TAUTACHROME INC.

FORM 10-Q
(Quarterly Report)

Filed 05/11/17 for the Period Ending 03/31/17

Address	1846E INNOVATION PARK DRIVE ORO VALLEY, AZ, 85755
Telephone	520-318-5578
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Symbol	TTCM
SIC Code	7372 - Services-Prepackaged Software
Industry	Marine Freight & Logistics
Sector	Industrials
Fiscal Year	12/31

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED **MARCH 31, 2017**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM ___________ TO ____________.

Commission file number: **333-141907**

TAUTACHROME, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-5034780**
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1846 e. Innovation Park Drive, Oro Valley, AZ 85755
(Address of principal executive offices)

(520) 318-5578
(Registrant's telephone number, including area code)

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 is a large 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 (do not check if a smaller reporting company)	☐	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 of the registrant's common stock outstanding as of May 11, 2017, was 1,687,732,960.

TAUTACHROME, INC.
FORM 10-Q

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PART I – FINANCIAL INFORMATION

Item 1 – Consolidated Financial Statements

TAUTACHROME, INC.
CONSOLIDATED BALANCE SHEETS

		3/31/2017		12/31/2016
ASSETS				
Current assets:				
Cash	$	5,723	$	1,850
Total current assets		5,723		1,850
TOTAL ASSETS	$	5,723	$	1,850
LIABILITIES				
Accounts payable and accrued expenses	$	326,318	$	275,760
Accounts payable - related party		15,179		25,486
Loans from related parties		100,673		99,434
Convertible notes payable - related party		58,160		49,160
Short-term convertible notes payable, net		641,878		583,674
Short-term notes payable		16,803		15,858
Short-term portion of long-term debt		11,172		11,034
Court judgment liability		2,404,521		2,382,374
Total current liabilities		3,574,704		3,442,780
Long-term convertible notes payable, net		41,012		87,528
Long-term notes payable		17,720		19,659
Total non-current liabilities		58,732		107,187
TOTAL LIABILITIES		3,633,436		3,549,967
STOCKHOLDERS' EQUITY (DEFICIT)				
Series D Convertible Preferred, par value $0.0001. 13,795,104 shares authorized, 13,795,104 shares issued and outstanding at March 31, 2017 and December 31, 2016		1,380		1,380
Common stock, $0.00001 par value. Four billion shares authorized. 1,687,732,960 and 1,672,789,717 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively		16,877		16,728
Additional paid in capital		3,577,826		3,421,595
Common stock payable		10,586		10,586
Accumulated deficit		(7,269,157)		(7,081,154)
Effect of foreign currency exchange		34,775		82,748
TOTAL STOCKHOLDERS' EQUITY		(3,627,713)		(3,548,117)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	5,723	$	1,850

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

TAUTACHROME, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
OPERATING EXPENSES		
General and administrative	$ 130,936	123,595
Depreciation and amortization	-	27,249
Total operating expenses	130,936	150,844
Operating loss	(130,936)	(150,844)
OTHER INCOME / (EXPENSE)		
Interest expense	(57,067)	(143,613)
Total other	(57,067)	(143,613)
Net loss	$ (188,003)	$ (294,457)
OTHER COMPREHENSIVE INCOME (LOSS)		
Effect of foreign currency exchange	(47,973)	(33,763)
Net comprehensive loss	$ (235,976)	$ (328,220)
Net loss per common share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average shares outstanding	1,678,454,221	2,998,490,573

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

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TAUTACHROME, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY / (DEFICIT)
(Unaudited)

	Common Stock		Preferred Stock Series D		Additional Paid in Capital	Stock Payable	Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity / (Deficit)
	Shares	Amount	Shares	Amount					
Balance, 12/31/15	2,987,633,430	$ 29,876	-	$ -	$ 1,539,442	$ -	$ 81,301	$ (2,480,423)	$ (829,804)
Acquisition of Photosweep, LLC	13,000,000	130			353,470				353,600
Beneficial conversion feature of convertible notes					335,799				335,799
Common stock to preferred stock swap	(1,379,510,380)	(13,795)	13,795,104	1,380	1,100,746				1,088,331
Conversion of debt	51,666,667	517			60,104	10,586			71,207
Effect of debt modifications					18,760				18,760
Imputed interest					13,274				13,274
Effect of foreign currency exchange							1,447		1,447
Net loss								(4,600,731)	(4,600,731)
Balance, 12/31/16	1,672,789,717	$ 16,728	13,795,104	1,380	$ 3,421,595	$ 10,586	$ 82,748	$ (7,081,154)	$ (3,548,117)
Shares issued for conversion of debt	8,493,243	84			54,081				54,165
Shares issued for services	6,450,000	65			79,150				79,215
Beneficial conversion feature of convertible notes					22,040				22,040
Imputed interest					960				960
Effect of foreign currency exchange							(47,973)		(47,973)
Net loss								(188,003)	(188,003)
Balance, 3/31/17	1,687,732,960	$ 16,877	13,795,104	$ 1,380	$ 3,577,826	$ 10,586	$ 34,775	$ (7,269,157)	$ (3,627,713)

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

TAUTACHROME, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2017	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (188,003)	$ (294,457)
Depreciation, depletion and amortization	-	27,249
Stock-based compensation	79,215	-
Amortization of discounts on notes payable	21,286	130,788
Imputed interest	960	3,032
Changes in operating assets and liabilities:		
Prepaid expenses	-	(3,564)
Accounts payable and accrued expenses	104,510	47,588
Accounts payable - related party	488	951
Net cash used in operating activities	18,456	(88,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Photosweep, LLC	-	(39,000)
Net cash used in investing activities	-	(39,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes payable	26,040	150,518
Principal payments on notes payable	(1,801)	-
Proceeds from related-party loan	10,151	30,078
Principal payments on related-party loans	(1,000)	(8,317)
Net cash provided by financing activities	33,390	172,279
Effect of exchange rate changes on cash and cash equivalents	(47,973)	(33,763)
Net increase/(decrease) in cash	3,873	11,103
Cash and equivalents - beginning of period	1,850	15,428
Cash and equivalents - end of period	$ 5,723	$ 26,531
SUPPLEMENTARY INFORMATION		
Cash paid for interest	$ 549	$ -
Cash paid for income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING TRANSACTIONS		
Discounts on convertible notes	$ 22,040	$ 239,533
Common stock for Photosweep acquisition	$ -	$ 353,600
Note modification	$ -	$ 23,812
Conversions of principal and interest to equity	$ 54,165	$ -

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

TAUTACHROME, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2017

Note 1 – Organization and Nature of Business

History

Tautachrome, Inc. (formerly Roadships Holdings, Inc.) was formed in Delaware on June 5, 2006 as Caddystats, Inc. (Tautachrome, Inc. and hereinafter be collectively referred to as "Tautachrome", the "Company", "we' or "us").

The Company adopted the accounting acquirer's year end, December 31.

Our Business

The Company operates in the internet applications space, a space uniquely able to embrace fast growing and novel business. The iPhone, Google, Facebook, Amazon, Twitter, Android, Uber and numerous other examples are reminders of the ability of the internet applications space to surprise us with the arrival – seemingly from out of nowhere- of wholly new business universes.

The Company is developing a system branded "KlickZie" aimed at turning smartphones, including iPhones, Android phones and other smartphones, into trustable imagers and advanced communicators. The pictures and videos from trustable imager can be trusted to be the original, untampered, un-Photoshopped pictures and videos made by the smartphone, and in addition the pictures and videos themselves become advanced communicators, able to be used as living, trusted portals to communicate with others.

The KlickZie system concept consists of downloadable software able to securitize the imaging process in the smartphone, together with an advanced cloud system to authenticate KlickZie pictures and videos and to make possible imagery based communication among people who happen upon KlickZie pictures and videos.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Consolidated Financial Statements

In the opinion of management, the accompanying financial statements includes all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for the period ending March 31, 2017. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with information included in our audited financial statements for the period ended December 31, 2015, as reported in Form 10-K filed with the Securities and Exchange Commission on April 19, 2017.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Principles of Consolidation

Our consolidated financial statements include the accounts of Tautachrome, Inc. and all majority-owned subsidiaries. All significant inter-company accounts and transactions are eliminated in consolidation.

Property, Plant and Equipment

We record our property plant and equipment at historical cost. The estimated useful lives of these assets range from three to seven years and are depreciated using the straight-line method over the asset's useful life.

Foreign Currency Risk

We currently have two subsidiaries operating in Australia. At March 31, 2017 and December 31, 2016, we had $27 and $0 Australian Dollars, respectively ($21 and $0 US Dollars, respectively) deposited into Australian banks.

Long-Lived Assets, Intangible Assets and Impairment

In accordance with U.S. GAAP, the Company's long-lived assets and amortizable intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. The Company assesses the recoverability of such assets by determining whether their carrying value can be recovered through undiscounted future operating cash flows, including its estimates of revenue driven by assumed market segment share and estimated costs. If impairment is indicated, the Company measures the amount of such impairment by comparing the fair value to the carrying value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Loss Per Share

Basic and diluted net loss per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. The per share amounts include the dilutive effect of common stock equivalents in years with net income. Basic and diluted loss per share is the same for the three months ended March 31, 2017 and 2016 as the effect of our potential common stock equivalents would be anti-dilutive.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles-Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). The new standard simplifies the accounting for goodwill impairments by eliminating step 2 from the goodwill quantitative impairment test. Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The standard is effective for interim and annual periods beginning after December 15, 2019 and early adoption is permitted. The Company early adopted ASU 2017-04 on January 1, 2017.

Note 3 – Going Concern

We have not begun our core operations in the technology industry and have not yet acquired the assets to enter this markets and we will require additional capital to do so. There is no guarantee that we will acquire the capital to procure the assets to enter this markets or, upon doing so, that we will generate positive cash flows from operations. Substantial doubt exists as to Tautachrome's ability to continue as a going concern. No adjustment has been made to these financial statements for the outcome of this uncertainty.

Note 4 – Related Party Transactions

For the year ended December 31, 2016, we had the following transactions with the Twenty Second Trust (the "Trust"), the trustee of whom is Tamara Nugent, the wife of our major shareholder and former Chief Executive Officer, Micheal Nugent:

- We received $18,331 in cash loans to pay operating expenses and repaid no principal.
- We accrued $4,400 in interest payable to the Trust and paid no interest payments.
- The outstanding balance at December 31, 2016 to the 22nd Trust was $98,344 and $11,035 for principal and interest, respectively, after adjustments for foreign exchange effect.

For the three months ended March 31, 2017, we received $151 in cash loans from the 22 nd Trust. At March 31, 2017, we owed $99,583 and $12,519 in principal and interest to the Trust, respectively.

According to our agreement with Mr. Nugent, we accrue interest on all unpaid amounts at 5%. Principal and interest are callable at any time. If principal and interest are called and not repaid, the loan is considered in default after which interest is accrued at 10%.

Convertible note payable, related party

On May 5, 2013 (and on August 8, 2013 with an enlargement amendment) the Company entered into a no interest demand-loan agreement with our current Chairman, Jon N. Leonard under which the Company may borrow such money from Jon as Jon in his sole discretion is willing to loan.

The terms of the note provide that at the Company's option, the Company may make repayments in stock, at a fixed share price of $1.00 per share. Also, because this loan is a no-interest loan an imputed interest expense of $960 was recorded as additional paid-in capital for the three months ended March 31, 2017. The Company evaluated Dr. Leonard's note for the existence of a beneficial conversion feature and determined that none existed.

During the three months ended March 31, 2017, we received $10,000 in related-party loans from our Board Chairman and CEO, Dr. Jon Leonard, and repaid $1,000 in principal. At March 31, 2017, we owed Dr. Leonard $58,160.

Note 5 – Capital

On January 15, 2016 we issued 13,000,000 common shares to acquire all of the members' interests in Photosweep, LLC. We valued the common stock at the grant date fair value, and included this amount in our acquisition cost of $353,600, or $0.027 per share.

On January 1, 2016, we re-negotiated certain convertible promissory notes with certain creditors in order to remove the provisions in the notes which caused of a derivative liability. We recorded this renegotiation by removing the derivative liability at December 31, 2015 and recording an increase to Additional Paid in Capital of $18,760.

In October, 2016, we issued 51,666,667 common shares to convert $60,000 of convertible notes payable, and $604 in accrued interest, to common stock.

In November, 2016, we received a Notice of Conversion from a holder of a US Dollar denominated convertible promissory note requesting a conversion of the outstanding principal and interest into the convertible amount of 2,142,857 common shares . We recorded a reduction of principal and interest of $10,000 and $586 of accrued interest, respectively, and we recorded an offsetting common stock payable in the amount of $10,586.

During the three months ended March 31, 2017, we issued 8,493,243 shares in conversion of two outstanding convertible promissory notes. We recorded a reduction of the balance of such notes of $37,822 and $15,959, respectively. We recognized no gain or loss on their conversions.

Also, during the three months ended March 31, 2017, we issued 6,450,000 shares to two consultants pursuant to our agreements with them. We valued the shares at their grant-date fair values and recorded expense of $79,215.

At March 31, 2017 and December 31, 2016, we had 1,678,732,960 and 1,672,789,717 common shares issued and outstanding, respectively, from a total of four billion authorized.

Preferred Stock

On September 29, 2016, the Company's principal shareholders ("Principals"), Dr. Jon N. Leonard, Micheal P. Nugent, and Matthew W. Staker, offered to retire 1,379,510,380 of their common shares in exchange for a new series of non-trading preferred shares.

On October 5, 2016, the Board of Directors voted to accept the share retirement offer, and on October 20, 2016, the Company filed a Certificate of Designations with the State of Delaware creating 13,795,104 shares of Series D Preferred Stock (the "Preferred Shares") to effect the exchange.

Share Exchange ratio and Preservation of Voting Rights

In the share exchange, each principal received 1 Preferred Share for each 100 common shares retired Each share of Preferred Shares entitles the holder to 100 votes (and each 1/100 th of a Preferred Share entitles the holder to one vote).

Conversion Rights

A holder may convert Preferred Shares to common under the following conditions:

Automatic conversion – each Preferred Share automatically converts to 100 common shares upon the earlier of

- The end of 5 years (5:00 PM EST, October 5, 2021), or
- A change of control

Optional conversion - After October 5, 2017, each holder may convert each share into 100 shares of common stock immediately following a period of ten consecutive trading days during which the average closing or last sale price exceeds $3.00 per share. Also, each holder may convert into 110 shares of common stock at any time that the shares are listed on a National exchange (for example, the NYSE or NASDAQ).

Related-Party Stock Exchange

On October 27, 2016, the Company entered into the above outlined Share Exchange Agreement with related-parties

Common stock ownership structure immediately before and after execution of the Share Exchange Agreement was as follows:

	Common Stock Ownership				
	Immediately Before		Effect of	Immediately After	
	Shares	%	Agreement	Shares	%
Jon Leonard, PhD	1,387,829,545	46.5%	(1,009,330,578)	378,498,967	23.5%
Micheal Nugent	620,756,473	20.8%	(92,613,893)	528,142,580	32.8%
Matthew Staker	346,957,386	11.6%	(277,565,909)	69,391,477	4.3%
Robert McClelland	8,403,524	0.3%	-	8,403,524	0.5%
Patrick Greene	2,093,080	0.1%	-	2,093,080	0.1%
Non Affiliates	621,593,422	20.8%	-	621,593,422	38.7%
Totals	2,987,633,430	100.0%	(1,379,510,380)	1,608,123,050	100.0%

Imputed Interest

Certain of our promissory notes bear no nominal interest. We therefore imputed interest expense and increase Additional Paid in Capital. For the three months ended March 31, 2017, we imputed $960 of such interest.

Beneficial Conversion Features

As discussed in Note 6, we issued certain promissory notes in the United States containing beneficial conversion features. During the three months ended March 31, 2017, we recorded and increase in Additional Paid in Capital of $22,040. We account for these Beneficial Conversion Features as debt discounts and amortize using the Effective Interest Method.

Note 6 – Debt

Loans from related parties

As is discussed in Note 4, we owed $170,262 in related-party debts consisting of $99,583 and 12,519 unpaid principal and interest, respectively, to the 22 nd Trust and $58,160 owed to our CEO, Dr. Jon Leonard.

Convertible notes payable

During the year ended December 31, 2016, we borrowed $193,164 from 26 accredited investors in Australia. These promissory notes can be converted into shares of our common stock at the rate of AU$0.01 per share (the aggregate of which shares convertible for all outstanding Australian convertible notes at December 31, 2016 is 82,873,300). These notes are callable by the makers at any time and accrue interest at 5%. For the year ended December 31, 2016, we accrued $29,343 of interest on these notes and made no interest payments. We evaluated these notes for beneficial conversion features and calculated a value of $147,965, all of which has been immediately expensed as interest expense as the notes are due on demand.

Also during the year ended December 31, 2016, we issued four convertible promissory notes to four accredited investors in exchange for $109,758 in cash. These promissory notes can be converted into shares of our common stock at various separately-negotiated rates (the aggregate of which shares convertible for all outstanding USA convertible notes at December 31, 2016 is 28,473,915).

We evaluated these notes for beneficial conversion features and calculated a value of $77,852 which we are accounting for as debt discounts.

On January 1, 2016, we re-negotiated the eight U.S.-Dollar-denominated promissory notes that were outstanding at December 31, 2015, in order to remove the ratchet provisions which required that we account for those provisions as a derivative liability. The fair value of the derivative liability was the same at January 1, 2016 as it was on December 31, 2015 which was $23,812.

However, in so renegotiating, we granted the creditors new, lower conversion prices, which resulted in new beneficial conversion features of $110,000.

During the year ended December 31, 2016, we amortized $106,628 of debt discounts on convertible promissory notes originating in the United States to interest expense.

The aggregate amount of shares that may be issued upon conversion for convertible notes issued in both Australia and the Unites States is 111,347,215.

One of the eight accredited investors included in the above paragraph is the brother of our Board Chairman and Chief Executive Officer, Dr. Jon Leonard. This $5,000 related-party convertible promissory note is dated August 9, 2015, matures on February 26, 2017, pays interest at 5%, and may convert into 1,020,408 common shares.

Convertible notes payable at March 31, 2017 and December 31, 2016 and their classification into long-term and short-term were as follows:

	03/31/17	12/31/16
Long-term and short-term combined		
Unpaid principal	$ 759,570	$ 747,129
Discounts	(76,680)	(75,927)
Convertible notes payable, net	$ 682,890	$ 671,202
Classified as short-term		
Unpaid principal balance	$ 642,272	$ 597,371
Discounts	(394)	(13,697)
Convertible notes payable - short-term, net	$ 641,878	$ 583,674
Classified as long-term		
Unpaid principal balance	$ 117,298	$ 149,758
Discounts	(76,286)	(62,230)
Convertible notes payable - long-term, net	$ 41,012	$ 87,528

Convertible promissory notes issued in Australia

During the three months ended March 31, 2017, we had one creditor convert to common stock. We issued 5,250,000 common shares and extinguished $37,822 and $2,049 in interest, respectively and recognized no gain or loss other than a $386 foreign exchange effect.

We accrued $6,171 of nominal interest on these notes for the three months ended March 31, 2017.

Australian convertible notes payable can convert to 77,873,300 common shares in the aggregate.

Convertible promissory notes issued in the United States

All convertible promissory notes issued in the United States bear interest at 5%, and contain conversion privileges which vary depending upon the date issued, but they may convert to an aggregate of 29,816,628 common shares.

During the three months ended March 31, 2017, we received $22,040 in loans pursuant to a convertible promissory note issued in 2016 on which the Company and the creditor agreed, on December 31, 2016, to extend the note to additional amounts paid to the Company by the creditor, inheriting the conversion and interest privileges from the original convertible promissory note. We evaluated this tranche of funding for beneficial conversion features and calculated a value of $22,040 which we are accounting for as debt discounts.

Also during the three months ended March 31, 2017, we received $4,000 on a previously-existing promissory note, written in 2016, for which a creditor had not contributed the full amount. All evaluations for the existence of Beneficial Conversion Features for the full value of this creditor's note were performed in 2016.

During the three months ended March 31, 2017, we converted no U.S. convertible promissory notes. However, we issued 2,500,000 to retire an interest payable in the amount of $2,374.

Short-term portion of long-term debt

As discussed in the Long-term notes payable section of this Note, in 2016 we converted a trade account payable balance with a consultant in the amount of $34,250 to a three-year amortizing promissory note. The short-term portion of that note which is due in twelve months or less, is $11,172.

Short-term notes payable

Short-term notes payable increased from $15,858 to $16,803 which was all due to foreign exchange effect as of March 31, 2017.

Long-term notes payable

On August 9, 2016, we converted a trade account payable balance with a consultant in the amount of $34,250 to a three-year amortizing promissory note with interest at 5%, but accrues at 18% for amounts in default. As of March 31, 2017, we accrued a total of $921 and paid a total of $800 in interest and paid a total of $5358 in principal. The remaining principal balance is presented on the balance sheet in two components: the portion that is due within twelve months ($11,172) and the portion which is due in periods after twelve months ($17,720).

Note 7 – Income Taxes

Deferred income taxes reflect the tax consequences on future years of differences between the tax bases:

	3/31/17	12/31/16
Net operating loss carry-forward	4,214,417	4,048,660
Deferred tax asset at 39%	$ 1,643,623	$ 1,578,977
Valuation allowance	(1,643,623)	(1,578,977)
Net future income taxes	$ -	$ -

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Management has provided for a valuation allowance on all of its losses as there is no assurance that future tax benefits will be realized.

Our tax loss carry-forwards will begin to expire in 2030.

Note 8 – Subsequent Events

We have evaluated subsequent events through the date of this report.

Item 2- Management's Discussion And Analysis Of Financial Condition And Results Of Operations

This report contains "forward-looking statements". All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including: any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. "Forward-looking statements" may include the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "plan" or "anticipate" and other similar words.

Although we believe that the expectations reflected in our "forward-looking statements" are reasonable, actual results could differ materially from those projected or assumed. Our future financial condition and results of operations, as well as any "forward-looking statements", are subject to change and to inherent risks and uncertainties, such as those disclosed in this report. In light of the significant uncertainties inherent in the "forward-looking statements" included in this report, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved. Except for its ongoing obligation to disclose material information as required by the federal securities laws, we do not intend, and undertake no obligation, to update any "forward-looking statement". Accordingly, the reader should not rely on "forward-looking statements", because they are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those contemplated by the "forward-looking statements".

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited financial statements, including the notes to those financial statements, included elsewhere in this report.

Overview

Tautachrome operates in the internet applications space, a space uniquely able to embrace fast growing and novel business. The iPhone, Google, Facebook, Amazon, Twitter, Android, Uber and numerous other examples are reminders of the ability of the internet applications space to surprise us with the arrival of wholly new business universes seemingly from out of nowhere.

Tautachrome is currently pursuing two avenues of business activity:

1. **KlickZie technology-based business** development and monetization, our high focus flagship activity to revolutionize smartphone-based picture and video interaction on the web
2. **Smartphone app development and digital design** , our activity to develop and monetize important in-house apps and to generate digital design revenue, an activity carried out by our wholly owned subsidiary Polybia Studios, Pty Ltd of Mermaid Beach, Queensland Australia

Our Appquisitions Division is being shelved for the time being.

1. KlickZie technology-based business activity

Tautachrome's patent pending KlickZie technology addresses two major new needs of the internet age.

Tautachrome's patented and patent pending KlickZie technology addresses a major new need and a major nw opportunity of the internet age.

The need is for a way to *trust the pictures and videos we see on the web* . The opportunity is to be able to use the pictures and videos we see on the web as impromptu windows od communication between people. .

There is current need for a universally available, downloadable system that turns the everyday pictures and videos we take from our smartphones into imagery that is completely trustable to any third party seeing it. With such a system two kinds of imagery would appear on the web: On the one hand imagery whose trustworthiness everybody can be absolutely certain of, and on the other hand all the rest of the imagery which nobody has any idea of its trust worthiness. The KlickZie system aims to satisfy this fundamental need for universal trustability.

Solving the need for trustability also opens the door to an enormous new opportunity. This is the opportunity to use pictures and videos on the web to readily and safely interact with each other *via the imagery itself* . it is frequently the case that when you run across interesting imagery on the web you won't know anything about it, including who the author is, who else may have seen it, or what others may think or know about it. By allowing people to interact with interesting or important pictures or videos by using the imagery itself as the portal of communication, the system can add the viewpoints and the information offerings of interacting people to the richness of the pictures and videos. This can be carried by the system into the future along with the imagery, as an evolving tapestry of interaction and imagery.

How KlickZie technology works: The KlickZie Activation Platform Consumers will download KlickZie's free camera upgrade software into their mobile device (iPhone, Android or other smartphone) which thereafter ***activates*** the pictures and videos taken by their device using proprietary KlickZie technology. Behind the scenes, the powerful and secure KlickZie software will capture the imagery and all available metadata related to the imaging event, and mark the imagery and its metadata with advanced, highly undetectable KlickZie marking technology.

KlickZie Activation KlickZie activation will add a new world of usefulness to ordinary pictures and videos. People who come across an activated picture can communicate with an amenable author of the picture, or with amenable others who have seen the picture or with the data stored in the picture by merely clicking or touching the picture ("touch-to-comm"). The picture itself makes the communication happen. It does not matter where or how you come across an activated picture, you can engage it, interact with it, or share it, just by touching or clicking it.

What happens to an activated picture from its creation onward gets invisibly added to the picture's data and can be tracked into the future. Activated pictures can answer many questions. For example, in a group photo you could ask: Have any of the people in my contacts list interacted with this picture? Are any of them engaging it right now? Who else besides my contacts have already engaged this picture in some way? And given an amenable author, who took it? Where? When?

KlickZie's activated pictures and videos will also possess the power to be completely trustable in the sense that any third party can be absolutely confident of the authenticity of the imagery because KlickZie pictures and videos will be secured in the KlickZie cloud at their creation where they remain until their creator or owner deletes them.

The upshot is that activation allows effective touch to comm with the authors and viewers of smartphone pictures and videos from every source, and activated pictures and videos can be completely trusted imagery.

KlickZie Product Rollout . Rolling out KlickZie requires hiring activity to round out the Company technical team. Additional required technical staff include: cloud architects, database engineers, image processing engineers, full stack software engineers, steganography software developers, app development software engineers, and smartphone code defense software engineers.

- **Phase 1** : Build the minimal testable KlickZie system –including the smartphone imaging engine and the service cloud (Rev 1 KlickZie system), identifying and fixing functionality deficiencies and user experience and interface hiccups, building a loyal base of early adopters and defining Rev 2.

- **Phase 2** : Build and release Rev 2 into a limited audience to optimize user experience and user interfaces, to define, build, test and finalize viral growth methodology, to finalize the smartphone imaging engine, to test/finalize the cloud subsystem for global scale up, to build a seed population of 200,000 contented users, and to plan global rollout.

- **Phase 3** : Roll out KlickZie system globally, culture by culture and language by language, adding support staff and services as rollout moves forward.

Monetizing. As presently conceived, the KlickZie product aims at revenues from four primary sources:

- **Advertising** Using pictures and videos as portals of communication allows the presentation of these communications in a framework of the Company's choice, enabling advertisers to place paid ads within this framework (as is done by Google.)

- **User premium service fees** KlickZie is intended to be free to consumers. Since KlickZie is handling user imagery and user imagery-based communications, opportunities for users to gain extra KlickZie service are intended to be provided for a fee-based premium user membership.

- **App Developer Revenue** As conceived, the KlickZie imaging engine is a powerful tool for generating trustable imagery. The KlickZie cloud is intended to allow developers access to this powerful engine along with KlickZie-provided developer tools enabling them to develop apps of their own invention, access being granted under a revenue sharing arrangement.

- **Enterprise Revenue** Because as conceived the KlickZie imaging engine is a powerful tool for generating trustable imagery, it is able to support the needs of business and industrial enterprises for which trustable imagery from employees, customers or partners is mission critical. Are plans are to license our engine to enterprises on a license fee basis.

First KlickZie revenues . Our Plan of Operations is prepared for first revenues from enterprise users coming on line within the first year after the receipt of funding sufficient to round out the KlickZie team. Preparations for other KlickZie revenue are geared for the two year and out timeframe.

Funding

The **KlickZie** product rollout requires substantial funding. We plan on, and are now, seeking funds to finance KlickZie product rollout. Financing may be accomplished by incurring debt, by equity sale or through other means. There can be no assurances given that our funding efforts will be successful.

The Company has developed a business model for a large US business that exploits **KlickZi** e technology aimed at enhancing their bottom line and their public image. Tautachrome believes that the economic payoff of **KlickZie** will be attractive for companies with a global reach and with a large number of consumer customers.

Results of Operations - Three months ended March 31, 2017 versus 2016

We had general and administrative expenses of $130,936 for the three months ended March 31, 2017 versus $123,595 for the same period in 2016, or a 6% increase, mostly due to increases in consulting costs.

During the three months ended March 31, 2016, we amortized $27,249 of the acquisition cost of Photosweep to expense. We had no such amortization in the current year since the asset was fully impaired as of December 31, 2016.

Interest expense decreased from $143,613 during the three months ended March 31, 2016 to $57,067 during the same period in 2017. During 2016, we issued convertible promissory notes in Australia containing Beneficial Conversion Features which we accounted for immediately as interest expense since the notes were callable by the maker at any time. We issued no new notes in Australia during the current period.

During the three months ended March 31, 2017, we had other comprehensive loss of $47,973 versus a loss of $33,763 during the same period in 2016, all of which are currency translation effects resulting from exchange rate differences between the U.S. and Australian dollars.

Our net comprehensive losses of $235,976 and $328,220 during the three months ended March 31, 2017 and 2016 are a result of the above items.

Liquidity and Capital Resources

Our financial statements have been prepared on a going concern basis that contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

The Company has $5,723 in cash and liabilities totaling $3,633,436. We are currently seeking financing to attain our business goals, but there is no guarantee that we will obtain such financing or, upon obtaining it, that we will be able to invest in productive assets that will result in positive cash flows from operations.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, we had negative cash flows from operations, recurring losses, and negative working capital at March 31, 2017 and December 31, 2016. These conditions raise substantial doubt as to our ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. Management intends to finance these deficits by making additional shareholder notes and seeking additional outside financing through either debt or sales of its common stock.

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Plan of Operation

Our immediate term plans for operations is discussed extensively in *Item 7 – Management's Discussion and Analysis or Plan of Operation* included in our Form 10-K as of December 31, 2016, filed with the Commission on April 19, 2017 and is herein incorporated by reference.

Item 3 - Quantitive And Qualitative Disclosures About Market Risk

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

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

We maintain "disclosure controls and procedures" as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. In designing and evaluating our disclosure controls and procedures, our management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based upon the evaluation of our officers and directors of our disclosure controls and procedures as of March 31, 2017, the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"), our Chief Executive Officer has concluded that as of the Evaluation Date that our disclosure controls and procedures were not effective such that the information relating to our company, required to be disclosed in our Securities and Exchange Commission reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure. Our management concluded that our disclosure controls and procedures were not effective as a result of material weaknesses in our internal control over financial reporting. We are a small organization with only a few employees. Under these circumstances it is impossible to completely segregate duties. We do not expect our internal controls to be effective until such time as we are able to begin full operations and even then there are no assurances that our disclosure controls will be adequate in future periods.

Change In Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

We may be involved from time to time in ordinary litigation, negotiation and settlement matters that will not have a material effect on our operations or finances. We are not aware of any pending or threatened litigation against us or our officers and directors in their capacity as such that could have a material impact on our operations or finances.

Item 1A – Risk Factors

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 2 – Unregistered Sale of Equity Securities

None

Item 3 – Defaults Upon Senior Securities

None

Item 4 – Mine Safety Disclosures

Not applicable.

Item 5 – Other Information

None

Item 6 - Exhibits

Exhibit No.	Description of Exhibit
3.1	Articles of Incorporation, as filed June 5, 2007 (included as Exhibit 3.1 to the Form SB-2 filed April 5, 2007, and incorporated herein by reference).
3.2	Bylaws (included as Exhibit 3.2 to the Form SB-2 filed April 5, 2007, and incorporated herein by reference).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Tautachrome, Inc

Date: May 11, 2017

By: */s/ Dr. Jon Leonard*
Dr. Jon Leonard
Chief Executive Officer

EXHIBIT 31.1

CERTIFICATIONS

I, Dr. Jon Leonard, Chief Executive Officer of TAUTACHROME, INC. (the "Registrant") certify that:

1. I have reviewed the report being filed on Form 10-Q.

2. Based on my knowledge, the 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 the report;

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-a5(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-a5(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 the 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.

   (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 three months (the Registrant's fourth fiscal three months 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 our most recent evaluation, to the Tautachrome auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function):

   i. All significant deficiencies in the design or operation of internal controls which could adversely affect Tautachrome's ability to record, process, summarize and report financial data and have identified Tautachrome auditors any material weaknesses in internal controls; and

   ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 11, 2017

By: */s/ Dr. Jon Leonard*
Dr. Jon Leonard,
Chief Executive Officer

EXHIBIT 32.1

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 TAUTACHROME, INC. (the "Company") on Form 10-Q as filed with the Securities and Exchange Commission on the date hereof (the "Report'), I, Dr. Jon Leonard, Chief Executive Officer of the Company, certify, pursuant to 18 USC section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(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: May 11, 2017

By: */s/ Dr. Jon Leonard*
Dr. Jon Leonard,
Chief Executive Officer