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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ______ to ______

Commission File No. 333-152330
Consumer Capital Group Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**26-2517432** **(I.R.S. Employer Identification No.)**
35 North Lake Avenue, Suite 280, Pasadena, CA 91101 **(Address of Principal Executive Offices)**	**(626) 568-3368** **(Issuer's Telephone Number)**

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 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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 ☒

The number of shares outstanding of the Issuer's Common Stock as of November 12, 2011 was 18,888,889 shares.

CONSUMER CAPITAL GROUP INC.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Consumer Capital Group, Inc.

Condensed Consolidated Balance Sheets

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Cash & cash equivalents	$ 774,648	$ 3,015,219
Accounts receivable	225,744	306,935
Inventory	844,200	334,972
Prepaid expenses	157,688	259,272
Other receivables	70,814	64,512
Related party receivable	-	125,528
Total current assets	2,073,094	4,106,438
Equipment, net	61,414	47,644
Other assets	186,149	258,285
Total assets	$ 2,320,657	$ 4,412,367
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 1,013,674	$ 531,729
Accrued liabilities	60,043	759,983
Deferred revenue	17,528	125,455
Taxes payable	2,880	494,057
Other payables	260,580	19,199
Related party payables	395,101	256,199
Total current liabilities	1,749,806	2,186,622
Stockholders' equity		
Common stock, $0.0001 par value, 100,000,000 shares authorized 18,888,889 and 17,777,778 shares issued and outstanding as of September 30, 2011 and December 31, 2010, respectively	$ 1,889	$ 1,778
Discount on common stock issued to founders	(130,875)	(130,741)
Additional paid-in capital (1)	2,218,252	2,253,354
Subscription receivable	-	-
Accumulated other comprehensive income	26,551	78,775
Accumulated earnings (Deficit)	(1,548,591)	21,540
Total Consumer Capital Group stockholders' equity	567,226	2,224,706
Noncontrolling interest in subsidiary	3,625	1,039
Total liabilities and equity	$ 2,320,657	$ 4,412,367

(1) The December 31, 2010 capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction. See Note 2.

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

Consumer Capital Group, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income

(Unaudited)

	For The Three Months Ended September 30, 2011	For The Three Months Ended September 30, 2010	For The Nine Months Ended September 30, 2011	For The Nine Months Ended September 30, 2010
Net revenues - ecommerce	$ 449,084	$ 6,977,138	$ 1,637,493	$ 6,977,138
Net revenues - distribution	1,861,485	-	3,966,961	-
Total net revenues	2,310,569	6,977,138	5,604,454	6,977,138
Cost of sales - distribution	1,842,721	-	3,919,587	-
Gross profit	467,848	6,977,138	1,684,867	6,977,138
Operating expenses:				
Selling expenses	429,867	5,235,924	1,283,376	5,235,924
General & administrative expenses	223,771	64,987	2,011,532	207,970
Total operating expenses	653,638	5,300,911	3,294,908	5,443,894
Operating loss	(185,790)	1,676,227	(1,610,041)	1,533,244
Other income	12,935	-	113,729	-
Other (expense)	-	14,669	-	-
Total other income (expense)	12,935	14,669	113,729	-
Income (loss) before taxes	(172,855)	1,690,896	(1,496,312)	1,533,244
Provision for income taxes	1,499	-	73,820	652,334
Net income (loss)	(174,354)	1,690,896	(1,570,132)	880,910
Net income attributable to noncontrolling interest	1,788	-	2,585	-
Net income (loss) attributable to Consumer Capital Group, Inc.	$ (176,142)	$ 1,690,896	$ (1,572,717)	$ 880,910
Income(Loss) per share - basic and diluted	$ (0.01)	$ 0.12	$ (0.09)	$ 0.07
Weighted average number of common shares outstanding - basic and diluted (2)	18,888,888	14,442,039	16,609,686	13,453,223
Net income (loss)	$ (174,354)	$ 1,690,896	$ (1,570,132)	880,910
Other comprehensive income (loss)				
Foreign currency translation adjustment	(32,434)	(5)	(52,224)	10,081
Net comprehensive loss	$ (206,788)	$ 1,690,891	$ (1,622,356)	$ 890,991

(2) The capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction in determining the basic and diluted weighted average shares. See Note 2.

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

Consumer Capital Group, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Nine months ended September 30, 2011	2010
Cash flows from operating activities		
Net (Loss) Income	$ (1,570,132)	$ 880,910
Adjustments to reconcile net cash provided by (used in) operating activities		
Depreciation	9,448	2,451
Shares issued for services	-	299,400
Cancellation of stock to service providers	(35,125)	-
Change in operating assets and liabilities		
Accounts receivable	81,191	-
Other assets	72,136	-
Other receivables	(6,302)	(383,855)
Inventories	(509,228)	-
Prepaid expenses	101,584	(417,476)
Accounts payable	481,945	3,203,743
Accrued liabilities	(699,940)	7,185
Deferred revenue	(107,927)	713,059
Taxes payable	(491,177)	1,292,753
Other payables	241,381	1,415,684
Net cash provided by (used in) operating activities	(2,432,146)	7,013,854
Cash flows from investing activities		
Acquisition of equipments	(23,218)	(10,359)
Net cash used in investing activities	(23,218)	(10,359)
Cash flows from financing activities		
Proceeds from subscription of common stock	-	1,120,413
Short term borrowing	-	(250,100)
Proceeds from related party payable	2,366,992	120,760
Payments to related party payable	(2,102,562)	(278,157)
Net cash provided by financing activities	264,430	712,916
Effect of exchange rate fluctuation	(49,637)	10,081
Net increase (decrease) in cash	(2,240,571)	7,726,492
Cash and cash equivalents at beginning of period	3,015,219	266,096
Cash and cash equivalents at end of period	$ 774,648	$ 7,992,588
Supplemental disclosure of non-cash financing activities:		
Common stock issued for member incentives	$ -	$ 113,342
Common stock issued to service providers	$ -	$ 299,400
Supplemental disclosure of cash flow information		
Income taxes paid	$ 73,820	$ 319,374-

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

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

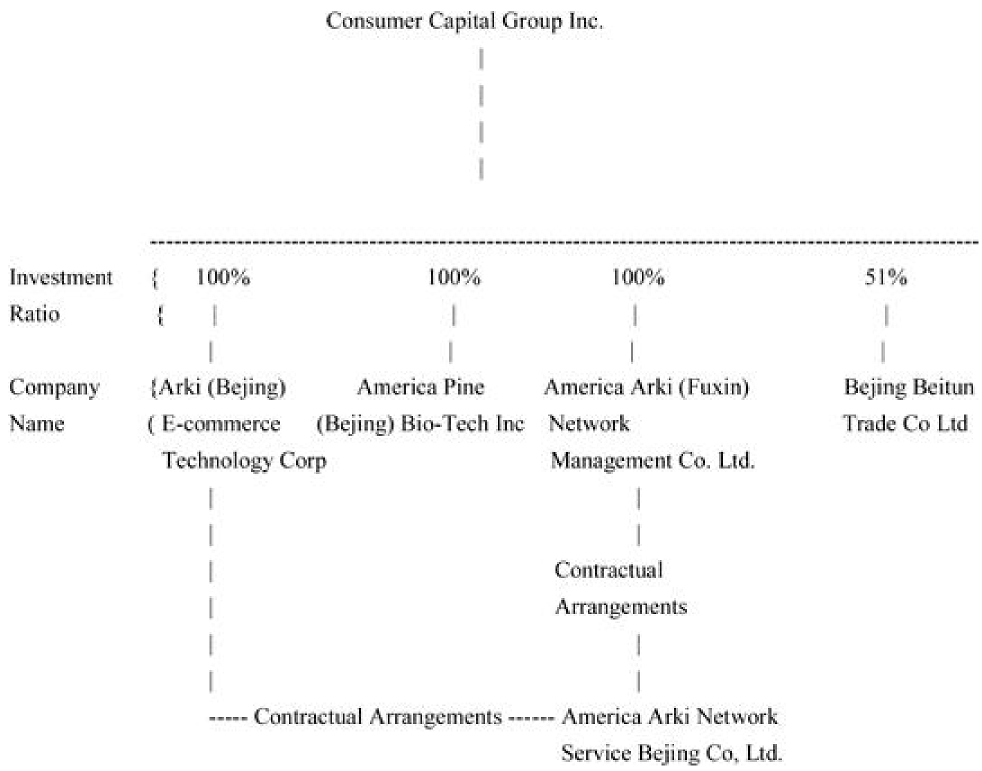
Consumer Capital Group, Inc. ("CCG" or the "Company") is incorporated in Delaware on April 25, 2008. The accompanying condensed consolidated financial statements include the financial statements of the Company, its wholly owned subsidiaries, and an affiliated PRC entity ("Affiliated PRC Entity") which is controlled through contractual arrangements. On February 5, 2010, in connection with the execution of a Stock Right Transfer Agreement, America Pine Group Inc. transferred both 100% of the stock rights of its wholly owned subsidiary Arki (Beijing) E-commerce Technology Co., Ltd. and 100% of its stock rights of America Pine (Beijing) Bio-Tech to Consumer Capital Group, Inc., a California corporation and wholly owned subsidiary of the Company (“CCG California”). The initial capitalization of the Company was through an investment of $420,000 and a registered capital of $300,000 to the Company.

On February 4, 2011, pursuant to a Plan and Agreement of Merger by and among Mondas Minerals Corp., its wholly owned subsidiary, CCG Acquisition Corp., a Delaware corporation (“CCG Delaware”), CCG California, and Scott D. Bengfort., Mondas Minerals Corp. merged its wholly-owned subsidiary CCG Delaware into CCG California, with CCG California surviving and CCG Delaware ceasing to exist. On February 7, 2011 the Company formed a new wholly-owned subsidiary by the name of “Consumer Capital Group Inc.” (“CCG Name Sub”) in Delaware solely for purposes of changing its corporate name to “Consumer Capital Group Inc.” in conjunction with the closing of the Merger. On February 17, 2011, the Company changed its name to Consumer Capital Group Inc. pursuant to Certificate of Ownership filed with the Secretary of State of Delaware by merging CCG Name Sub into the Company with the Company surviving and CCG Name Sub ceasing to exist. Unless the context specifies otherwise, references to the "Company" refers to CCG California prior to the Merger and the Company, its subsidiaries and Affiliated PRC Entity combined after the Merger. The Company is principally engaged in the development and operation of its nationwide online retailing platform "Chinese Consumer Market Network" at www.ccmus.com, which provides a variety of manufacturers and distributors a platform to promote and sell products and services directly to consumers. The Company's principal operations and geographic markets are in the People's Republic of China ("PRC").

Post Merger, Consumer Capital Group Inc. is authorized to issue up to 100,000,000 shares of common stock, par value $0.0001 per share. On February 4, 2011, Consumer Capital Group Inc. effected a reverse stock split (the "Stock Split"), as a result of which each 21.96 shares of Consumer Capital Group's common stock then issued and outstanding was converted into one share of Mondas Minerals' common stock.

Immediately prior to the Merger, Consumer Capital Group, Inc. had 390,444,109 shares of its common stock issued and outstanding. In connection with the Merger, Mondas Minerals issued 17,777,778 shares of its common stock in exchange for the issued and outstanding shares of common stock of Subsidiary. Immediately prior to the closing of the Merger, there were 2,500,000 issued and outstanding shares of the Company's common stock, 60% of which were held by the then-principal stockholder, CEO, and sole director of the Company, Mr. Bengfort. As a part of the Merger, CCG paid USD $335,000 in cash to Mr. Bengfort in exchange for his agreement to enter into various transaction agreements relating to the Merger, as well as the cancellation of 1,388,889 shares of the Company's common stock directly held by him, constituting 92.6% of his pre-Merger holdings of Company common stock.

Details of the Company's wholly owned subsidiaries and its Affiliated PRC Entity as of September 30, 2011 are as follows:



Company	Date of Establishment	Place of Establishment	Percentage of Ownership by the Company	Principal Activities
Consumer Capital Group Inc. ("CCGCalifornia")	October 14, 2009	California USA	100%	US holding company and headquarters of the consolidated entities, Commencing in July 2011, CCG performs the US e-commerce operations
Arki Beijing E-commerce Technology Corp. ("Arki Beijing")	March 6, 2008	PRC	100% (2)	Maintains the various computer systems, software and data. Owns the intellectual property rights of the "consumer market network". Performed principal e-commerce operations prior to December 2010
America Pine Beijing Bio-Tech, Inc. ("America Pine Beijing")	March 21, 2007	PRC	100% (2)	Import and sales of healthcare products from the PRC. This operations ceased February 5, 2010. It currently assist in payment collection for the Company's Ecommerce business
America Arki Fuxin Network Management Co. Ltd. ("Arki Fuxin")	November 26, 2010	PRC	100% (2)	Commencing in December 2010, performs the principal daily e-commerce operations, transactions and management of the "consumer market network"
Beijing Beitun Trade Co. Ltd. ("Beitun")	November 29, 2010	PRC	51% (2)(2)	Wholesale distribution and import/export of domestic food and meat products. Separate business segment of the Company
America Arki Network Service Beijing Co. Ltd. ("Arki Network contractual Service" and "Affiliated PRC Entity")	November 26, 2010	PRC	0%(2)(2)(2)	Entity under common control through relationships between Fei Gao and the Company. Holds the business license and permits necessary to conduct e-commerce operations in the PRC and maintains compliance with applicable PRC laws

(2) Wholly foreign owned entities (WFOE)

(2)(2) Joint venture

(2)(2)(2) VIE

In order to comply with the PRC law and regulations which prohibit foreign control of companies involved in internet content, the Company operates its website using the licenses and permits held by Arki Network Service, a 100% domestically owned entity. The equity interests of Arki Network Service are legally held directly by Mr. Jian Min Gao and Mr. Fei Gao, shareholders and directors of the Company. The effective control of Arki Network Service is held by Arki Beijing and Arki Fuxin through a series of contractual arrangements (the "Contractual Agreements"). As a result of the Contractual Agreements, Arki Beijing and Arki Fuxin maintain the ability to control Arki Network Service, and are entitled to substantially all of the economic benefits from Arki Network Service and are obligated to absorb all of Arki Network Services' expected losses. Therefore, the Company consolidates Arki Network Service in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, Consolidation.

The following is a summary of the Contractual Agreements:

LOAN AGREEMENT

The shareholders of Arki Network Service, namely Mr. Jian Min Gao and Mr. Fei Gao, entered into a loan agreement with Arki Fuxin on February 3, 2011. Under this loan agreement, Arki Fuxin granted an interest-free loan of RMB 1.0 million to Mr. Jian Min Gao and Mr. Fei Gao, collectively, for their capital contributions to Arki Network Service, as required by the PRC. The term of the loan is for ten years from the date of execution until the date when Arki Fuxin requests repayment. Arki Fuxin may request repayment of the loan with 30 days advance notice. The loan is not repayable at the discretion of the shareholders and is eliminated upon consolidation.

EXCLUSIVE CALL OPTION AGREEMENT

The shareholders of Arki Network Service entered into an option agreement with Arki Fuxin on February 3, 2011, under which the shareholders of Arki Network Service jointly and severally granted to Arki Fuxin an option to purchase their equity interests in Arki Network Service. The purchase price will be set off against the loan repayment under the loan agreement. Arki Fuxin may exercise such option at any time until it has acquired all equity interests of Arki Network Service or freely transferred the option to any third party and such third party assumes the rights and obligations of the option agreement.

EXCLUSIVE BUSINESS COOPERATION AGREEMENT

Arki Fuxin and Arki Network Service entered into an exclusive business cooperation agreement deemed effective on November 26, 2010, under which Arki Network Service engages Arki Fuxin as its exclusive provider of technical support, consulting services, maintenance and other commercial services. Arki Network Service shall pay to Arki Fuxin service fees determined based on the net income of Arki Network Service. Arki Fuxin shall exclusively own any intellectual property arising from the performance of this agreement. This agreement has a term of ten years from the effective date and can only be terminated mutually by the parties in a written agreement. During the term of the agreement, Arki Network Service may not enter into any agreement with third parties for the provision of identical or similar service without the prior consent of Arki Fuxin.

SHARE PLEDGE AGREEMENT

The shareholders of Arki Network Service entered into a share pledge agreement with Arki Fuxin on February 3, 2011 under which the shareholders pledged all of their equity interests in Arki Network Service to Arki Fuxin as collateral for all of the payments due to Arki Fuxin and to secure their obligations under the above agreements. The shareholders of Arki Network Service may not transfer or assign the shares or the rights and obligations in the share pledge agreement or create or permit any pledges which may have an adverse effect on the rights or benefits of Arki Fuxin without Arki Fuxin's preapproval. Arki Fuxin is entitled to transfer or assign in full or in part the shares pledged. In the event of default, Arki Fuxin as the pledgee, will be entitled to request immediate repayment of the loan or to dispose of the pledged equity interests through transfer or assignment.

POWER OF ATTORNEY

The shareholders of Arki Network Service entered into a power of attorney agreement with Arki Fuxin effective on November 26, 2010 under which the shareholders irrevocably appointed Arki Beijing and Arki Fuxin to vote on their behalf on all matters they are entitled to vote on, including matters relating to the transfer of any or all of their respective equity interests in the entity and the appointment of the chief executive officer and other senior management members.

The Company cooperates with a Chinese bank named Fuxin bank in China to issue cobranded debit cards. The Company then authorizes certain vendors the right to issue cobranded debit cards. The Company charges each participating vendor a percentage of transactions with the vendor. Each vendor will receive a percentage of future transactions of the cards issued by the vendor. Cardholders will receive certain amounts of cash refund from participating vendors and certain virtue money to be spent on the Company’s ecommerce website www.ccmus.com. Further, the Company hires dealers to develop vendor’s network as well as manage the issuance of the cobranded debit cards. As of September 30, 2011, the Company has issued over 600,000 cards, and has 30 province-level and 210 city-level dealers and about 5,300 vendors. For the nine months ended September 30, 2011, no revenue from this business model has been realized. The Company has signed dealer agreements with large companies like China Unionpay during the nine months ended September 30, 2011. China Unionpay is the only card management company like Vis and Master in China. It has installed millions of POS machines all over China. The Company has just completed testing the system in November 2011. Management will further develop the debit card business and it will become the Company’s main business in 2012.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVERSE MERGER ACCOUNTING

Since former CCG California security holders owned, after the Merger, approximately 94% of Consumer Capital Group Inc. shares of common stock, and as a result of certain other factors, including that all members of the Company's executive management are from Subsidiary, Subsidiary is deemed to be the acquiring company for accounting purposes and the Merger was accounted for as a reverse merger and a recapitalization in accordance with generally accepted accounting principles in the United States ("GAAP"). These condensed consolidated financial statements reflect the historical results of Subsidiary prior to the Merger and that of the combined Company following the Merger, and do not include the historical financial results of Consumer Capital Group Inc. prior to the completion of the Merger. Common stock and the corresponding capital amounts of the Company pre-Merger have been retroactively restated as capital stock shares reflecting the exchange ratio in the Merger.

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S.GAAP").

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements primarily reflect the financial position, results of operations and cash flows of the Company (as discussed above). The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with GAAP for interim financial information and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, these interim financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011, or for any other period. Amounts related to disclosures of December 31, 2010, balances within those interim condensed consolidated financial statements were derived from the audited 2010 consolidated financial statements and notes thereto filed on Form 8-K on February 10, 2011.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries based in the PRC, which include America Pine (Beijing), Bio-Tech, Inc., Arki (Beijing), E-Commerce Technology Corp., Beijing Beitun Trading Co., Ltd. and America Arki (Fuxin) Network Management Co. Ltd. As a result of contractual arrangements with Arki Network Service, the Company consolidates Arki Network Service in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, Consolidation (see Note1). All significant intercompany transactions and balances have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our 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. Significant estimates and assumptions reflected in the Company's financial statements include, but are not limited to, customer incentives, allowances for doubtful accounts, lower of cost or market of inventories, useful lives of long-lived assets, share-based compensation expense and uncertain tax positions. Actual results could differ from those estimates.

FOREIGN CURRENCY TRANSLATION

The reporting currency is the U.S. dollar. The functional currency of the Company is the local currency, the Chinese Yuan (RMB). The financial statements of the Company are translated into United States dollars in accordance with ASC 830, FOREIGN CURRENCY MATTERS, using year-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues, costs, and expenses and historical rates for equity. Translation adjustments resulting from the process of translating the local currency financial statements into U.S. dollars are included in determining comprehensive income. At September 30, 2011 and December 31, 2010, the cumulative translation adjustment of $26,551 and $78,775, respectively, was classified as an item of other comprehensive income in the stockholders' equity (deficit) section of the consolidated balance sheets. For the nine months ended September 30, 2011 and September 30, 2010, the foreign currency translation adjustment to accumulated other comprehensive loss was $52,224 and to accumulated other comprehensive income of $10,081, respectively. For the three months ended September 30, 2011 and September 30, 2010, the foreign currency translation adjustment to accumulated other comprehensive loss was $32,434 and $5, respectively.

REVENUE RECOGNITION

We recognize revenue from product sales or services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured.

E-COMMERCE REVENUE RECOGNITION

We evaluate whether it is appropriate to record the net amount of sales earned as commissions. We are not the primary obligor nor are we subject to inventory risk as the agreements with our suppliers specify that they have the responsibility to provide the product or service to the customer. Also, the amounts we earn from our vendors/suppliers is based on a fixed percentage and bound contractually. Additionally, the Company does not have any obligation to resolve disputes between the vendors and the customers that purchase the products on our website. Any disputes involving damaged, non-functional, product returns, and / or warranty defects are resolved between the customer and the vendor. The Company has no obligation for right of return and / or warranty for any of the sales completed using its website. Since we are not primarily obligated and amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two, we record our revenues as commissions earned on a net basis.

Our sales are net of promotional discounts and rebates and are recorded when the products are shipped and title passes to customers. Revenues are recorded net of sales and consumption taxes. We periodically provide incentive offers to our customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases, inducement offers, such as daily sweepstakes reward opportunities which is based on volume of purchases, and other similar offers. Current discount offers and inducement offers are presented as a net amount in "Net revenues."

The Company records deferred revenue when cash is received in advance of the performance of services or delivery of goods. Deferred revenue is also recorded to account for the 7 day grace period offered to customers for potential product disputes, if any. Deferred revenues totaled $17,528 and $125,455 as of September 30, 2011 and December 31, 2010, respectively.

We offered a temporary limited time promotion for a fixed period during the year ended December 31, 2010 where customers were incentivized to purchase from our E-commerce platform and in exchange, were awarded points which were then converted to common shares of the Company. The value of these shares were deducted from revenues. For the year ended December 31, 2010, $301,462 was recognized as contra revenue on a "net" basis. During the three and nine months ended September 30, 2011, there were no promotional expenses incurred due to cancellation of the program.

DISTRIBUTION REVENUE RECOGNITION

Product sales and shipping revenues, net of return allowances, are recorded when the products are shipped and title passes to customers. Return allowances, which reduce product revenue, are estimated using historical experience. Revenue from product sales and services rendered is recorded net of sales and consumption taxes.

REWARD PROGRAMS

The Reward Programs are designed for customers residing in China. Customers may earn reward points from the purchase of merchandise and services from the Company. Points are earned based on the amount and types of merchandise and services purchased. Customers residing in China may redeem the reward points for drawings into the Company's lottery sweepstakes for chances to win cash prizes. In addition, customers may attain a tiered membership status based on the value of merchandise and services purchased over the past twelve months. Membership status entitles the holder to certain discounts on future purchases of selected items on the Company's website. The Company accrues for the estimated cost of redeeming the benefits at the time the benefits are earned by the customer. The estimated lottery expense for the nine months ending September 30, 2011 and 2010 was $695,563 and $0, respectively. The estimated lottery expense for the three months ending September 30, 2011 and 2010 was $107,428 and $0, respectively.

COST OF SALES

Cost of sales consists of the purchase price of consumer products and content sold by us, inbound and outbound shipping charges, and packaging supplies. Shipping charges to receive products from our suppliers are included in inventory cost, and recognized as "Cost of sales" upon sale of products to our customers. Payment processing and related transaction costs, including those associated with seller transactions, are classified in "Selling Expenses" on our consolidated statements of operations.

SHIPPING ACTIVITIES

Outbound shipping charges to customers are included in "Net sales." Outbound shipping-related costs are included in "Cost of sales."

NONCONTROLLING INTEREST

Noncontrolling interests in our subsidiary is recorded as a component of our equity, separate from the parent's equity. Purchase or sale of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the noncontrolling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive income (loss) requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company's comprehensive income (loss) includes net income (loss) and foreign currency translation adjustments and is presented in the consolidated statements of changes in operations.

INCOME TAXES

We have implemented certain provisions of ASC 740, INCOME Taxes ("ASC 740"), which clarifies the accounting and disclosure for uncertain in tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 as of January 1, 2007, and have analyzed filing positions in each of the Peoples Republic of China ("PRC") jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the PRC as our "major" tax jurisdiction. Generally, we remain subject to PRC examination of our income tax returns. We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes. Our tax provision for interim periods is determined using an estimate of our annual effective tax rate based on rates established within the PRC and, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment. The 2011 and 2010 annual effective tax rates are estimated to be the 25% PRC statutory rate primarily based on the expected taxable net income of our operating subsidiaries, Arki Beijing and Arki Fuxin. Taxes payable as of September 30, 2011 and December 31, 2010 were $2,880 and $494,057, respectively.

NET INCOME (LOSS) PER SHARE

We calculate basic earnings per share ("EPS") by dividing our net income (loss) by the weighted average number of common shares outstanding for the period, without considering common stock equivalents. Diluted EPS is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period and the weighted average number of dilutive common stock equivalents, such as options and warrants. Options and warrants are only included in the calculation of diluted EPS when their effect is not anti-dilutive. The Company had no dilutive securities as of September 30, 2011 and December 31, 2010.

CASH AND CASH EQUIVALENTS

We consider all investments with an original maturity of three months or less to be cash equivalents. Cash equivalents primarily represent funds invested in bank checking accounts, money market funds and domestic Chinese bank certificates of deposit. At September 30, 2011 and December 31, 2010, the Company had invested cash of $0 and $153,846 in a highly liquid investment instrument with a PRC bank.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at realizable value. The Company considers many factors in assessing the collectability of its receivables, such as, the age of the amounts due, the customer's payment history and creditworthiness. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted. Bad debt expense for the three and nine months ending September 30, 2011 and 2010 was $0 and there was no allowance for doubtful accounts at September 30, 2011 and December 31, 2010.

INVENTORIES

Inventories, consisting of food products available for sale, are accounted for using the first-in first-out method, and are valued at the lower of cost or market. This valuation requires the Company to make judgments, based on currently available information, about the likely method of disposition, such as through sales to individual customers, returns to product vendors, or liquidations, and expected recoverable values of each disposition category.

EQUIPMENT, NET

Equipment is recorded at cost, consists of computer equipment, office equipment and furniture and is depreciated using the straight-line method over the estimated useful lives of the related assets (generally three years or less). Costs incurred for maintenance and repairs are expensed as incurred and expenditures for major replacements and improvements are capitalized and depreciated over their estimated remaining useful lives. Depreciation expense for the nine months ending September 30, 2011 and 2010 was $9,448 and $2,451, respectively. Depreciation expense for the three months ending September 30, 2011 and 2010 was $3,466 and $800, respectively. Accumulated depreciation for the Company's equipment was $25,650 and $13,341 at September 30, 2011 and December 31, 2010, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS

We evaluate long-lived assets for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate their net book value may not be recoverable. When these events occur, we compare the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. The Company's management currently believes there is no impairment of its long-lived assets. There can be no assurance, however, that market conditions will not change or demand for the Company's products will continue. Either of these could result in the future impairment of long-lived assets.

SEGMENT REPORTING

The Company follows ASC 280, SEGMENT REPORTING. The Company's chief operating decision maker, who has been identified as the executive chairman of the board of directors and the chief executive officer, reviews the individual results of the e-commerce and distribution businesses when making decisions about allocating resources and assessing the performance of the Company as a whole and hence, the Company has two reportable segments. The Company's operating business are organized and based on the nature of markets and customers. As the Company's long-lived assets are substantially all located in the PRC and substantially all the Company's revenues are derived from within the PRC, no geographical segments are presented.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities. These financial instruments are measured at their respective fair values. For fair value measurement, U.S. GAAP establishes a three-tier hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 unobservable inputs which are supported by little or no market activity.

Fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company's cash and cash equivalents are classified within Level 1 using quoted prices. The Company's carrying value of its investment in Beitun is classified within Level 2 since it is valued using market observable inputs.

FINANCIAL INSTRUMENTS: The estimated fair values of our financial assets and liabilities that are recognized at fair value on a recurring basis, using available market information and other observable data are as follows:

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
	Quoted Prices in Active Markets or Identical Assets	Significant Other Observable Inputs	Significant Unobservable Input	
ASSETS:				
Cash & cash equivalents	$ 774,648	$ -	$ -	$ 774,648

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
	Quoted Prices in Active Markets or Identical Assets	Significant Other Observable Inputs	Significant Unobservable Input	
ASSETS:				
Cash & cash equivalents	$ 3,015,219	$ -	$ -	$ 3,015,219

Common stock was issued in exchange for consulting services to be provided to the Company over the next two years for the purpose of advising management on public company matters. As a result, the Company recorded an asset to be amortized over the term of the consulting contract, that was measured at its fair value on the date of grant based on Level 2 inputs reflecting market based and our own assumptions consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment. The calculated fair values of the stock-based payment are amortized to expense over the term of the contract. The carrying value of accounts receivable, trade payables and accrued liabilities approximates their fair value due to their short-term maturities.

SHARE-BASED COMPENSATION

The Company applies ASC 718, Compensation-Stock Compensation to account for its service providers' share-based payments. Common stock of the Company was given to service providers to retain their assistance in becoming a U.S. public company, assistance with public company regulations, investors' communications and public relations with broker-dealers, market makers and other investment professionals. In accordance with ASC 718, the Company determines whether a share payment should be classified and accounted for as a liability award or equity award. All grants of share-based payments to service providers classified as equity awards are recognized in the financial statements based on their grant date fair values which are calculated using an option pricing model. The Company has elected to recognize compensation expense using the straight-line method for all equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent period if actual forfeitures differ from initial estimates. Share-based compensation expense was recorded net of estimated forfeitures such that expense was recorded only for those share-based awards that are expected to vest. Share-based compensation expenses amounted to $0 for the three and nine months ended September 30, 2011. Share-based compensation expenses amounted to $299,400 for the three and nine months ended September 30, 2010.

CONCENTRATION OF CREDIT RISK

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents, other receivables and held-to-maturity investments. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of September 30, 2011, substantially all of the Company's cash and cash equivalents were deposited in financial institutions located in the PRC, which management believes are of high credit quality.

CONCENTRATION OF CUSTOMERS AND SUPPLIERS

There are no revenues from customers or purchases from suppliers which individually represent greater than 10% of the total revenues or purchases at September 30, 2011 and December 31, 2010.

CURRENCY CONVERTIBILITY RISK

The Company transacts all of its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into United States dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC.

Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

FOREIGN CURRENCY EXCHANGE RATE RISK

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. The depreciation of the U.S. dollar against RMB was approximately 3.78% and 1.71% for the nine months ending September 30, 2011 and 2010, respectively. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against the U.S. dollar.

BUSINESS RISK

Foreign ownership of Internet-based businesses is subject to significant restrictions under current PRC laws and regulations. Foreign investors are not allowed to own more than a 50% equity interest in any entity with an Internet content distribution business. Currently, the Company conducts its operations in China through a series of contractual arrangements entered into among Arki (Beijing) E-Commerce Technology Corp., America Arki (Fuxin) Network Management Co. Ltd. and America Arki Network Service Beijing Co., Ltd. The relevant regulatory authorities may find the current ownership structure, contractual arrangements and businesses to be in violation of any existing or future PRC laws or regulations. If so, the relevant regulatory authorities would have broad discretion in dealing with such violations.

LITIGATION

From time to time, we may become involved in disputes, litigation and other legal actions. We estimate the range of liability related to any pending litigation where the amount and range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. Where a liability is probable and there is a range of estimated loss with no best estimate in the range, we record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated.

NOTE 3 - RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUCEMENTS

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income" ("ASU 2011-05"). In accordance with ASU 2011-05, an entity has the option 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. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. ASU 2011-05 does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. ASU 2011-05 is effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. We are currently evaluating the impact of this standard on our consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS" ("ASU 2011-04"). The amendments in ASU 2011-04 result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendments in ASU 2011-04 to result in a change in the application of the requirements in Topic 820. ASU 2011-04 is effective prospectively for interim and annual reporting periods beginning after December 15, 2011. This ASU will become effective for the company beginning in the quarter ended January 31, 2012 and we do not expect an impact on our consolidated financial statements.

In September 2011, the FASB issued guidance on testing goodwill for impairment. The new guidance provides an entity the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If an entity determines that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized for that reporting unit (if any). If an entity determines that the fair value of a reporting unit is less than its carrying amount, the two-step goodwill impairment test is not required. The new guidance will be effective for us beginning July 1, 2012.

NOTE 4 - INVENTORY

Inventory consisted of the following at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Finished goods - packaged food	$ 844,200	$ 334,972
Less: reserve for inventory	-	-
Total inventory	$ 844,200	$ 334,972

NOTE 5 - PREPAID EXPENSES

Prepaid expenses consisted of the following at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Prepaid professional fees	$ -	$ 218,265
Prepaid services	133,290	22,409
Deposits	24,398	18,598
Total prepaid expenses	$ 157,688	$ 259,272

NOTE 6 - EQUIPMENT, NET

Property and equipment consisted of the following at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Office equipment & computers	$ 20,045	$ 14,775
Equipment	9,137	4,199
Vehicles	17,433	17,287
Office furniture & fixtures	40,449	24,724
	87,064	60,985
Less: Accumulated depreciation	25,650	13,341
Total equipment, net	$ 61,414	$ 47,644

For the nine months ending September 30, 2011 and 2010, depreciation expense was $9,448 and $2,451, respectively. For the three months ending September 30, 2011 and 2010, depreciation expense was $3,466 and $800, respectively.

NOTE 7 - OTHER ASSETS

Other assets consisted of the following at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Common stock issued for services	$ 93,705	$ 166,333
Deposit for office	92,444	89,340
Other	-	2,612
Total other assets	$ 186,149	$ 258,285

The prepaid consulting service contracts have a term of 24 months. Amortization for the nine months ending September 30, 2011 and 2010 was $73,500 and $0, respectively. Amortization for the three months ending September 30, 2011 and 2010 was $22,728 and $0, respectively. On March 31, 2011, the Company cancelled 227,609 shares due to early termination of a portion of a service contract with a consultant. The adjustment to prepaid assets and equity of $41,374 was recorded as of September 30, 2011 (see Note 10 - Share Based Compensation).

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities consisted of the following at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Accrued customer incentives	$ 41,945	$ 745,056
Advances	-	-
Accrued payroll	18,098	8,998
Other	-	5,929
Total accrued liabilities	$ 60,043	$ 759,983

NOTE 9 - STOCKHOLDERS' EQUITY

The Company's stockholder base consists of approximately 9,200 stockholders as of September 30, 2011.

COMMON STOCK ISSUED TO SERVICE PROVIDERS AND MEMBER CUSTOMERS

During 2010, Company management issued stock to customer members, which represented sales inducement incentives to make purchases through the Company's website. Certain service providers were also granted stock for the value of their services provided to the Company. Common stock issued to service providers and member customers throughout 2010 were measured at the date of grant, and based on Level 2 fair value measurements which uses observable inputs reflecting our own and market based assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment. The calculated fair values of the share-based sales inducement offers are deducted from revenues when granted. Share-based awards to service providers are expensed when services are incurred. The Company estimates the fair value of these share issuances using Level 2 inputs and determined that the value of each share is $0.01. For the nine months ending September 30, 2011, there were no incentives offered to member customers.

As of December 31, 2010, $200,000 was recognized in stockholders' equity for common stock issued for services. As of September 30, 2011, 227,609 shares of common stock and $35,102 was reduced from Additional Paid in Capital as a result of early termination of one of service provider contracts. For the nine months ending September 30, 2011 and 2010, $73,500 and zero was amortized to general and administrative expense for the pro-rata portion of the remaining service contract realized (see Note 10 - Share Based Compensation). For the three months ending September 30, 2011 and 2010, $22,728 and zero was amortized to general and administrative expense for the pro-rata portion of the remaining service contract realized.

COMMON STOCK

At March 13, 2011, the Company cancelled 227,609 retroactively restated to reflect the recapitalization of common stock originally issued to a service provider due to management deciding to early termination of their related contract. Immediately after the cancellation, the Company reissued the 227,609 shares to management for no consideration and $23 was recognized as a discount on common stock issued.

Immediately prior to the closing of the Merger on February 4, 2011, there were 2,500,000 issued and outstanding shares of the Company's common stock, 60% of which were held by the then-principal stockholder, CEO, and sole director of the Company, Mr. Bengfort. As a part of the Merger, CCG paid USD $335,000 in cash to Mr. Bengfort in exchange for his agreement to enter into various transaction agreements relating to the Merger, as well as the cancellation of 1,388,889 shares of the Company's common stock directly held by him, constituting 92.6% of his pre-Merger holdings of Company common stock.

In August, September and December 2010, the Company issued 2,628,419 shares retroactively restated to reflect the recapitalization of common stock to related parties of the Company's founders and officer of the Company for no par value. As a result, the Company recorded a discount on common stock issued to the officer and relatives of the Company's founders of $26,284 due to issuance of the common stock below $0.01 par value.

In September 2010, the Company issued 910,644 retroactively restated to reflect the recapitalization of common stock as consideration for consulting services with a term of 24 months. At March 13, 2011, the Company cancelled 227,609 retroactively restated to reflect the recapitalization of common stock originally issued to a service provider due to management deciding to early termination of their related contract. Immediately after the cancellation, the Company reissued the 227,609 shares to management for no consideration and $23 was recognized as a discount on common stock issued.

In December 2010, the Company issued 45,532 retroactively restated to reflect the recapitalization of common stock to the owners of Beitun as consideration for the Company's 51% ownership interest of Beitun. The fair value of the shares issued for the acquisition was $10,000.

NOTE 10 - SHARE BASED COMPENSATION

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the stock-based award, and is recognized as expense over the service providers' requisite service period (generally the vesting period of the award). The Company estimates the fair value of stock for service granted using the Black-Scholes Option Pricing Model. Key assumptions used to estimate the fair value of stock options include the exercise price of the award, the fair value of the Company's common stock on the date of grant, the expected option term, the risk free interest rate at the date of grant, the expected volatility and the expected annual dividend yield on the Company's common stock.

In September 2010, the Company issued 910,644 retroactively restated to reflect the recapitalization of common stock as consideration for consulting services with a term of 24 months. At March 13, 2011, the Company cancelled 227,609 retroactively restated to reflect the recapitalization of common stock originally issued to a service provider due to management deciding to early termination of their related contract. Immediately after the cancellation, the Company reissued the 227,609 shares to management for no consideration and $23 was recognized as a discount on common stock issued.

The following weighted average assumptions were used in estimating the fair value of the share-based payment arrangements to service providers:

	September 30, 2011
Annual dividends	0
Expected volatility	40% - 75%
Risk-free interest rate	0.75%
Expected life	2 years

Since there is insufficient stock price history that is at least equal to the expected or contractual terms of the Company's share-based payments, the Company has calculated volatility using the historical volatility of similar public entities in the Company's industry. In making this determination and identifying a similar public company, the Company considered the industry, stage, life cycle, size and financial leverage of such other entities. This resulted in an expected volatility of 40% to 75%. The expected option term in years is calculated using an average of the vesting period and the option term, in accordance with the "simplified method" for "plain vanilla" stock options allowed under GAAP. The risk free interest rate is the rate on the U.S. Treasury securities 2-year constant maturity with a remaining term equal to the expected option term. The expected volatility is derived from an industry-based index, in accordance with the calculated value method.

The Company is required to estimate the number of forfeitures expected to occur and record expense based upon the number of awards expected to vest. The Company expects all remaining awards issued will be fully vested over the expected life of the awards. There were no forfeitures during the quarter ended September 30, 2011.

A summary of share-based compensation activity for the nine months ended September 30, 2011 is as follows:

	Number of Shares	Weighted Average Fair Value	Amount
Share-based compensation outstanding at January 1, 2010	-	$ -	$ -
Granted	910,644	0.01	9,106
Cancelled	-	-	-
Forfeited	-	-	-
Share-based compensation outstanding at January 1, 2011	910,644	0.01	9,106
Granted	-	-	-
Cancelled	(227,609)	0.01	(2,276)
Forfeited	-	-	-
Share-based compensation outstanding at September 30, 2011	683,035	$ 0.01	$ 6,830

For the nine months ended September 30, 2011 and 2010, $78,828 and $0, respectively were amortized to general and administrative expense to recognize the incurred cost of the service providers. For the three months ended September 30, 2011 and 2010, $41,428 and $0, respectively were amortized to general and administrative expense to recognize the incurred cost of the service providers. The future expense amortization as of September 30, 2011 is as follows:

2011	$	68,755
2012		-
Total	$	68,755

NOTE 11 - RELATED PARTIES

a) Related parties:

Name of related parties	Relationship with the Company
Mr. Jack Gao	Stockholder, Chief Executive Officer, Chief Financial Officer and Chairman of the Board of the Company
Ms. Ling Zhang	Stockholder, director and Corporate Secretary
Mr. Fei Gao	Stockholder, director and Chief Operating Officer
Ms. Wei Guo	Stockholder and Managing Director of Beitun

b) The Company had the following related party balances at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
Loan from Mr. Jack Gao	$ 227,431	$ 51,425
Loan from Ms. Wei Guo	167,670	204,774
Total related party payables	395,101	256,199
Loan to Mr. Jack Gao	-	125,528
Total related party, net	$ 395,101	$ 130,671

The related party payable and receivable are non-interest bearing and have no specified maturity date. Mr. Jack Gao is the CEO of the Company. Ms. Wei Guo is the CEO of Beitun. The Company obtains these payables for funding operation purposes when the Company or one of the subsidiaries are short of cash resources. For the nine months ended September 30, 2011, the Company borrowed approximately $703,251 form Mr. Jack Gao and made payments of approximately $440,704 back to him. For the nine months ended September 30, 2011, the Company borrowed approximately $1,663,741 from Ms. Wei Guo and made payments of approximately $1,661,858 back to her.

c) Starting from July 1, 2011, the Company has formed an agreement with Ms. Ling Zhang's company Capitalco Cooperation ("Capitalco"). In the agreement, the Company has agreed that the Company will pay a certain percentage commission to Capitalco for each client Capitalco has marketed for the Company's US online store. As of September 30, 2011, Ms. Zhang has signed an agreement to sell her company to an unrelated party. A total of $162,404 was paid as commission to Capitalco, which was owned by Mrs. Ling Zhang and which was sold on August, 2011.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

Our Company has entered into a sub-lease agreement for its Pasadena office facility beginning August 1, 2010 and ending November 30, 2012. Our full service gross monthly rental rate is $2,567. Rent expense (including related common area maintenance charges) totaled $23,103 for nine months ended September 30, 2011. Rent expense (including related common area maintenance charges) totaled $7,701 for three months ended September 30, 2011.

In China, we have entered into a lease agreement in the Beijing Chaoyang District for our Arki (Beijing) E-commerce Technology Co., Ltd. wholly owned subsidiary beginning June 7, 2010 and ending May 30, 2012. Our full service gross monthly rental rate is $3,400. Rent expense (including related common area maintenance charges) totaled $30,600 for nine months ended September 30, 2011. Rent expense (including related common area maintenance charges) totaled $10,200 for three months ended September 30, 2011.

On October 21, 2010, we entered into a new lease agreement for office facility expansion in the Beijing Chaoyang District, Hua Mao Center. The straight-line monthly gross rental rate is $30,831 with a 36 month term. Rent expense (including related common area maintenance charges) totaled $282,771 for nine months ended September 30, 2011. Rent expense (including related common area maintenance charges) totaled $92,493 for three months ended September 30, 2011.

On March 1, 2011, we entered into a new lease agreement for another office facility expansion in the Beijing Chaoyang District, Hua Mao Center. The straight-line monthly gross rental rate is $6,259 with a 33 month term. Rent expense (including related common area maintenance charges) totaled $56,331 for nine months ended September 30, 2011. Rent expense (including related common area maintenance charges) totaled $18,777 for three months ended September 30, 2011.

Total future minimum rental lease commitments as of September 30, 2011 are as follows:

2011	$	503,084
2012		415,227
2013		30,831
Total	$	949,142

SUPPLIER COMMITMENTS

At September 30, 2011 and 2010, we have outstanding amounts owed to our suppliers of $55,921 and $0, respectively which represents amounts collected from customers of our Arki Beijing and Arki Fuxin subsidiaries.

NOTE 13 - BUSINESS SEGMENT REPORTING

Our operating businesses are organized based on the nature of markets and customers. Segment accounting policies are the same as described in Note 2 - Summary of Significant Accounting Policies.

Effects of transactions between related companies are eliminated and consist primarily of inter-company transactions and transfers of cash or cash equivalents from corporate to support each business segment's payroll, inventory sourcing and overall operations when each segment has working capital requirements.

A description of our operating segments as of September 30, 2011 and December 31, 2010, can be found below.

E-COMMERCE PLATFORM (ARKI BEIJING, AMERICA PINE BEIJING, ARKI FUXIN, ARKI NETWORK SERVICE)

The website provides an online marketing and retail platform for a wide variety of manufacturers and distributors to promote and sell their products and services directly to consumers in the PRC. The website also provides access to certain Western products that are generally unavailable in the PRC such as handbags and eyewear made by U.S. companies and food and beverage products from Spain, Germany, and France.

FOOD PRODUCT DISTRIBUTION (BEITUN)

Beitun is principally engaged in the wholesale distribution and import/export of various food and meat products to businesses located throughout the PRC. All products are sold in the PRC and are considered finished goods.

For the nine months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

	For the nine months ended September 30, 2011		
	E-Commerce	Food Distribution	Consolidated
Net revenues	$ 1,637,493	$ 3,966,961	$ 5,604,454
Cost of sales	-	3,919,587	3,919,587
Gross profit	1,637,493	47,374	1,684,867
Operating expenses:			
Selling expenses	1,247,669	35,707	1,283,376
General and administrative	2,007,088	4,444	2,011,532
Total operating expenses	3,254,757	40,151	3,294,908
Operating income (loss)	(1,617,264)	7,223	(1,610,041)
Other income (expense)	113,729	-	113,729
Income (loss) before taxes	(1,503,535)	7,223	(1,496,312)
Provision for income taxes	71,941	1,879	73,820
Net income (loss)	(1,575,476)	5,344	(1,570,132)
Net income attributable to non controlling interest	2,585	-	2,585
Net income attributable to Consumer Capital Group, Inc.	(1,578,061)	5,344	(1,572,717)
Net income (loss)	(1,545,476)	5,344	(1,570,132)
Foreign currency translation adjustment	(52,224)	-	(52,224)
Net comprehensive income	$ (1,627,700)	$ 5,344	$ (1,622,356)

For the three months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

	For the three months ended September 30, 2011		
	E-Commerce	Food Distribution	Consolidated
Net revenues	$ 449,084	$ 1,861,485	$ 2,310,569
Cost of sales	-	1,842,721	1,842,721
Gross profit	449,084	18,764	467,848
Operating expenses:			
Selling expenses	416,938	12,929	429,867
General and administrative	223,165	606	223,771
Total operating expenses	640,103	13,535	653,638
Operating income (loss)	(191,019)	5,229	(185,790)
Other income (expense)	12,935	-	12,935
Income (loss) before taxes	(178, 084)	5,229	(172,855)
Provision for income taxes	466	1,033	1,499
Net income (loss)	(178,550)	4,196	(174,354)
Net income attributable to non controlling interest	1,788	-	1,788
Net income attributable to Consumer Capital Group, Inc.	(180,338)	4,196	(176,142)
Net income (loss)	(178,550)	4,196	(174,354)
Foreign currency translation adjustment	(32,434)	-	(32,434)
Net comprehensive income (loss)	$ (210,984)	$ 4,196	$ (206,788)

NOTE 14 - INCOME TAX EXPENSE

Prior to January 1, 2008, PRC enterprise income tax (EIT), was generally assessed at the rate of 33% of taxable income. In March 2007, a new enterprise income tax law (the "New EIT Law") in the PRC was enacted which was effective on January 1, 2008. The New EIT Law generally applies a uniform 25% EIT rate to both foreign invested enterprises and domestic enterprises.

Dividends paid by PRC subsidiaries of the Company out of the profits earned after December 31, 2007 to non-PRC tax resident investors would be subject to PRC withholding tax. The withholding tax is 10%, unless a foreign investor's tax jurisdiction has a tax treaty with China that provides for a lower withholding tax rate.

Income (loss) before income taxes consists of:

	For the Nine Months Ended September 30,	
	2011	2010
Non-PRC	$ (646,487)	$ -
PRC	(849,825)	1,533,244
	$ (1,496,312)	$ 1,533,244

There was no current or deferred income tax expense for the nine months ended September 30, 2011 and year ended December 31, 2010. The PRC income tax returns for fiscal year 2006 through fiscal year 2011 remain open for examination.

The components of deferred taxes are as follows:

	For the nine months ended September 30,	
	2011	2010
Deferred tax assets, current portion		
Amortization of fair value of stock for services	$ 86,780	$ -
Deferred revenue	17,528	713,059
Total deferred tax assets, current portion	104,308	713,059
Valuation allowance	(104,308)	(713,059)
Deferred tax assets, current portion, net	$ -	$ -
Deferred tax assets, non-current portion		
Fixed assets	$ 1,890	$ 490
Net operating losses	1,548,591	-
Total deferred tax assets, non-current portion	1,546,702	490
Valuation allowance	(1,546,702)	(490)
Deferred tax assets, non-current portion, net	$ -	$ -

As of September 30, 2011, the Company had net losses of $1,548,591 which can be carried forward to offset future net profit for income tax purposes. The net operating loss carry forwards as of September 30, 2011 will expire in years 2011 to 2015 if not utilized.

There is no need for the Company to accrue interest or penalty associated with the uncertain tax positions, and, accordingly, no such accruals have been made in the Company's account.

The PRC tax law provides a (3-5 years) statute of limitation and the Company's income tax returns are subject to examination by tax authorities during that period. All penalties and interest are expensed as incurred. For nine months ended September 30, 2011 and December 31, 2010, there were no penalties and interest.

NOTE 15 - EARNINGS PER SHARE

Basic and diluted earnings (loss) per share for each of the years presented are calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	2011	2010
Numerator:				
Net income (loss)	$ (174,354)	$ 1,690,896	$ (1,570,132)	$ 880,910
Net income (loss) attributable to common stockholders for computing basic and diluted loss per common share	(176,142)	1,690,896	(1,572,717)	880,910
Denominator:				
Weighted average number of common shares outstanding for computing basic and diluted loss per common share	18,888,888	14,442,039	16,609,686	13,453,223
Basic and diluted earnings (loss) per share	$ (0.01)	$ 0.12	$ (0.09)	$ 0.07

For the nine months ended September 30, 2011 and 2010, there were no common stock equivalents for computing diluted earnings per share.

NOTE 16 - SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through reporting date, the date the financial statements were available to be issued.

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

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this Quarterly Report on Form 10-Q and with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-KT for the year ended December 31, 2010 as filed with the Securities and Exchange Commission on March 31, 2011.

FORWARD-LOOKING STATEMENTS:

Certain statements made in this Quarterly Report are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements of Consumer Capital Group Inc. ("we", "us", "our," or the "Company") to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The forward-looking statements included herein are based on our current beliefs, assumptions, and expectations, and are subject to numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions of the continuing expansion of business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately, and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. These forward-looking statements are made as of the date of this report, and we assume no obligation to update these forward-looking statements whether as a result of new information, future events, or otherwise, other than as required by law. In light of these assumptions, risks, and uncertainties, the forward-looking events discussed in this report might not occur and actual results and events may vary significantly from those discussed in the forward-looking statements.

OVERVIEW

Consumer Capital Group Inc. was originally incorporated in Delaware as "Mondas Minerals Corp." ("Mondas", "the Company", "we", "us", "our") on April 25, 2008, and was engaged in the acquisition, and exploration, and development of natural resource properties. As of December 31, 2010 and immediately prior to the merger transaction described below, we were an exploration stage company with nominal assets, no revenues, or operating history.

On February 4, 2011, the Company acquired Consumer Capital Group, Inc. , a California corporation ("CCG California"), a consumer e-commerce business with operations in the People's Republic of China ("PRC") in a reverse merger transaction (the "Merger") pursuant to an Agreement and Plan of Merger ("Merger Agreement") by and among the Company, the Company's wholly owned subsidiaryCCG Acquisition Corp., a Delaware corporation ("CCG Delaware"), CCG California , and Scott D. Bengfort.

In connection with the Merger, the mining rights held by the Company were assigned to Mr. Bengfort, and in turn, Mr. Bengfort personally assumed all liabilities of the Company existing immediately prior to the closing, under the terms of an Assignment and Assumption Agreement between the Company and Mr. Bengfort effective on the closing date of the Merger (the "Assignment and Assumption Agreement"). Mr. Bengfort also agreed to discharge and forego his rights to be repaid approximately $16,000, which the Company owed to him immediately prior to the closing of the Merger, along with all other claims against the Company, by executing a release agreement ("Release") effective on the closing date of the Merger. Mr. Bengfort also agreed to be a party to the Merger Agreement, including various representations and warranties. Further, Mr. Bengfort executed an indemnification agreement ("Indemnification Agreement") in favor of CCG California and the CCG California shareholders to indemnify them for any breach of the Merger Agreement or unpaid or unresolved liabilities of the Company that may materialize within a one year period after the closing. The closing of the Merger was on February 4, 2011.

In connection with the closing, Mr. Bengfort resigned as the Company's sole officer and director, and designees of CCG were appointed as new directors of the Company. These new directors took office, and appointed new officers of the Company promptly following the closing of the Merger.

As a result of the Merger, CCG California became our wholly-owned subsidiary, and CCG California's subsidiaries, including America Pine (Beijing) Bio-Tech, Inc., a People's Republic of China ("PRC") corporation; Arki (Beijing) E-Commerce Technology Corp., a PRC corporation; Beijing Beitun Trading Co., Ltd., a PRC corporation; and America Arki (Fuxin) Network Management Co. Ltd., a PRC corporation (together, the "PRC Subsidiaries"), became Mondas's indirect subsidiaries. Arki (Beijing) E-Commerce Technology Corp. has a contractual relationship with America Arki Network Service Beijing Co., Ltd. ("Arki Network Service"), a PRC limited liability company, which is under common control and 100% owned by two of CCG California's former major shareholders and officers. CCG California, the PRC Subsidiaries, and Arki Network Service are collectively referred to as the "CCG Group."

On February 7, 2011 the Company formed a new wholly-owned subsidiary by the name of "Consumer Capital Group Inc." ("CCG Name Sub") in Delaware solely for purposes of changing its corporate name to "Consumer Capital Group Inc." in conjunction with the closing of the Merger. On February 17, 2011, the Company changed its name to Consumer Capital Group Inc. pursuant to Certificate of Ownership filed with the Secretary of State of Delaware by merging CCG Name Sub into the Company with the Company surviving and CCG Name Sub ceasing to exist. Our current principal offices are located at 35 North Lake Avenue, Suite 280, Pasadena, CA 91101. Our trading symbol on the Over-the-Counter Bulletin Board (the "OTCBB") is CCGN.

From and after the closing of the Merger, our primary operations now consist of the business and operations of the CCG Group, which are conducted in the PRC.

The Company, through Arki (Beijing) E-Commerce Technology Corp., is primarily engaged in the development and operation of its nationwide online retailing platform "Chinese Consumer Market Network" at www.ccmus.com. The website provides an online marketing and retail platform for a wide variety of manufacturers and distributors, who promote and sell products and services directly to consumers in the PRC, at a substantial discount through our rewards and incentive programs. This platform eliminates the extended network of intermediaries in the manufacturing-distribution-retail chain by providing direct access to our members. Our website also provides access to certain Western products that are generally unavailable in the PRC, for examples, handbags and eyewear made by U.S. companies and food and beverage products from Spain, Germany, and France.

The Company cooperates with a Chinese bank named Fuxin bank in China to issue cobranded debit cards. The Company then authorizes certain vendors the right to issue cobranded debit cards. The Company charges each participating vendor a percentage of transactions with the vendor. Each vendor will receive a percentage of future transactions of the cards issued by the vendor. Cardholders will receive certain amounts of cash refund from participating vendors and certain virtue money to be spent on the Company's ecommerce website www.ccmus.com. Further, the Company hires dealers to develop vendor's network as well as manage the issuance of the cobranded debit cards. As of September 30, 2011, the Company has issued over 600,000 cards, and has 30 province-level and 210 city-level dealers and about 5,300 vendors. For the nine months ended September 30, 2011, no revenue from this business model has been realized. The Company has signed dealer agreements with large companies like China Unionpay during the nine months ended September 30, 2011. China Unionpay is the only card management company like Visa and Master Card in China. It has installed over millions of POS machines all over China. The Company believes that with the cooperation of China Unionpay and other dealers, the Company will be able to rapidly develop its vendor system. The Company has just completed testing the system in November 2011. The Company believes that the debit card business will grow to generate revenue and becomes the Company's main business in 2012.

Finally, we own a 51% majority interest in an operating subsidiary, Beijing Beitun Trading Co., Ltd. ("Beitun Trading") Beitun Trading , a PRC trade and distribution company, engages in wholesale distribution and import/export of various food and meat products. Through Beitun Trading, we also operate a meat distribution business in the PRC.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported net sales and expenses during the reporting periods. On an ongoing basis, we evaluate our estimates and assumptions. We base our estimates on historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 to our financial statements under the above Financial Statements section ", we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this discussion and analysis:

REVENUE RECOGNITION

We recognize revenue from product sales or services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the selling price is fixed or determinable; and collectability is reasonably assured.

E-COMMERCE REVENUE RECOGNITION

We evaluate whether it is appropriate to record the net amount of sales earned as commissions. We are not the primary obligor nor are we subject to inventory risks as the agreements with our suppliers specify that they have the responsibility to provide the products or services to the customers. Also, the amounts we earn from our vendors/suppliers are based on a fixed percentage and bound contractually. Further, the Company does not have any obligations to resolve disputes between the vendors and customers who purchase products on our website. Specifically, any disputes involving damaged, non-functional, or defective products, product returns, and product warranty issues are resolved between the customer and vendor, and the Company has no obligation on right of return or product warranty for any of the sales completed on its website. Since we are not primarily obligated and amounts earned are determined by using a fixed percentage, a fixed-payment schedule, or a combination of the two, we record our revenues as commissions earned on a net basis.

Our sales are net of promotional discounts and rebates, and are recorded when the products are shipped by our vendors and titles are passed to the customers. Revenues are recorded net of sales and consumption taxes. We periodically provide incentive offers to our customers to encourage purchases. For example, we have current discount offers, including percentage discounts off current purchases, inducement offers, such as daily sweepstakes reward opportunities which are based on the volume of purchases, and other similar offers. Current discount offers and inducement offers are presented as net amounts in "Net revenues." The Company records deferred revenue when cash is received in advance of the performance of services or delivery of goods. Deferred revenue is also recorded to account for the seven-day grace period offered to customers for potential product disputes, if any. Deferred revenues totaled $17,528 and $125,455 as of September 30, 2011 and December 31, 2010, respectively.

In addition, we offered a temporary limited time promotion for a fixed period during the year ended December 31, 2010 where customers were incentivized to purchase from our E-commerce platform, and in exchange, they were awarded points which were then converted to common shares of the Company. These shares were valued using Level 2 inputs for determining fair value and deducted from revenues. In the year ended December 31, 2010, $301,462 was recognized as contra revenue on a "net" basis. During the nine months ended September 30, 2011, there were no promotional expenses incurred due to cancellation of the program.

DISTRIBUTION REVENUE RECOGNITION

Product sales, shipping revenues, and net of return allowances are recorded when the products are shipped and titles are passed to the customers. Return allowances, which reduce product revenue, are estimated by using historical experience. Revenues from product sales and services rendered are recorded net of sales and consumption taxes.

REWARD PROGRAMS

The Reward Programs are designed for customers residing in China. Customers may earn reward points from the purchase of merchandise and services from the Company. Points are earned based on the amounts and types of merchandise and services purchased. Customers residing in China may redeem the reward points for drawings into the Company's lottery sweepstakes for chances to win cash prizes. In addition, customers may attain a tiered membership status based on the value of merchandise and services purchased over the past twelve months. The membership status entitles the holder to certain discounts on future purchases of selected items on the Company's website. The Company accrues for the estimated cost of redeeming the benefits at the time the benefits are earned by the customer. The estimated lottery expense for the nine months ending September 30, 2011 and September 30, 2010 was $695,563 and $0, respectively. The estimated lottery expense for the three months ending September 30, 2011 and September 30, 2010 was $107,428 and $0, respectively.

COST OF SALES

Cost of sales consists of the purchase price of consumer products and content sold by us, inbound and outbound shipping charges, and packaging supplies. Shipping charges to receive products from our suppliers are included in inventory cost, and recognized as "Cost of sales" upon the sale of products to our customers. Payment processing and related transaction costs, including those associated with seller transactions, are classified in "Selling Expenses" on our consolidated statements of operations.

SHIPPING ACTIVITIES

Outbound shipping charges to customers are included in "Net sales." Outbound shipping-related costs are included in "Cost of sales."

ACCOUNTS RECEIVABLE

Accounts receivable are carried at realizable value. The Company considers many factors in assessing the collectability of its receivables, such as the age of the amounts due and the customer's payment history and creditworthiness. An allowance for doubtful accounts is recorded in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted. Bad debt expense for the nine months ending September 30, 2011 and 2010 was zero, and there was no allowance for doubtful accounts at September 30, 2011 and December 31, 2010.

INVENTORIES

Inventories, consisting of food products available for sale, are accounted for using the first-in first-out method, and are valued at the lower of cost or market. This valuation requires the Company to make judgments, based on currently available information, about the likely method of disposition, such as through sales to individual customers, returns to product vendors or liquidations, and expected recoverable values of each disposition category.

SHARE-BASED COMPENSATION

The Company applies ASC 718, Compensation-Stock Compensation, to account for its service providers' share-based payments. Common stock of the Company was issued to various service providers in connection with the Reverse Merger, and in connection with ongoing services associated with being a public company, including investors' communications and public relations.

In accordance with ASC 718, the Company determines whether a share payment should be classified and accounted for as a liability award or equity award. All grants of share-based payments to the service providers classified as equity awards are recognized in the financial statements based on their grant date fair value which is calculated using an option pricing model. The Company has elected to recognize compensation expense using the straight-line method for all equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent period if actual forfeitures differ from initial estimates. Share-based compensation expense was recorded net of estimated forfeitures such that expense was recorded only for those share-based awards that are expected to vest. Share-based compensation expenses amounted to $0 for the three and nine months ended September 30, 2011. Share-based compensation expenses amounted to $299,400 for the three and nine months ended September 30, 2010.

RESULTS OF OPERATIONS

COMPARISON OF THREE MONTHS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

(A) REVENUES

Net revenues derived from our e-commerce business were $449,084 and $6,977,138 for the three months ended September 30, 2011 and 2010, respectively, a decrease of $6,528,054 or 93.56%. The decrease is the result of our failure to continue to attract more members and grow our membership base as well as our failure to achieve repeat purchases from our existing customers. The Company is now focused on developing a broader sales network by working with dealers to market its website in order to attract more customers in the near future. The Company has put more of its efforts into developing its debit card network business model which the Company believes will generate and increase revenues. The Company cooperates with a Chinese bank named Fuxin bank in China to issue cobranded debit cards. The Company then authorizes certain vendors the right to issue cobranded debit cards. The Company charges each participating vendor a percentage of transactions with the vendor. Each vendor will receive a percentage of future transactions of the cards issued by the vendor. Cardholders will receive certain amounts of cash refund from participating vendors and certain virtue money to be spent on the Company's ecommerce website www.ccmus.com. Further, the Company hires dealers to develop vendor's network as well as manage the issuance of the cobranded debit cards. As of September 30, 2011, the Company has issued over 600,000 cards, and has 30 province-level and 210 city-level dealers and about 5,300 vendors. For the quarter ended September 30, 2011, no revenue from this business model has been realized because the Company is still testing its system which connects the bank, the vendor, and the Company. The Company has signed dealer agreements with large companies like China Unionpay during the nine months ended September 30, 2011. China Unionpay is the only card management company like Vis and Master in China. It has installed over millions of POS machines all over China. The Company believes that with the cooperation of China Unionpay and other dealers, the Company will be able to develop its vendor system in a fast speed. The Company has just completed testing the system in November 2011. The Company believes that the debit card business will grow to generate revenue and becomes the Company's main business in 2012.

Net revenues derived from our distribution business were $1,861,485 and $0 for the three months ended September 30, 2011 and 2010, respectively. The increase is due to our acquisition of Beitun Trading, a meat distribution business on November 29, 2010. The Company did not have a distribution business for the three months ended September 30, 2010.

Cost of sales associated with distribution was $1,842,721 and $0 for the three months ended September 30, 2011 and 2010, respectively. Cost of sales consists of the purchase price of consumer products and content sold by us, inbound and outbound shipping charges, and packing supplies. The increase is due to our acquisition of Beitun Trading on November 29, 2010. There was $0 cost of sales associated with distribution during the three months ended September 30, 2010 as we have not acquired Beitun trading until November 29, 2010

(B) TOTAL OPERATING EXPENSES

Total operating expenses consist of selling expenses, general and administrative expenses, and financial expenses. Total operating expenses were $653,638 and $5,300,911 for the three months ended September 30, 2011 and 2010, respectively, a decrease of $4,647,273 or 87.67%. This decrease is due to the following reasons:

Selling expenses were $429,867 and $5,235,924 for the three months ended September 30, 2011 and 2010, respectively, a decrease of $4,806,057 or 91.79%. The decrease was primarily due to the decreased commission caused by the decreased sales generated from the e-commerce business. Selling expenses for the e-commerce business amounted to $416,938 and $5,235,924 for the three months ended September 30, 2011 and 2010, respectively. Selling expenses for the distribution business amounted to $12,929 and $0 for the three months ended September 30, 2011 and 2010, respectively. For the three months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

General and administrative expenses were $223,771 and $64,987 for the three months ended September 30, 2011 and 2010, respectively, an increase of $158,784 or 244.33%. The increase was primarily due to the increased professional expenses, including legal and accounting expenses as a result of being a public company since February 2011. General and administrative expenses for the e-commerce business amounted to $223,165 and $64,987 for the three months ended September 30, 2011 and 2010, respectively. General and administrative expenses for the distribution business amounted to $606 and $0 for the three months ended September 30, 2011 and 2010, respectively. For the three months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

(A) REVENUES

Net revenues derived from our e-commerce business were $1,637,493 and $6,977,138 for the nine months ended September 30, 2011 and 2010, respectively, a decrease of $5,339,645 or 76.53%. The Company began its principal operations during 2010 with the launch of the e-commerce website. The decrease is the result of our failure to continue to attract more members and grow our membership base, as well as our failure to achieve repeat purchases from our existing customers. The Company is focused on developing a broader sales network in order to attract more customers.

The Company cooperates with a Chinese bank named Fuxin bank in China to issue cobranded debit cards. The Company then authorizes certain vendors the right to issue cobranded debit cards. The Company charges each participating vendor a percentage of transactions with the vendor. Each vendor will receive a percentage of future transactions of the cards issued by the vendor. Cardholders will receive certain amounts of cash refund from participating vendors and certain virtue money to be spent on the Company’s ecommerce website www.ccmus.com. Further, the Company hires dealers to develop vendor’s network as well as manage the issuance of the cobranded debit cards. As of September 30, 2011, the Company has issued over 600,000 cards, and has 30 province-level and 210 city-level dealers and about 5,300 vendors. For the quarter ended September 30, 2011, no revenue from this business model has been realized. The Company has signed dealer agreements with large companies like China Unionpay during the nine months ended September 30, 2011. China Unionpay is the only card management company like Visa and Master Card in China. It has installed over millions of POS machines all over China. The Company believes that with the cooperation of China Unionpay and other dealers, the Company will be able to develop its vendor system in a fast speed. The Company has just completed testing the system in November 2011. The Company believes that the debit card business will grow to generate revenue and becomes the Company’s main business in 2012.

Net revenues derived from our distribution business were $3,966,961 and $0 for the nine months ended September 30, 2011 and 2010, respectively. The increase is due to our acquisition of Beitun Trading, a meat distribution business on November 29, 2010. The Company did not have a distribution business for the nine months ending September 30, 2010.

Cost of sales associated with distribution was $3,919,587and $0 for the nine months ended September 30, 2011 and 2010, respectively. Cost of sales consists of the purchase price of consumer products and content sold by us, inbound and outbound shipping charges, and packing supplies. The increase is due to our acquisition of Beitun Trading on November 29, 2010. There was $0 cost of sales associated with distribution during the nine months ended September 30, 2010 as we have not acquired Beitun trading until November 29, 2010.

(B) TOTAL OPERATING EXPENSES

Total operating expenses consist of selling expenses, general and administrative expenses, and financial expenses. Total operating expenses were $3,294,908 and $5,443,894 for the nine months ended September 30, 2011 and 2010, respectively, a decrease of $2,148,986 or 39.48%. The decrease is due to the following reasons.

Selling expenses were $1,283,376 and $5,235,924 for the nine months ended September 30, 2011 and 2010, respectively, a decrease of $3,952,548 or 75.49%. The decrease was primarily due to decreased commissions caused by decreased sales generated from the e-commerce business. Selling expenses for the e-commerce business amounted to $1,247,669 and $5,235,924 for the nine months ended September 30, 2011 and 2010, respectively. Selling expenses for the distribution business amounted to $35,707 and $0 for the nine months ended September 30, 2011 and 2010, respectively. For the nine months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

General and administrative expenses were $2,011,532 and $207,970 for the nine months ended September 30, 2011 and 2010, respectively, an increase of $1,803,562 or 867.22%. The increase in general and administrative expenses was primarily due to increased professional expenses including legal and accounting expenses as a result of being a public company since February 2011. General and administrative expenses for the e-commerce business amounted to $2,007,088 and $207,970 for the nine months ended September 30, 2011 and 2010, respectively. General and administrative expenses for the distribution business amounted to $4,444 and $0 for the nine months ended September 30, 2011 and 2010, respectively. For the nine months ending September 30, 2010, the Company did not invest in the joint venture with Beitun.

LIQUIDITY AND CAPITAL RESOURCES

Our cash at the beginning of the nine months ended September 30, 2011 was $3,015,219 and decreased to $774,648 by the end of the nine months, a decrease of $2,240,571. We had net working capital of $323,288 at September 30, 2011, a decrease of $1,596,528 from $1,919,816 at December 31, 2010.

Cash flow information is the following:

	Nine months ended September 30,	
	2011	2010
Operating activities	$ (2,432,146)	$ 7,013,854
Investing activities	$ (23,218)	$ (10,359)
Financing activities	$ 264,430	$ 712,916

Cash used in operating activities was $2,432,146 for the nine months ended September 30, 2011, compared to cash provided by operating activities of $7,013,854 for the same period last year. Cash used in operating activities increased significantly during the period primarily due to the increased loss from operations, increased accounts payable, and additional expenditures for the acquisition of inventory for its distribution business acquired on November 29, 2010. Cash used in operations also increased as a result of more payments were made for tax payable and less was borrowed for other payable compared to the same period last year.

Cash used in investing activities was $23,218 for the nine months ended September 30, 2011, compared to cash used in investing activities of $10,359 for the same period last year. The increase is due to more investment in office equipment during the nine months ended September 30, 2011 compared to the same period last year.

Cash provided by financing activities was $264,430 for the nine months ended September 30, 2011, a compared to cash provided by financing activities of $712,916 for the same period last year. The decrease was primarily due to the $1.1 million common stock financing in 2010.

CAPITAL RESOURCES

As of September 30, 2011, cash and cash equivalents totaled $774,648. Although the cash flow from operations during the quarter was negative, we were able to finance our operations with cash balances carried over from December 31, 2010. Lending during the nine months ending September 30, 2011 of $395,101 from director and officer Jack Gao and stockholder and director of Beitun Wei Guo also supported our business. Moreover, the Company is actively working on its debit card business model to generate more cash flow**.** We believe that our current cash and cash equivalents and cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures for the next 12 months.

However, we may require additional cash due to changes in business conditions or other future developments, including any investments we may decide to pursue. To the extent it becomes necessary to raise additional cash in the future, we may seek to raise it through the sale of debt or equity securities, funding from joint-ventures or strategic partners, debt financing or loans, issuance of common stock, or a combination of the foregoing. We cannot provide any assurances that we would be able to secure the additional cash or working capital we may require to continue our operations.

(A) LEASE COMMITMENTS

Our Company has entered into a sub-lease agreement with a third party for its Pasadena office facility beginning August 1, 2010 and ending November 30, 2012. Our full service gross monthly rental rate is $2,567. The rent expenses (including related common area maintenance charges) totaled $23,103 for the nine months ended September 30, 2011. Rent expenses (including related common area maintenance charges) totaled $7,701 for the three months ended September 30, 2011.

In China, we have entered into a lease agreement in the Beijing Chaoyang District for our Arki (Beijing) E-commerce Technology Co., a wholly-owned subsidiary, beginning June 7, 2010 and ending May 30, 2012. Our full service gross monthly rental rate is $3,400. Rent expenses (including related common area maintenance charges) totaled $30,600 for the nine months ended September 30, 2011. Rent expenses (including related common area maintenance charges) totaled $10,200 for the three months ended September 30, 2011.

On October 21, 2010, we entered into a new lease agreement for office facility expansion in the Beijing Chaoyang District, Hua Mao Center. The straight-line monthly gross rental rate is $30,831 with a 36-month term. Rent expenses (including related common area maintenance charges) totaled $282,771 for the nine months ended September 30, 2011. Rent expenses (including related common area maintenance charges) totaled $92,493 for the three months ended September 30, 2011.

On March 1, 2011, we entered into a new lease agreement for another office facility expansion in the Beijing Chaoyang District, Hua Mao Center. The straight-line monthly gross rental rate is $6,259 with a 33-month term. Rent expenses (including related common area maintenance charges) totaled $56,331 for the nine months ended September 30, 2011. Rent expenses (including related common area maintenance charges) totaled $18,777 for the three months ended September 30, 2011.

Total future minimum rental lease commitments as of September 30, 2011 are the following:

2011	$	503,084
2012		415,227
2013		30,831
Total	$	949,142

(B) SUPPLIER COMMITMENTS

As of September 30, 2011 and 2010, we had outstanding amounts owed to our suppliers of $55,921 and $0, respectively. The amount of $55,921 represents the amounts collected from the customers of our Arki Beijing and Arki Fuxin subsidiaries.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

CONTRACTUAL OBLIGATIONS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholders' equity or that are not reflected in our financial statements. Furthermore, we do not have any retained or contingent interests in assets transferred to an unconsolidated entity that serves as credit, liquidity, or market risk support to such entity. We do not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk, or credit support to us or engages in leasing, hedging, or research and development services with us.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules, regulations and related forms, and that such information is accumulated and communicated to our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2011, we carried out an evaluation, under the supervision, and with the participation of our principal executive officer and our principal financial officer on the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms because of the lack of finance and accounting personnel with an appropriate level of knowledge, experience, and training in the application of U.S. GAAP.

We are in the process of implementing the following measures to remediate these material weaknesses: (a) hire additional financial reporting and accounting personnel with relevant account experience, skills, and knowledge in the preparation of financial statements under the requirements of U.S.GAAP and financial reporting disclosure pursuant to SEC rules; and (b) continue to work with internal and external consultants to improve the process for collecting and reviewing information required for the preparation of financial statements. We plan on continuing to identify and implement remedial measures.

CHANGES IN INTERNAL CONTROLS

There have been no changes in our internal controls over financial reporting during the quarter ended September 30, 2011 that have materially affected or are reasonably likely to materially affect our internal controls.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are presently no material pending legal proceedings to which the Company, any of its subsidiaries, any executive officer, any owner of record or beneficially of more than five percent of any class of voting securities is a party or as to which any of its property is subject, and no such proceedings are known to the Registrant to be threatened or contemplated against it.

ITEM 1A. RISK FACTORS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	**Description**
31.1	Certification of Chief Executive Officer and Chief Financial Officer of Periodic Report pursuant to Rule 13a-14a and Rule 14d-14(a).*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.*
101.INS	XBRL Instance Document*
101.SCH	XBRL Schema Document*
101.CAL	XBRL Calculation Linkbase Document*
101.DEF	XBRL Definition Linkbase Document*
101.LAB	XBRL Label Linkbase Document*
101.PRE	XBRL Presentation Linkbase Document*

* Filed herewith.

SIGNATURES

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

DATE: November 14, 2011

Consumer Capital Group, Inc.

By: /s/ Jianmin Gao

Jianmin Gao
President and Chief Executive Officer
Principal Executive and Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE AND PRINCIPAL ACCOUNTING OFFICER

**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND SECURITIES AND EXCHANGE COMMISSION RELEASE 34-46427**

I, Jianmin Gao, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2011 of Consumer Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. As the Principal Executive and Accounting Officer I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 14, 2011

/s/ Jianmin Gao
Jianmin Gao
Principal Executive and Accounting Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Consumer Capital Group, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jianmin Gao, Chief Executive Officer and the Principal Executive and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2011

/s/Jianmin Gao
Jianmin Gao
Principal Executive and Accounting Officer