4,000.

In April 2010, the Company issued 300,000 shares of common stock for accounting services rendered for the registration of securities with the SEC. The shares are valued at $12,000.

In April 2010, the Company issued 4,500,000 shares of common stock valued at $180,000 to settle share liability.

In April 2010 and May 2010, the Company issued an aggregate of 29,592,373 shares of common stock to its Chief Executive Office (see Note 10).

BERGIO INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

[10] Related Party Transactions

The Company receives periodic advances from its principal stockholder based upon the Company's cash flow needs. At June 30, 2010 and December 31, 2009, $203,283 and $463,342, respectively was due to the stockholder. Interest expense is accrued at an average annual market rate of interest which was 3.25% at June 30, 2010 and December 31, 2009. In January 2010, through two agreements with Caesar Capital Group, LLC (Caesar"), the Company settled approximately $250,000 and $152,000 of stockholder loans through the issuance of 1,086,956 and 798,731 shares of common stock to Caesar. No terms for repayment of the outstanding balance have been established. As a result, the amount is classified as a Current Liability.

In April 2010 and May 2010, the Company issued 16,712,299 and 12,880,074 shares of common stock, respectively to its Chief Executive Officer ("CEO"), in accordance with his employment agreement (See Note 11). The shares are valued at $33,333, the amount of unpaid compensation owed the CEO.

[11] Commitment and Contingencies

Employee Agreement - Effective February 28, 2010, the Company entered into an employment agreement with its CEO. The agreement, which is for a five year term, provides for an initial base salary of $175,000 per year with a 3% annual increase thereafter (the "Base Salary"). The CEO is also entitled to certain bonuses based on net profits before taxes and other customary benefits, as defined in the agreement. In addition, since it is understood that the Company is employing the CEO during a time of economic decline throughout the U.S. and at times and from time to time, the Company may not be in a position to pay the full amount of Base Salary owed the CEO it is understood and agreed to by the Board, that as long as the Company is unable to pay the CEO the full amount of his Base Salary that the Board shall issue to him, from time to time, an amount of shares that will allow him to remain in possession of fifty-one percent (51%) of the Company's then outstanding common stock. Such issuances shall be made to the CEO at any time when his total share holdings are reduced to an amount less than fifty-one percent (51%) as a result of issuance of shares made on behalf of the Company.

[11] Commitment and Contingencies (Continued)

Operating Leases - The Company leases certain office and manufacturing facilities and equipment. The lease agreements, which expire at various dates through 2012, are subject, in many cases, to renewal options and provide for the payment of taxes, and operating costs, such as insurance and maintenance. Certain leases contain escalation clauses resulting from the pass-through of increases in operating costs and property taxes. All these leases are classified as operating leases.

As of June 30, 2010 aggregate minimum annual rental payments under non-cancelable operating leases are as follows:

2011	$	5,124

Rent expense for the Company's operating leases for the three months ended June 30, 2010 and 2009 and the six months ended June 30, 2010 and 2009 amount to approximately $5,000, $6,000, $11,000 and $13,000, respectively.

Acquisition - The Company entered into an Asset Purchase Agreement with Mario Panelli & C. s.a.s. (“Seller”), an Italian distributor of high-end jewelry, and Mario Panelli and Mogni Viviana (“Owners”), wherein the Company agreed to purchase substantially all the assets of the Seller. The Company agreed to pay the Seller an amount equal to 100% of the book value of the Seller’s inventory as determined in accordance with U.S. generally accepted accounting principles. The closing date, which was originally scheduled for September 30, 2009 and was first extended 30 days until October 30, 2009, is extended pending the Company obtaining adequate financing to complete the transaction.

Equity Financing Agreement - In January 2010, the Company finalized a securities purchase agreement with Tangiers Investors, LP (“Tangiers”) pursuant to which at its discretion the Company can periodically sell to Tangiers shares of common stock up to a maximum purchase of $25,000,000. The selling price will be 88% of the lowest volume weighted average price, as defined in the agreement, for the five days immediately following the notice of sale date. In addition, the Company issued Tangiers 1,111,111 shares of common stock valued at $500,000 for a one-time commitment fee which is recorded as deferred offering costs. Effective, June 22, 2010, the Company terminated the securities purchase agreement with Tangiers and recorded an expense of $535,160 as share-based financing costs which included the $500,000 commitment fee and $35,160 of professional fees related to a registration statement for common shares to be issued pursuant to the agreement, which was also terminated.

Consulting Agreement – The Company entered into an agreement for business development services with a consultant. Pursuant to the agreement, the Company issued 4,500,000 shares of Company common stock for the services, which primarily were rendered in the first quarter of 2010. The shares, which were issued in April 2010, are valued at the market price of $180,000. At March 31, 2010, the Company recorded share-based consulting expense and a share liability for the amount.

Litigation - The Company, in the normal course of business, is involved in certain legal matters for which it carries insurance, subject to certain exclusions and deductibles. As of June 30, 2010 and through the date of issuance of these financial statements, there was no asserted or unasserted litigation, claims or assessments warranting recognition and/or disclosure in the financial statements.

[12] Subsequent Event

In July 2010, the Company issued 3,927,168 shares of common stock to its CEO pursuant to his employee agreement (see Note 11).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimate "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview

We are entering into our 20th year of operations and concentrate on boutique, upscale jewelry stores. We currently sell our jewelry to approximately 150 independent jewelry retailers across the United States and have spent over $3 million in branding the Bergio name through tradeshows, trade advertising, national advertising and billboard advertising since launching the line in 1995. Our products consist of a wide range of unique styles and designs made from precious metals such as, gold, platinum, and Karat gold, as well as diamonds and other precious stones. We have approximately 50 to 75 product styles in our inventory, with prices ranging from $400 to $200,000. We have manufacturing control over our line as a result of having a manufacturing facility in New Jersey as well as subcontracts with facilities in Italy and Bangkok.

It is our intention to establish Bergio International as a holding company for the purpose of acquiring established jewelry design and manufacturing firms who possess branded product lines. Branded product lines are products and/or collections whereby the jewelry manufacturers have established their products within the industry through advertising in consumer and trade magazines as well as possibly obtaining federally registered trademarks of their products and collections. This is in line with our strategy and belief that a brand name can create an association with innovation, design and quality which helps add value to the individual products as well as facilitate the introduction of new products.

We intend to acquire design and manufacturing firms throughout the United States and Europe. If and when we pursue any potential acquisition candidates, we intend to target the top 10% of the world's jewelry manufactures that have already created an identity and brand in the jewelry industry. We intend to locate potential candidates through our relationships in the industry and expect to structure the acquisition through the payment of cash, which will most likely be provided from third party financing, as well as our common stock but not cash generated from our operations. In the event we obtain financing from third parties for any potential acquisitions, Bergio International may agree to issue our common stock in exchange for the capital received. However, as of the date of this report, we do not have any binding agreements with any potential acquisition candidates or arrangements with any third parties for financing.

Results of Operations for the Three and Six Months Ended June 30, 2010 and 2009

The following income and operating expenses tables summarize selected items from the statement of operations for the three and six months ended June 30, 2010 compared to the three and six months ended June 30, 2009.

INCOME:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Sales – net	$437,893	$263,581	$548,995	$454,307
Cost of Sales	179,740	181,422	202,213	361,694
Gross Profit	$258,153	$82,159	$346,782	$92,613
Gross Profit as a Percentage of Revenue	59 %	31 %	63 %	20 %

Sales

Net sales for the three months ended June 30, 2010 were $437,893 compared to $263,581 for the three months ended June 30, 2009. This resulted in an increase of $174,312 (66%) from the comparable period. Net sales for the six months ended June 30, 2010 were $548,995 compared to $454,307 for the six months ended June 30, 2009. This resulted in an increase of $94,688 (21%) from the comparable period. The increases in sales in the three and six month periods were primarily a result of our efforts to expand our customer base outside the United States and into Europe and Asia.

Typically, revenues experience significant seasonal volatility in the jewelry industry. The first two quarters of any given year typically represent approximately 15%-25% of total year revenues, based on historic results. The holiday buying season during the last two quarters of every year typically account for the remainder of annual sales.

Cost of Sales

Cost of sales for the three months ended June 30, 2010 was $179,740 a decrease of $1,682 (1%) from $181,422 for the three months ended June 30, 2009. Cost of sales for the six months ended June 30, 2010 was $202,231 a decrease of $159,481 (44%) from $361,694 for the six months ended June 30, 2009. The decrease in cost of sales in the three and six month periods were a result of our selling product held in inventory with lower material costs which resulted in a higher gross margin.

Gross Profit:

During the three months ended June 30, 2010, our gross profit as a percentage of sales was 59%, compared to a gross profit as a percentage of sales of 31% for the three months ended June 30, 2009. During the six months ended June 30, 2010, our gross profit as a percentage of sales was 63%, compared to a gross profit as a percentage of sales of 20% for the six months ended June 30, 2009. Our increased gross profit during the three and six month periods in 2010 was a result of our decrease in cost of sales (as described above) and a concerted effort to limit the amount of sales returns allowed which began at the end of 2009.

OPERATING EXPENSES:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Selling Expenses	$95,830	$82,002	$134,240	$130,272
Total General and Administrative Expenses	124,561	93,348	491,027	236,627
Total Operating Expenses	$220,391	$175,350	$625,267	$366,899
Other Income (Expenses)	$(568,848)	$(24,128)	$(447,721)	$(44,489)
Net Loss	$(530,848)	$(117,319)	$(726,206)	$(318,775)

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Selling Expenses

Selling expenses were $95,830 for the three months ended June 30, 2010, an increase of $13,828 (17%) from $82,002 for the three months ended June 30, 2009. Selling expenses were $134,240 for the six months ended June 30, 2010, an increase of $3,968 (3%) from $130,272 for the six months ended June 30, 2009. Selling expenses include advertising, trade show expenses, travel and selling commissions. The increase in selling expenses in the three and six month periods was a result of increased advertising and travel expenses as we began to implement our strategic plan to increase our customer base outside the United States.

General and Administrative Expenses

Total General and Administrative expenses were $124,561 for the three months ended June 30, 2010 versus $93,348 for the three months ended June 30, 2009, an increase of $31,213 (33%). Total General and Administrative expenses were $491,027 for the six months ended June 30, 2010 versus $236,627 for the six months ended June 30, 2009, an increase of $254,400 (108%). The increase in general and administrative expenses is due primarily to an increase in payroll costs and share-based services incurred as we implement our expansion plans while we try to preserve working capital. These cost increases were reduced by a decrease in professional fees expense. Share-based services and payroll costs increased approximately $200,000 and $68,000, respectively, in the 2010 six month period versus the comparative 2009 period while professional fees decreased approximately $34,000 in the same period. We have limited our share-based service costs in the three months ended June 30, 2010 and plan to continue that going forward.

Income (Loss) from Operations

During the three months ended June 30, 2010, we had income from operations of $37,762 which was an increase of $130,953 (144%) from the loss of ($93,191) for the three months ended June 30, 2009. During the six months ended June 30, 2010, we had loss from operations of ($278,485) which was an increase of $4,199 (2%) from the loss of ($274,286) for the six months ended June 30, 2009. Our income from operations in the three months ended June 30, 2010 was a result of increases in sales and gross profit while we controlled our operating costs. Our operating loss for the six months ended June 30, 2010 is consistent with the comparative June 30, 2009 period, however, our general and administrative expenses and operating loss were negatively affected by $200,000 in share-based service costs that we do not expect to have in future periods, as discussed above.

Other Income [Expense]

Other Income [Expense] in the three months ended June 30, 2010 is comprised primarily of share-based financing costs of $535,160 related to the termination of our securities purchase agreement with Tangiers. Other Income [Expense] in the six months ended June 30, 2010 is comprised primarily of the $225,000 gain from the sale of our subsidiary, Diamond, net of share-based financing costs of $595,160, interest expense of $31,078, and amortization of debt discount of $45,844. In the three and six months ended June 30, 2009, we incurred interest expense of $24,128 and $45,647, respectively.

Net Loss

We incurred a net loss of $530,848 for the three months ended June 30, 2010 versus a net loss of $117,319 for the three months ended June 30, 2009. This was an increase of $413,529 in our net loss from the comparable period, attributable to the various factors discussed above. We incurred a net loss of $726,206 for the six months ended June 30, 2010 versus a net loss of $318,775 for the six months ended June 30, 2009. This was an increase of $407,431 in our net loss from the comparable period, attributable to the various factors discussed above. Net loss in the three and six months ended June 30, 2010, would have decreased by $535,160 and $838,060, respectively, net of share-based finance and service costs, resulting in net income of $4,312 and $81,854, respectively.

Liquidity and Capital Resources

The following table summarizes working capital at June 30, 2010 compared to December 31, 2009.

	June 30, 2010	December 31, 2009	Increase/ (Decrease)
Current Assets	$2,089,307	$1,722,903	$366,404
Current Liabilities	$952,712	$2,100,386	$(1,147,674)
Working Capital	$1,136,595	$(377,483)	$1,514,078

As of June 30, 2010, we had a cash overdraft of $2,198, compared to a cash overdraft of $13,717 at December 31, 2009. Over the next twelve months we believe that our existing capital combined with cash flow from operations and our available financing will be sufficient to sustain our current operations. It is anticipated that we will need to sell additional equity and/or debt securities in the event we locate potential mergers and/or acquisitions.

Our working capital increased as of June 30, 2010 as we entered into various debt restructuring and financing agreements as follows:

In January 2010, we finalized a securities purchase agreement with Tangiers Investors, LP (“Tangiers”) pursuant to which at our discretion we can periodically sell to Tangiers shares of common stock up to a maximum purchase of $25,000,000. The selling price will be 88% of the lowest volume weighted average price, as defined in the agreement, for the five days immediately following the notice of sale date. In addition, we issued Tangiers 1,111,111 shares of common stock valued at $500,000 for a one-time commitment fee. Effective June 22, 2010, we terminated the securities purchase agreement with Tangiers and expensed the commitment fee and other related fees.

In January 2010, through two agreements with Caesar Capital Group, LLC (Caesar”), we settled approximately $402,000 of stockholder advances and accrued interest through the issuance of 1,885,687 shares of common stock to Caesar.

In February 2010, through an agreement with Socius CG II, Ltd (“Socius”), we settled a $699,999 payment of a credit line with Columbia Bank with the issuance of 14,282,990 shares of common stock (adjusted from an initial issuance of 5,700,000 shares) to Socius.

In April 2010 and May 2010, we settled approximately $247,000 in payables with the issuance of 8,573,680 shares of common stock to Socius.

Accounts receivable at June 30, 2010 and December 31, 2009 was $333,666 and $341,695, respectively. We typically offer our customers 60, 90 or 120 day payment terms on sales, depending upon the product mix purchased. When setting terms with our customers, we also consider the term of the relationship with individual customers and management’s assessed credit risk of the respective customer, and may at management’s discretion, increase or decrease payment terms based on those considerations. The slight decrease in accounts receivable from December 31, 2009 to June 30, 2010 is primarily attributable to increased collections.

Inventory at June 30, 2010 and December 31, 2009 was $1,571,640 and $1,378,271, respectively. Our management seeks to maintain a very consistent inventory level that it believes is commensurate with current market conditions and manufacturing requirements related to anticipated sales volume. We historically do not have an inventory reserve for slow moving or obsolete products due to the nature of our inventory of precious metals and stones, which are commodity-type raw materials and rise in value based on quoted market prices established in actively trade markets. This allows for us to resell or recast these materials into new products and/or designs as the market evolves. We enhanced our product line as we began to implement our strategic plan to increase our customer base outside the United States.

Accounts payable and accrued expenses at June 30, 2010 were $287,797 compared to $587,443 at December 31, 2009. The decrease is primarily attributable to the payables settled through issuances of our common stock.

Bank Lines of Credit and Notes Payable

Our indebtedness is comprised of various bank credit lines, term loans, capital leases and credit cards intended to provide capital for the ongoing manufacturing of our jewelry line, in advance of receipt of the payment from our retail distributors. As of June 30, 2010, we had 2 outstanding term loans. One of the term loans is for $100,000 with Leaf Financial Corp., which is payable in monthly installments and matures in December 2013. The note bears an annual interest rate of 9.47% and as of June 30, 2010, there was an outstanding balance of $75,854. We also have a $300,000 term loan with JPMorgan Chase, which is payable in monthly installments and matures in June 2011. The note bears an annual interest rate of 7.60% and as of June 30, 2010 there was an outstanding balance of $102,706. Both of these notes are collateralized by our assets as well as a personal guarantee by our CEO, Berge Abajian.

In addition to the notes payable, we utilize bank lines of credit to support working capital needs. As of June 30, 2010, we have a bank line of credit of $55,000 with JPMorgan Chase Bank, which also requires a monthly payment of $500 and matures in June 2011. The interest rate is calculated at the bank's prime rate plus 0.75%. As of June 30, 2010, we had an outstanding balance of $42,637 at an effective annual interest rate of 4.00%. The credit line renews annually and is collateralized by our assets as well as a personal guarantee by our CEO, Berge Abajian. Our bank line of credit with Columbia Bank was paid through the issuance of our common stock, as described above, and closed.

In addition to the bank lines of credit and term loans, we have a number of various unsecured credit cards. These credit cards require minimal monthly payments of interest only and as of June 30, 2010 we have outstanding balances of $166,342.

Convertible Debt

On February 1, 2010, the Company issued an 8% secured convertible note (the "February 2010 Note") in the amount of $50,000 to Asher Enterprises, Inc. ("Asher"). The principal and accrued interest is payable on January 2, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

On March 12, 2010, the Company issued an 8% secured convertible note (the "March 2010 Note") in the amount of $30,000 to Asher. The principal and accrued interest is payable on December 13, 2010 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

In April 2010, the Company issued an 8% secured convertible note in the amount of $40,000 to Asher. The principal and accrued interest is payable on January 13, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

In May 2010, the Company issued an 8% secured convertible note in the amount of $40,000 to Asher. The principal and accrued interest is payable on February 11, 2011 or such earlier date as defined in the agreement. The note is convertible by Asher at any time after the six month anniversary of the issue date and by the Company at any time after issue with conversion periods as defined in the agreement. The note is convertible into shares of the Company's common stock at a price of 62.5% of the average of the three lowest trading prices of the stock during the ten trading day period ending one day prior to the date of conversion.

Asher is entitled to have all shares issued upon conversion of the above notes listed upon each national securities exchange or other automated quotation system, if any, upon which shares of the Company common stock are then listed.

On November 16, 2009, the Company issued a 7% Secured Convertible Debenture (the "November 2009 Debenture") in the amount of $25,000 to Tangiers Capital, LLC. The principal and accrued interest is payable on August 16, 2010 or such earlier date as defined in the agreement. Upon issuance, the November 2009 Debenture, including any accrued interest, was convertible into shares of the Company's common stock at a price of 80% of the average of the two lowest trading prices, determined on the then current trading market for the Company's common stock, for the ten trading days prior to conversion, at the option of the holder. The holder is entitled to "piggyback" registration rights on shares of common stock issued upon conversion

Satisfaction of our cash obligations for the next 12 months.

A critical component of our operating plan impacting our continued existence is to efficiently manage the production of our jewelry lines and successfully develop new lines through our Company or through possible acquisitions and/or mergers. Our ability to obtain capital through additional equity and/or debt financing, and joint venture partnerships will also be important to our expansion plans. In the event we experience any significant problems assimilating acquired assets into our operations or cannot obtain the necessary capital to pursue our strategic plan, we may have to reduce the growth of our operations. This may materially impact our ability to increase revenue and continue our growth.

Over the next twelve months we believe that our existing capital combined with cash flow from operations will be sufficient to sustain our current operations. However, in the event we locate potential acquisitions and/or mergers we will most likely need to sell equity and/or debt securities.

Summary of product and research and development that we will perform for the term of our plan.

We are not anticipating significant research and development expenditures in the near future.

Expected purchase or sale of plant and significant equipment.

We do not anticipate the purchase or sale of any plant or significant equipment; as such items are not required by us at this time.

Significant changes in the number of employees.

We currently have 3 full-time employees and 2 part-time employees. Of our current employees, 1 is sales and marketing personnel, 2 are manufacturing and 2 hold administrative and executive positions. None of our employees are subject to any collective bargaining agreements. We do not anticipate a significant change in the number of full time employees over the next 12 months.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, results or operations, liquidity, capital expenditures or capital resources that is deemed material.

Critical Accounting Policies

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Preparing financial statements in accordance with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Accounts Receivable. Management periodically performs a detailed review of amounts due from customers to determine if accounts receivable balances are impaired based on factors affecting the collectability of those balances.

Long-Lived Assets. In accordance with generally accepted accounting principles, long-lived tangible assets subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is determined to be impaired, the loss is measures by the excess of the carrying amount of the asset over its fair value as determined by an estimate of undiscounted future cash flows. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in their impairment analyses may not be achieved.

Equity-Based Compensation. The Company accounts for equity based compensation transactions with employees under the provisions of ASC Topic No. 718, “Compensation; Stock Compensation” (“Topic No. 718”). Topic No. 718 requires the recognition of the fair value of equity-based compensation in net income. The fair value of the Company’s equity instruments are estimated using a Black-Scholes option valuation model. This model requires the input of highly subjective assumptions and elections including expected stock price volatility and the estimated life of each award. In addition, the calculation of equity-based compensation costs requires that the Company estimate the number of awards that will be forfeited during the vesting period. The fair value of equity-based awards granted to employees is amortized over the vesting period of the award and the Company elected to use the straight-line method for awards granted after the adoption of Topic No. 718.

The Company accounts for equity based transactions with non-employees under the provisions of ASC Topic No. 505-50, “Equity-Based Payments to Non-Employees” (“Topic No. 505-50”). Topic No. 505-50 establishes that equity-based payment transactions with non-employees shall be measured at the fair value of the consideration received or the fair value of the equity instruments issued, which ever is more reliably measurable. When the equity instrument is utilized for measurement the fair value of the equity instrument is estimated using the Black-Scholes option valuation model. In general, the Company recognizes an asset or expense in the same manner as if it was to receive cash for the goods or services instead of paying with or using the equity instrument.

Revenue Recognition. The Company’s management recognizes revenue when realized or realizable and earned. In connection with revenue recorded, the Company establishes a sales returns and allowances reserve for anticipated merchandise to be returned. The estimated percentage of sales to be returned is based on the Company’s historical experience of returned merchandise as prescribed by promulgated accounting principles. Also, management calculates an estimated gross profit margin on returned merchandise deriving a cost for the anticipated returned merchandise also based on the Company’s historical operations.

The Company’s sole revenue producing activity as a manufacturer and distributor of upscale jewelry is affected by movement in fashion trends and customer desire for new designs, varying economic conditions affecting consumer spending and changing product demand by retailers affecting their desired inventory levels.

Therefore, management’s estimation process for merchandise returns can result in actual amounts differing from those estimates. This estimation process is susceptible to variation and uncertainty due to the challenges faced by management to comprehensively discern all conditions affecting future merchandise returns whether prompted by fashion, the economy or customer relationships. Ultimately, management believes historical factors provide the best indicator of future conditions based on the Company’s responsiveness to changes in fashion trends, the cyclical nature of the economy in conjunction with the number of years in business and consistency and longevity of its customer mix.

Recently Issued Accounting Standards

In January 2010, the Financial Accounting Standards Board ("FASB") issued, and the Company adopted, Accounting Standards Codification ("ASC") Update No. 2010-05 "Escrowed Share Arrangements and the Presumption of Compensation" ("ASCU No. 2010-05"). ASCU No. 2010-05 codifies the SEC staff's views on escrowed share arrangements which historically has been that the release of such shares to certain shareholders based on performance criteria is presumed to be compensatory. When evaluating whether the presumption of compensation has been overcome, the substance of the arrangement should be considered, including whether the transaction was entered into for a reason unrelated to employment, such as to facilitate a financing transaction. In general, in financing transactions the escrowed shares should be reflected as a discount in the allocation of proceeds. In debt financings the discounts are to be amortized using the effective interest method, while discounts on equity financings are not generally amortized. As it relates to future financings, the adoption of this update may have an effect on the Company's financial statements.

In January 2010, the FASB issued ASC Update No. 2010-06 "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements" which updated guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. This update also requires a reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition to these new disclosure requirements, this update clarifies certain existing disclosure requirements. For example, this update clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities rather than each major category of assets and liabilities. This update also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. This update will become effective for the Company with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the Company with the interim and annual reporting period beginning January 1, 2011. The Company will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update will not have a material effect on the Company's financial statements.

Management does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4T. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2010. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, Berge Abajian. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2010, our disclosure controls and procedures are effective. There have been no changes in our internal controls over financial reporting during the quarter ended June 30, 2010.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also 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. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Aside from the following, we are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Effective on April 6, 2010, the Board of Directors of Bergio International, Inc., a Delaware corporation (the "Company") authorizied the issuance of 7,800,000 shares of common stock of the Company to Socius CG II, Ltd. (“Socius). The 7,800,000 shares of common stock were issued to Socius in connection with the settlement of debt in the aggregate amount of $274,000.41 (the “Claim”). The Claim is evidenced by that certain order approving stipulation for settlement of claims dated approximately April 6, 2010 between Socius, as plaintiff, and the Corporation, as defendant, Civil Case No. BC435032 in the Superior Court of the State of California for the County of Los Angeles, Central District (the “Order of Stipulation of Settlement”).

The Claim consists of certain debt which was purchased by Socius pursuant to those certain claims purchase agreements representing the following creditors: (i) $21,663.57 in debt due and owing to Carrea Castng Corp.; (ii) $12,8000.00 in debt due and owing to Cybel Trading Corporation; (iii) $174,249.00 in debt due and owing to Moore Stephens PC; (iv) $22,725.00 in debt due and owing to Salerno, Gannon & Angelo PC; (v) $10,140.44 in debt due and owing to Om Color Diamonds Inc.; and (vi) $5,422.40 in debt due and owing to Willis FAJS – Midtown NY. In accordance with the terms and provisions of the Order of Stipulation of Settlement, the Claim is to be satisfied in full by the issuance to Socius of 7,800,000 shares of free-trading common stock.

Item 1A: Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In April 2010, we settled approximately $247,000 in payables with the issuance of 7,800,000 shares of common stock to Socius. In May 2010, an additional 773,680 shares were issued. The offer and sale of the securities above were effected in reliance on Section 3(a)(10) of the Securities Act of 1933 based on the court's approval of the issuance of the shares and that the terms and conditions of the exchange of the shares for the release of the claims was fair, reasonable and adequate (procedurally and substantively) to the plaintiffs.

In April 2010, we issued 4,500,000 shares of common stock to a consultant for services previously rendered and recorded as share liability at March 31, 2010. The shares were issued in reliance on Section 4(2) of the United States Securities Act of 1933, as amended (the "Securities Act"). The shares have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The consultant acknowledged that the securities to be issued have not been registered under the Securities Act, that he understood the economic risk of an investment in the securities, and that he had the opportunity to ask questions of and receive answers from management concerning any and all matters related to acquisition of the securities.

In April 2010, we issued 16,712,299 shares of common stock to our CEO pursuant to his employment agreement. The shares were issued in reliance on Section 4(2) of the Securities Act. The shares have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securitites and Exchange Commission or an applicable exemption from the registration requirements.

In April 2010, we issued 400,000 shares of common stock to two individuals for consulting and legal services rendered for the registration of securities with the SEC. The shares were issued in reliance on Section 4(2) of the Securities Act. The shares have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The individuals each acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from management concerning any and all matters related to acquisition of the securities.

In May 2010, we issued 12,880,074 shares of common stock to our CEO pursuant to his employment agreement. The shares were issued in reliance on Section 4(2) of the Securities Act. The shares have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securitites and Exchange Commission or an applicable exemption from the registration requirements.

In July 2010, we issued 3,927,168 shares of common stock to our CEO pursuant to his employee agreement. The shares were issued in reliance on Section 4(2) of the Securities Act. The shares have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securitites and Exchange Commission or an applicable exemption from the registration requirements.

Item 3. Defaults upon Senior Securities

None

Item 4. Removed and Reserved

Item 5. Other Information

None

Item 6. Exhibits

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bergio International, Inc.

Date: August 11, 2010

By: /s/ Berge Abajian
Berge Abajian
Title: Chief Executive Officer and Director