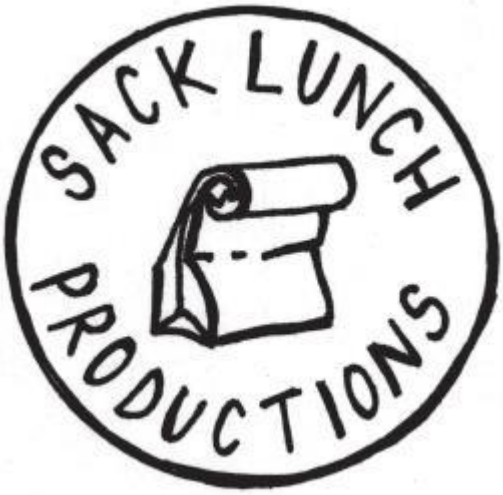

http://www.sacklunchproductions.com

Sack Lunch Productions, Inc. and Subsidiaries
Quarterly Financial Report

(Unaudited)

For the Three months ended March 31, 2015

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Item I: Exact name of the issuer and the address of its principal executive office

Sack Lunch Productions, Inc.
59 West 100 South, Second Floor, Salt Lake City, Utah 84101
Office: 801-575-8073
Fax: 801-575-8092
Web: www.sacklunchproductions.com

Item II: Shares outstanding

Common Stock		March 31, 2015	December 31, 2014
(i)	Number of shares authorized	25,000,000,000	25,000,000,000
(ii)	Number of shares outstanding	71,555,530	64,821,834
(iii)	Freely tradable shares (public float)	55,786,026	49,052,330
(iv)	Total number of beneficial shareholders (1)	3,100	3,100
(v)	Total number of shareholders of record	55	55

(1) Estimate of all holders in brokerage accounts.

Class A Preferred Stock		March 31, 2015	December 31, 2014
(i)	Number of shares authorized	10,000,000	10,000,000
(ii)	Number of shares outstanding	142,750	142,750
(iii)	Freely tradable shares (public float)	- - - -	- - - -
(iv)	Total number of beneficial shareholders	3	3
(v)	Total number of shareholders of record	3	3

Class B Preferred Stock		March 31, 2015	December 31, 2014
(i)	Number of shares authorized	20,000,000	20,000,000
(ii)	Number of shares outstanding	15,000,000	15,000,000
(iii)	Freely tradable shares (public float)	- - - -	- - - -
(iv)	Total number of beneficial shareholders	1	1
(v)	Total number of shareholders of record	1	1

Class C Preferred Stock		March 31, 2015	December 31, 2014
(i)	Number of shares authorized	20,000,000	20,000,000
(ii)	Number of shares outstanding	1,432,097	1,486,333
(iii)	Freely tradable shares (public float)	- - - -	- - - -
(iv)	Total number of beneficial shareholders	35	35
(v)	Total number of shareholders of record	35	35

Item III: Interim Financial Statements

Sack Lunch Productions, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash, includes restricted escrow amounts of $239,045 and $321,693, respectively	$ 1,268,673	$ 730,208
Investments in Marketable securities	33,741	62,401
Accounts receivable, net of allowance for doubtful accounts of $249,125 and $243,614, respectively	611,284	804,628
Due from affiliates	---	1,637
Inventory	194,389	236,659
Prepaid expenses	306,094	26,300
Current portion of notes receivable	1,034	31,093
Total current assets	2,415,215	1,892,926
Property and equipment, net of accumulated depreciation of $1,126,804 and $1,075,429, respectively	1,595,278	1,493,308
Notes receivable	175,076	173,781
Film costs, net amortization	345,761	345,761
Other assets	245,944	235,584
Total assets	$ 4,777,274	$ 4,141,360
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 2,735,613	$ 2,511,085
Deferred revenue	1,383,754	688,429
Deferred rent	98,441	103,174
Due to related parties	202,966	205,575
Derivative liability	161,870	31,424
Current portion of notes payable	546,883	512,346
Current portion of notes payable, related party	91,596	87,532
Current portion of capital lease obligations	22,626	21,701
Current portion of convertible notes payable, net of debt discount of $79,516 and $0, respectively	78,484	135,000
Total current liabilities	5,322,233	4,296,266
Long-term liabilities		
Notes payable	697,491	700,758
Notes payable, related party	19,315	---
Capital lease obligations	6,928	12,945
Total long-term liabilities	723,734	713,703
Total liabilities	6,045,967	5,009,969
Stockholders' deficit		
Series A preferred stock, par value $0.001; 10,000,000 shares authorized; 142,750 shares issued and outstanding shares	143	143
Series B preferred stock, par value $0.001; 20,000,000 shares authorized; 15,000,000 shares issued and outstanding shares	15,000	15,000
Series C preferred stock, par value $0.001; 5,000,000 shares authorized; 1,432,097 and 1,468,333 shares issued and outstanding, respectively	1,432	1,487
Common stock, par value $0.0001; 25,000,000,000 shares authorized; 71,555,530 and 64,821,834 shares issued and outstanding, respectively	7,155	6,482
Additional paid-in capital	36,072,536	35,765,276
Subscription receivable for subsidiary stock	(198,000)	---
Accumulated deficit	(36,150,021)	(35,846,072)
Accumulated other comprehensive income	15,994	15,994
Total Sack Lunch Productions, Inc. and subsidiaries stockholders' deficit	(235,761)	(41,690)
Non-controlling interest	(1,032,932)	(826,919)
Total stockholders' deficit	(1,268,693)	(868,609)
Total liabilities and stockholders' deficit	$ 4,777,274	$ 4,141,360

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

Sack Lunch Productions, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31,	
	2015	**2014**
Revenue		
Services, net of discounts	$ 504,517	$ 616,567
Product, net of discounts	239,619	220,898
Rent	13,568	22,988
Entertainment, net of discounts	142,704	87,853
Consulting	5,500	61,360
Total revenue	905,908	1,009,666
Costs and Expenses		
Cost of services	365,383	363,853
Cost of product	162,328	128,803
Depreciation and amortization	51,528	40,283
Amortization of film costs	---	2,291
General and administrative	774,088	590,221
Total operating expenses	1,353,327	1,125,451
Loss from operations	(447,419)	(115,785)
Other income (expense)		
Interest income	2,198	211
Interest expense	(61,308)	(50,028)
Interest expense, related parties	(2,074)	(1,504)
Gain (loss) on derivative fair value adjustment	(30,380)	7,766
Gain on foreign currency translation	---	4,170
Gain on sale of securities	---	1,001,000
Gain on forgiveness of debt	39,195	6,994
Bad debt expense	(4,268)	(5,442)
Other income (expense)	(906)	(956)
Total other income (expenses), net	(57,543)	962,211
Net income (loss)	(504,962)	846,426
Less net loss attributable to noncontrolling interest	201,013	54,856
Net income (loss) attributable to stockholders	$ (303,949)	$ 901,282
Earnings (loss) per share		
Basic:		
Earnings (loss) per common share	$ (0.00)	$ 0.02
Weighted average common shares outstanding	67,968,030	45,419,512
Diluted:		
Earnings per common share	N/A	$ 0.00
Weighted average common shares outstanding	N/A	1,079,381,883

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

Sack Lunch Productions, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Deficit (Continued)
For the three months ended March 31, 2015 and year ended December 31, 2014 (Unaudited)

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury stock and Subscription Receivable	Accumulated Other Comprehensive Income	Non-controlling interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Balances at December 31, 2013	151,000	$ 151	15,000,000	$15,000	1,699,882	$ 1,700	45,419,512	$ 4,542	$ 36,020,061	$ (36,968,515)	$ (60,000)	$ (16,597)	$ (862,072)	$ (1,865,731)
Issuance of 40% ownership in a subsidiary for cash	---	---	---	---	---	---	---	---	---	---	---	---	9,000	9,000
Series C preferred shares cancelled in exchange for return of non-marketable securities	---	---	---	---	(200,000)	(200)	---	---	(999,800)	---	---	---	---	(1,000,000)
Conversion of notes payable to subsidiary common shares	---	---	---	---	---	---	---	---	654,935	---	---	---	---	654,935
Issuance of additional shares by a subsidiary for cash	---	---	---	---	---	---	---	---	75,000	---	---	---	---	75,000
Series A preferred shares retired from treasury stock	(6,000)	(6)	---	---	---	---	---	---	(59,994)	---	60,000	---	---	---
Increase NCI for ownership change in acquired subsidiary	---	---	---	---	---	---	---	---	---	---	---	---	12,496	12,496
Conversion of Series C preferred shares to Common shares	---	---	---	---	(7,869)	(8)	4,352,322	435	(427)	---	---	---	---	---
Conversion of Series A preferred shares to Common shares	(2,250)	(2)	---	---	---	---	2,550,000	255	(253)	---	---	---	---	---
Conversion of Series C preferred shares to Common shares	---	---	---	---	(5,680)	(5)	2,500,000	250	(245)	---	---	---	---	---
Issuance of shares to a related party to settle existing payable	---	---	---	---	---	---	10,000,000	1,000	76,000	---	---	---	---	77,000
Other Comprehensive Income adjustment	---	---	---	---	---	---	---	---	---	---	---	32,591	---	32,591
Net loss	---	---	---	---	---	---	---	---	---	1,122,443	---	---	13,657	1,136,100
Balances at December 31, 2014	142,750	143	15,000,000	15,000	1,486,333	1,487	64,821,834	6,482	35,765,277	(35,846,072)	-	15,994	(826,919)	(868,609)
Series C preferred shares cancelled	---	---	---	---	(43,610)	(44)	---	---	44	---	---	---	---	---
Conversion of notes payable to subsidiary common shares	---	---	---	---	---	---	---	---	35,805	---	---	---	---	35,805
Conversion of Series C preferred shares to Common shares	---	---	---	---	(10,626)	(11)	6,733,696	673	(663)	---	---	---	---	---

Sack Lunch Productions, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Deficit (Continued)
For the three months ended March 31, 2015 and year ended December 31, 2014 (Unaudited)

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury stock and Subscription Receivable	Accumulated Other Comprehensive Income	Non-controlling interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Issuance of subsidiary stock in exchange for subscription receivable	---	---	---	---	---	---	---	---	272,073	---	(198,000)	---	---	74,073
Decrease NCI for ownership change in acquired subsidiary	---	---	---	---	---	---	---	---	---	---	---	---	(5,000)	(5,000)
Other Comprehensive Income adjustment	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Net loss	---	---	---	---	---	---	---	---	---	(303,949)	---	---	(201,013)	(504,962)
Balances at March 31, 2015	142,750	$ 143	15,000,000	$15,000	1,432,097	$ 1,432	71,555,530	$ 7,155	$ 36,072,536	$ (36,150,021)	$ (198,000)	$ 15,994	$ (1,032,932)	$ (1,268,693)

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

Sack Lunch Productions, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31, 2015	2014
Cash flows from operating activities		
Net income (loss)	$ (504,962)	$ 846,426
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	51,528	40,283
Amortization of film costs	---	2,291
(Gain) loss on derivative liability fair value adjustment	30,380	(7,766)
(Gain) loss on settlement of debenture debt	---	(6,994)
(Gain) loss on forgiveness of non-related party convertible debt	(39,195)	---
(Gain) Loss on forgiveness of non-related party notes payable	---	(600)
(Gain) loss on sale of investments (see Note 4)	---	(1,000,000)
Amortization of debt discount	14,532	15,167
Stock issued by a subsidiary for compensation	74,073	---
Initial derivative expense	6,018	---
Changes in assets and liabilities:		
Accounts receivable	193,344	(47,335)
Certificate of Deposit	28,660	---
Due from affiliates	1,637	---
Notes receivable - short term	28,966	---
Inventories	42,270	(8,693)
Prepaid expenses	(279,794)	(3,533)
Other assets	(9,420)	(15,981)
Accounts payable and accrued liabilities	220,624	261,697
Deferred revenue	695,325	(8,484)
Deferred rent expense	(4,733)	(1,307)
Net cash provided by operating activities	549,253	65,171
Cash flows from investing activities		
Purchases of property, plant, & equipment	(153,345)	(51,938)
Net cash paid in business combinations	(5,000)	---
Net cash used in investing activities	(158,345)	(51,938)
Cash flows from financing activities		
Payments made on capital leases	(5,092)	(4,309)
Payments made on notes payable	(51,610)	(16,890)
Payments made on notes payable, related parties	(1,703)	(9,237)
Proceeds from issuance of subsidiary stock	---	51,250
Proceeds from issuance of convertible notes payable	98,000	---
Proceeds from issuance of notes payable	82,880	38,949
Proceeds from issuance of notes payable, related parties	25,082	---
Net cash provided by financing activities	147,557	59,763
Net increase in cash	538,465	72,996
Cash at beginning of period	730,208	429,396
Cash at end of period	$ 1,268,673	$ 502,392
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 7,842	$ 5,264
Noncash investing and financing activities:		
Other comprehensive income adjusted	$ ---	$ 142
Conversions of convertible notes and accrued interest to subsidiary stock	$ 25,000	$ 661,896
Equipment purchased under capital lease	$ ---	$ 6,042

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

Sack Lunch Productions, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

NOTE 1 – ORGANIZATION AND BASIS OF FINANCIAL STATEMENT PRESENTATION

Organization and Nature of Operations

Sack Lunch Productions, Inc. ("SAKL") was incorporated under the laws of the State of Colorado on April 20, 1987 as Metropolitan Acquisition Corporation. On October 5, 2000, SAKL merged with a Nevada corporation with the same name, effectively changing its state of domicile from Colorado to Nevada. SAKL later changed its state of incorporation to Utah. SAKL is a holding company of a number of subsidiary companies.

SAKL's operating subsidiaries during the three months ending March 31, 2015 include the following:

- WG Productions Company. ("WG")
  - Lantern Fest, LLC. ("Lantern")
  - Slide the City, LLC ("Slide")
  - Slide the City Canada, LLC ("STC CAN")
  - Slide the City Franchising, LLC ("Franchise")
- Redline Entertainment, Inc. ("Redline")
- Green Endeavors, Inc. ("Green")
  - Landis Salons, Inc. ("Landis")
  - Landis Salons II, Inc. ("Landis II")
  - Landis Experience Center, LLC. ("LEC")
- Downtown Development Corporation ("DDC")
- Wasatch Capital Corporation ("WCC")
- Diversified Management Solutions, Inc. ("DMS")

WG Productions Company ("WG"), a Utah corporation, was organized on August 6, 2009, as Revel Entertainment, Inc. In May 2013, its name was changed to WG Productions Company. WG is a wholly-owned subsidiary of SAKL. WG was formed to produce films for its own account and for third parties and has added event ownership and management to its business activities. WG owns majority interest in the following two subsidiaries:

- Lantern Fest, LLC ("Lantern"), a Utah limited liability company, was organized on December 5, 2013, for the purpose of operating Lantern Fest™ events around the United States and Canada. Lantern is a 66.666% owned subsidiary of WG. The website for Lantern is http://www.thelanternfest.com.

- Slide the City, LLC ("Slide"), a Utah limited liability company, was organized on June 24, 2013 for the purpose of operating Slide the City™ events worldwide. Slide is a 66.666% owned subsidiary of WG. The website for Slide is http://www.slidethecity.com.

- Slide the City Canada, LLC ("STC CAN"), a Utah limited liability company, was organized on December 6, 2014 for the purpose of operating Slide the City™ events in Canada. STC CAN is a 66.666% owned subsidiary of WG.

- Slide the City Franchising, LLC ("STC Franchise"), a Utah limited liability company, was organized on August 19, 2014 for the purpose of extending Slide the City™ events worldwide through franchisee rights licensing. STC Franchise is a 66.666% owned subsidiary of WG.

Redline Entertainment, Inc. ("Redline"), a Utah corporation, was organized on April 15, 2010. Redline is a wholly-owned subsidiary of SAKL and was incorporated to license the foreign distribution rights of films produced by WG and third-party production companies.

Green Endeavors, Inc. ("Green"), a Utah corporation, was originally was organized under the laws of the State of Delaware on April 25, 2002 as Jasper Holdings.com, Inc. Green is a 42.38% owned subsidiary of SAKL. As of March 31, 2015 SAKL controlled 87.96% of outstanding votes. Green is a publicly traded corporation under the stock symbol GRNE.

- Landis Salons, Inc. ("Landis"), a Utah corporation, was organized on May 4, 2005 for the purpose of operating an Aveda™ Lifestyle Salon. Landis is a wholly-owned subsidiary of Green Endeavors, Inc.

- Landis Salons II, Inc. ("Landis II"), a Utah corporation, was organized on March 17, 2010 for the purpose of opening a second Aveda™ Lifestyle Salon in the Marmalade area of Salt Lake City. Landis II is a wholly-owned subsidiary of Green Endeavors, Inc.

- Landis Experience Center, LLC ("LEC"), a Utah limited liability company, was organized in August, 2012 primarily for the purpose of selling Aveda™ retail products in the City Creek mall in downtown Salt Lake City. LEC is a wholly-owned subsidiary of Green Endeavors, Inc.

Downtown Development Corporation ("DDC"), a Utah corporation, was incorporated on November 30, 1999. DCC is a wholly-owned subsidiary of SAKL. DDC owns a 6,000 square foot commercial property in Salt Lake City, Utah.

Wasatch Capital Corporation ("WCC"), a Utah corporation, was incorporated on June 10, 1991. WCC is a wholly-owned subsidiary of SAKL. WCC owns two residential rental properties in Salt Lake City.

Basis of Presentation

The consolidated financial statements include the accounts of Sack Lunch Productions, Inc. and its subsidiaries after elimination of intercompany accounts and transactions. In addition, SAKL consolidates various entities for which it is deemed to be the primary beneficiary. SAKL's controlling share of earnings or losses of subsidiaries is included in the consolidated operating results using the equity method of accounting.

SAKL consolidates entities under control and records a noncontrolling interest for the portions not owned by SAKL. Control is determined, where applicable, by the sufficiency of equity invested and the rights of the equity holders, and by the ownership of a majority of the voting interests, with consideration given to the existence of approval or veto rights granted to the minority shareholder. If the minority shareholder holds substantive participating rights, it overcomes the presumption of control by the majority voting interest holder. In contrast, if the minority shareholder simply holds protective rights (such as consent rights over certain actions), it does not overcome the presumption of control by the majority voting interest holder.

The consolidated balance sheets as of March 31, 2015 and December 31, 2014 and the consolidated statements of operations and cash flows for the periods presented have been prepared by SAKL and are unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. The results of operations presented in the accompanying consolidated financial statements for the three months ended March 31, 2015, are not necessarily indicative of the results that may be expected for the 12 months ending December 31, 2015.

Use of Estimates in the Preparation of the Financial Statements

The consolidated financial statements are prepared in conformity with U.S. GAAP, which requires the use of estimates, judgments and assumptions that affect the amounts of assets and liabilities at the reporting date and the amounts of revenue and expenses in the periods presented. We believe that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Investments with original maturities of three months or less at the time of purchase are considered cash equivalents. As of March 31, 2015 and December 31, 2014, SAKL had no cash equivalents.

Inventory

Inventory consists of items held for resale and is carried at the lower of cost or market. SAKL's inventory consists of hair care products in its salon operations. Cost is determined using the first-in, first-out ("FIFO") method. Market is determined based on the estimated net realizable value, which generally is the merchandise selling price. Inventory levels are reviewed in order to identify slow-moving merchandise and damaged items and markdowns are used to clear merchandise.

Film Costs

All direct negative film costs incurred in the physical production of a film are capitalized and included separately on the Balance Sheet as Film costs. Direct negative film costs include costs of story and scenario; compensation of cast, directors, producers, extras, and miscellaneous staff; costs of set construction and operations, wardrobe, and accessories; costs of sound synchronization; rental facilities on location; and postproduction costs, such as music, special effects and editing. The costs incurred for significant changes shall be added to film costs and subsequently charged to expense when the related revenue is recognized.

Amortization of film costs begin when a film is released and it begins to recognize revenue from that film. The film costs are amortized using the individual-film-forecast-computation method, which amortizes film costs in the same ratio that current period actual revenue bears to estimated remaining unrecognized ultimate revenue as of the beginning of the current fiscal year.

Ultimate revenue to be included in the denominator of the individual-film-forecast-computation method fraction shall include estimates of revenue that is expected to be recognized from the exploitation, exhibition, and sale of a film in all markets and territories.

See FASB Accounting Standards Codification ("ASC") Topic 926-20-35.

Property and Equipment

Property and equipment are stated at cost. Expenditures that materially increase the life of the assets are capitalized. Ordinary maintenance and repairs are charged to expense as incurred. When assets are sold, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized at that time. All capital leases are added to the property and equipment and depreciated over the life of the assets. Depreciation is computed on the straight-line method over the following useful lives:

Buildings	27.5-39 years
Computer equipment and related software	3 years
Leasehold improvements	Shorter of the lease term or the estimated useful life
Furniture, equipment and fixtures	3-10 years
Vehicles	5 years

When commercial buildings are sold, the net depreciated basis is deducted from the net cash and other consideration received and the difference is reported as a net gain or loss.

The following is a summary of SAKL's Property and equipment by major category as of March 31, 2015:

	Cost	Accumulated Depreciation	Net
Computer equipment and related software	$ 97,642	$ (81,351)	$ 16,291
Construction in process	1,000	- - - -	1,000
Leasehold improvements	630,834	(428,806)	202,028
Furniture and fixtures	65,369	(45,090)	20,279
Leased equipment	76,298	(42,618)	33,680
Equipment	539,470	(212,524)	326,946
Vehicle	82,621	(39,412)	43,209
Building and Improvements	736,474	(265,010)	471,464
Land	467,220	- - - -	467,220
Signage	25,154	(11,993)	13,161
Total	$ 2,722,082	$ (1,126,804)	$ 1,595,278

The following is a summary of SAKL's Property and equipment by major category as of December 31, 2014:

	Cost	Accumulated Depreciation	Net
Computer equipment and related software	$ 97,642	$ (79,084)	$ 18,558
Construction in process	24,905	- - - -	24,905
Leasehold improvements	625,004	(410,010)	214,994
Furniture and fixtures	51,257	(43,512)	7,745
Leased equipment	76,298	(38,803)	37,495
Equipment	382,162	(197,826)	184,336
Vehicle	82,621	(36,354)	46,267
Building and Improvements	736,474	(258,448)	478,026
Land	467,220	- - - -	467,220
Signage	25,154	(11,392)	13,762
Total	$ 2,568,737	$ (1,075,429)	$ 1,493,308

Fair Value Measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1 – Quoted prices for identical instruments in active markets;
- Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Investments in Equity Securities

Marketable Securities

SAKL considers all of its investments in marketable securities as available-for-sale. Available-for-sale securities are stated at fair value, with the unrealized gains and losses presented net of tax and reported as a separate component of Stockholders' equity. Realized gains and losses are determined using the specific identification method. Gains are recognized when realized and are recorded in the Consolidated Statements of Operations as Other income. Losses are recognized as realized or when SAKL has determined that an other-than-temporary decline in fair value has occurred.

Non-Marketable Securities

SAKL uses either the cost or the equity method of accounting to account for its long-term, non-marketable investment securities. If SAKL determines that an other-than-temporary decline exists in a non-marketable equity security, SAKL writes down the investment to its fair value and records the related write-down as an investment loss in the Consolidated Statements of Operations.

Long-Lived Assets

SAKL's long-lived assets consist of property, plant, and equipment and other intangible assets, excluding goodwill. SAKL recognizes impairment losses as the difference between historical cost and fair value of the asset, less costs to sell, when management determines that events and circumstances indicate a need to assess impairment, and when that assessment indicates that historical cost materially exceeds fair value, less costs to sell. There was no impairment expense of long-lived assets during the three months ended March 31, 2015 and for the year ended December 31, 2014.

Basic and Diluted Income (Loss) Per Common Share

SAKL computes net income (loss) per common share by dividing the net income (loss) available to common stockholders for the period by the weighted average number of common and potentially dilutive shares during the specified period. The calculation of diluted net income (loss) per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive. For the three months ended March 31, 2015, potential common shares were excluded from the computation of diluted loss per share because their effect would be anti-dilutive. There were 1,291,549,595 such potentially dilutive shares excluded as of March 31, 2015. For the three months ended March 31, 2014, diluted earnings per common share amounted to $0.00083.

Deferred Revenue

Deferred revenue arises when customers pay for products and/or services in advance of revenue recognition. SAKL's deferred revenue consists of unearned revenue associated with the purchase of gift certificates, event ticket sales, or franchise ownership sales for which revenue is recognized only when the service is performed, the product is delivered, the event takes place, or all training obligations have been satisfied.

As of March 31, 2015 and December 31, 2014 the classes of deferred revenue consisted of the following:

	Deferred Revenue by type as of	
	March 31, 2015	December 31, 2014
Gift cards	$ 54,020	$ 62,755
Advance ticket sales	787,606	47,206
Franchise fee revenue	462,250	498,500
Film distributor deposits	79,878	79,968
Total deferred revenue	$ 1,383,754	$ 688,429

Revenue Recognition

SAKL recognizes revenue from its three main sources of revenue as follows:

Event Revenue

Event revenue is recorded in the period in which it is earned in accordance with event dates and franchise agreements and contracts. Event ticket sales are recognized in the month in which the event takes place and are deferred prior to the event taking place. Franchise set-up fees are recognized once required training with franchisee has been completed, and royalties are recognized in the month in which the event takes place. All franchise revenues are deferred until obligations have been satisfied and services rendered.

Sales – Salon

Revenue from sale of services and products is recognized at the date the services are provided, or when the products are delivered to the customer.

Film Distribution

Film revenue is recorded in the period in which it is earned in accordance with film commission agreements and contracts. Film commissions are typically due when a distributor has executed a distribution contract and received notice of delivery of materials. See FASB Accounting Standards Codification ("ASC") Topic 926-605 and Accounting Standards Update ("ASU") 2011-04.

Rental Revenue

Rental revenue is recorded in the period in which it is earned in accordance with rental agreements and lease contracts. Rent payments are typically due by the first of each month.

Advertising and Promotional Expense

SAKL expenses advertising costs the first time the advertising occurs. Advertising expense was $70,748 for the three months ended March 31, 2015, and $31,597 for the three months ended March 31, 2014.

Stock-based Compensation

SAKL recognizes the cost of employee services received in exchange for awards of equity instruments as stock-based compensation expense. Stock-based compensation expense is measured at the grant date based on the value of the restricted stock award, option or purchase right and is recognized as expense, less expected forfeitures, over the requisite service period, which typically equals the vesting period. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. The fair value of each restricted stock issuance is determined using the fair value of SAKL's common stock on the grant date.

Determining the fair value of stock-based awards at the grant date requires judgment, including estimating the following:

- Expected volatility of our stock;
- Expected term of stock options;
- Risk-free interest rate for the period;
- Expected dividends, if any; and
- Expected forfeitures.

The computation of the expected volatility assumption used in the Black-Scholes option pricing model for new grants is based on implied volatility when the remaining maturities of the underlying traded options are at least one year and, when the remaining maturities of the underlying traded options are less than one year, it is based on an equal weighting of historical and implied volatilities.

When establishing the expected life assumption, SAKL reviews annual historical employee exercise behavior with respect to option grants having similar vesting periods. The risk-free interest rate for the period within the expected term of the option is based on the yield of United States Treasury notes in effect at the time of grant. SAKL has not historically paid dividends, thus the expected dividends used in any calculations are zero. Judgment is required in estimating the amount of stock-based awards that SAKL expects to be forfeited. SAKL calculates an expected forfeiture rate for stock options issuances based on historical trends.

The valuation of all options, including the expected life and forfeiture rates of stock options, are calculated based on one employee pool because there is no significant difference in exercise behavior between classes of employees.

Options granted by SAKL are most often exercised immediately after the grant date. Consequently, SAKL has determined the fair value of the options based on the market price of SAKL's stock on the date of grant.

As of March 31, 2015 and December 31, 2014, SAKL had no outstanding options or warrants to purchase shares of its common stock.

Income Taxes

Deferred income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Also, SAKL's practice is to recognize interest and/or penalties related to income tax matters in income tax expense.

As of March 31, 2015, SAKL's deferred tax assets, which are solely related to net operating losses, have been fully offset by a valuation allowance.

Noncontrolling Interest in Subsidiary

On January 1, 2009, SAKL adopted new accounting guidance which clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The new guidance also requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest and requires disclosure, on the face of the consolidated statement of operations, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. In addition, it establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that does not result in deconsolidation and requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated unless the deconsolidation is an in-substance sale of real estate.

The new guidance on noncontrolling interests was required to be applied prospectively after adoption, with the exception of the presentation and disclosure requirements, which were applied retrospectively for all periods presented. As a result, SAKL reclassified noncontrolling interests to permanent equity in the accompanying consolidated balance sheets.

Recent Accounting Pronouncements

Management believes the impact of other recently issued standards and updates, which are not yet effective, will not have a material impact on SAKL's consolidated financial position, results of operations or cash flows upon adoption.

NOTE 3 – GOING CONCERN

SAKL's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of March 31, 2015, SAKL had negative working capital of $2,907,018 and an accumulated deficit through March 31, 2015 of $36,150,021. In addition, SAKL has defaulted on several of its liabilities. These matters raise substantial doubt about SAKL's ability to continue as a going concern.

Primarily, revenues have not been sufficient to cover SAKL's operating costs. Management's plans to enable SAKL to continue as a going concern include the following:

- Creating new types of events for the events line of business;
- Increasing the number of event locations for existing events;
- Generating additional revenues through increasing the number films we distribute for third parties;
- Producing higher quality films specifically tailored to sell in specific markets;
- Increase retail sales of Landis Salons, Inc.;
- Open new salon locations;
- Increasing the number of films produced for our own account and third parties;
- Generating additional revenues through increasing the number films we distribute for third parties;
- Increasing revenues from rental properties by implementing new marketing programs;
- Making improvements to certain rental properties in order to make them more marketable;
- Reduce expenses through consolidating or disposing of certain subsidiary companies;
- Obtain operating capital through debentures;
- Convert certain debt into shares of SAKL's common stock; and,
- Raising capital through planned public and private offerings.

There can be no assurance that SAKL can or will be successful in implementing any of its plans or that it will be successful in enabling SAKL to continue as a going concern. SAKL's consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4 – FAIR VALUE MEASUREMENTS

Marketable Securities

SAKL considers all of its investments in marketable equity securities as available-for-sale. Available-for-sale equity securities are stated at fair value, with the unrealized gains and losses presented net of tax and reported as a separate component of Stockholders' equity. Realized gains and losses are determined using the specific identification method. Gains are recognized when realized and are recorded in the Consolidated Statements of Operations as Other income (expense), net. Losses are recognized as realized or when SAKL has determined that an other-than-temporary decline in fair value has occurred.

Our financial assets and liabilities carried at fair value are measured on a recurring basis. As of March 31, 2015 and December 31, 2014, they consisted of the following:

	Fair Value Measurements as of March 31, 2015:			
	Total	Level 1	Level 2	Level 3
Assets				
Available-for-sale securities	$ 33,741	$ 33,741	$ - - - -	$ - - - -
Total assets	$ 33,741	$ 33,741	$ - - - -	$ - - - -
Liabilities				
Derivative liability	$ 161,870	$ - - - -	$ 161,870	$ - - - -
Total liabilities	$ 161,870	$ - - - -	$ 161,870	$ - - - -

	Fair Value Measurements as of December 31, 2014:			
	Total	Level 1	Level 2	Level 3
Assets				
Available-for-sale securities	$ 62,401	$ 62,401	$ - - - -	$ - - - -
Total assets	$ 62,401	$ 62,401	$ - - - -	$ - - - -
Liabilities				
Derivative liability	$ 31,424	$ - - - -	$ 31,424	$ - - - -
Total liabilities	$ 31,424	$ - - - -	$ 31,424	$ - - - -

It is SAKL's policy to review the fair value of these marketable equity securities on a regular basis to determine whether its investments in these companies are other-than-temporarily impaired. This evaluation includes, but is not limited to, reviewing each company's cash position, financing needs, earnings or revenue outlook, operational performance, management or ownership changes and competition. If SAKL believes the carrying value of an investment is in excess of its fair value, and this difference is other-than-temporary, it is SAKL's policy to write down the investment to reduce its carrying value to fair value. These impairments are included in Other income (expense), net in the Consolidated Statement of Operations. SAKL did not recognize an other-than-temporary impairment of its available-for-sale equity securities during the three months ended March 31, 2015 and the year ended December 31, 2014.

As of March 31, 2015, Green has a $161,870 derivative liability balance on the balance sheet, and for the three months ended March 31, 2015, the Company recorded a $30,380 loss from derivative liability fair value adjustments. The derivative liability activity comes from convertible notes payable.

Eastshore Enterprises, Inc.

On August 17, 2012, Green issued a $35,000 Convertible Promissory Note to Eastshore Enterprises, Inc. ("Eastshore Note") that matured August 17, 2014. The Eastshore Note bears interest at a rate of 8% per annum and can be convertible into Green's common shares, at the holder's option, at the conversion rate of 54% of the market price (a 46% discount) of the lowest trading price of Green's common shares during the ten-day period ending one trading day prior to the date of the conversion. Green analyzed the conversion feature of the agreement for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to "reset" provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. The Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. See GRNE 10-Q filing on May 26, 2015.

KBM Worldwide, Inc.

As discussed in Note 7 – "Debt", on January 26, 2015, Green issued a $64,000 Convertible Promissory Note to KBM Worldwide, Inc. ("KBM Note") that matures October 28, 2015. The KBM Note bears interest at a rate of 8% per annum and can be convertible into Green's common shares, at the holder's option, at the conversion rate of 58% of the market price (a 42% discount) of an average of the lowest trading price of Green's common shares during the ten-day period ending one trading day prior to the date of the conversion. Green analyzed the conversion feature of the agreement for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to "reset" provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. The Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. See GRNE 10-Q filing on May 26, 2015.

LG Capital Funding, LLC

As discussed in Note 7 – "Debt", on March 25, 2015, Green issued a $34,000 Convertible Promissory Note to LG Capital Funding, LLC ("LGCF Note") that matures March 25, 2016. The LGCF Note bears interest at a rate of 8% per annum and can be convertible into Green's common shares, at the holder's option, at the conversion rate of 58% of the market price (a 42% discount) of an average of the lowest trading price of Green's common shares during the eighteen-day period ending on the date of the conversion. Green analyzed the conversion feature of the agreement for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to "reset" provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. The Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. See GRNE 10-Q filing on May 26, 2015.

Non-Marketable Securities

SAKL uses either the cost or equity method of accounting to account for its long-term, non-marketable investment securities. SAKL no gain in the three months ended March 31, 2015, as compared to a realized, non-cash gain of $1,000,000 on the disposal of non-marketable investments during the three months ending March 31, 2014. If SAKL determines that an other-than-temporary decline exists in a non-marketable equity security, SAKL writes down the investment to its fair value and records the related write-down as an investment loss in the Consolidated Statements of Operations. As of March 31, 2015 and December 31, 2014, the non-marketable securities were $0. There was a write-down due to other-than-temporary declines in the amount of $2,000,000 during the year ended December 31, 2011. The securities written down have subsequently been exchanged back for the original consideration given. This has resulted in a non-cash gain on sale of securities.

NOTE 5 – INVENTORY

SAKL's inventory consists of finished goods products that are held for resale at all locations or that are used for the services provided by the salons and event companies. Inventory is carried at the lower of cost or market. As of March, 31, 2015 and December 31, 2014, inventory amounted to $194,389 and $236,659, respectively.

NOTE 6 – NOTES RECEIVABLE

A summary of notes receivable as of March 31, 2015 and December 31, 2014 is as follows:

	Interest Rate	Maturity Date	March 31, 2015	December 31, 2014
Bandaloops, LLC	- - - -	05/01/21	$ 175,076	$ 173,781
Cyborg X Movie, LLC	10%	08/13/15	- - - -	30,000
Total			175,076	202,458
Less: current portion of notes receivable			- - - -	(30,000)
Total long-term portion of notes receivable			$ 175,076	$ 173,781

NOTE 7 – DEBT

A summary of notes payable as of March 31, 2015 and December 31, 2014 is as follows:

Notes Payable:	Interest Rate	Maturity Date	March 31, 2015	December 31, 2014
Note payable due to a corporation	20.00%	05/17/07	$ 250,000	$ 250,000
Note payable due to a partnership	8.00%	07/21/12	27,873	27,873
Note payable due to a corporation	3.25%	08/01/15	- - - -	12,520
Note payable due to a bank	6.50%	05/23/21	573,644	576,882
Note payable due to an individual	11.00%	02/27/16	16,989	18,115
Note payable due to a corporation	5.00%	09/01/17	26,557	29,035
Note payable due to a bank	- - - -	02/09/19	21,094	22,440
Note payable due to a partnership	7.99%	03/03/19	10,159	10,681
Note payable due to a bank	12.00%	08/02/16	199,707	225,558
Note payable due to an individual	8.00%	10/01/16	40,000	40,000
Note payable due to a bank*	12.00%	08/02/16	78,352	- - - -
Total notes payable			1,244,375	1,213,104
Less: current portion of notes payable			(402,222)	(512,346)
Total long-term portion of notes payable			$ 842,153	$ 700,758

* On February 3, 2015, the Landis Salons II, Inc. entered into a loan agreement with American Express Bank, FSB in the amount of $74,000. The note is a merchant account financing arrangement wherein Landis repays the loan at the rate of 30% of the American Express credit card sales receipts that are collected each month. The loan requires a prepaid interest charge that is 12% ($8,880) of the $74,000 loan amount. These financing costs are being amortized monthly to interest expense during the two year term of the loan. The total amount due at the inception date is $82,880. As of March 31, 2015, the loan balance was $78,352. Payments made during the three months ended March 31, 2015, amounted to $4,528.

A summary of convertible notes payable as of March 31, 2015 and December 31, 2014 is as follows:

Convertible Notes Payable:	Interest Rate	Maturity Date	March 31, 2015	December 31, 2014
Note payable due to an individual	8.00%	06/27/13	$ 25,000	$ 25,000
Note payable due to a partnership	- - - -	02/28/13	- - - -	75,000
Note payable due to a corporation	8.00%	08/17/14	35,000	35,000
Note payable due to a corporation (1)	8.00%	10/28/15	64,000	- - - -
Note payable due to a corporation (2)	8.00%	10/28/15	34,000	- - - -
Debt discount – convertible notes, net			(79,516)	- - - -
Total, net			78,484	135,000
Less: current portion of notes payable			(78,484)	(135,000)
Total long-term portion of notes payable			$ - - - -	$ - - - -

(1) On January 26, 2015, pursuant to a Securities Purchase Agreement, Green issued a $64,000 Convertible Promissory Note (the "Note") to KBM Worldwide, Inc. (“KBM”) that matures October 28, 2015. The Note bears interest at a rate of 8% per annum and can be convertible into Green’s common shares, at the holder’s option, at the conversion rate of 58% of the market price (a 42% discount) of the average of the three lowest trading price of Green’s common shares during the ten-day period ending one trading day prior to the date of the conversion, subject to a limitation that KBM and its affiliates cannot at any time hold, as a result of conversion, more than 9.99% of the outstanding common stock of Green. The fair value of the derivative at the inception date of the KBM note was $60,048, which was recorded on the balance sheet. $60,048 was recorded as a debt discount on the balance sheet and $0 was recorded as a credit to non-cash interest expense. As of March 31, 2015, the balance of the note was $64,000 and the balance of the debt discount was $46,073. No payments were made on the note during the three months ended March 31, 2015.

(2) On March 25, 2015, pursuant to a Securities Purchase Agreement, Green issued a $34,000 Convertible Promissory Note (the "Note") to LG Capital Funding, LLC (“LGCF") that matures March 25, 2016. The Note bears interest at a rate of 8% per annum and can be convertible into Green’s common shares, at the holder’s option, at the conversion rate of 58% (a 42% discount) of the average of the three lowest trading price of Green’s common shares during the eighteen-day period ending on the trading day of the conversion notice date, subject to a limitation that LGCF and its affiliates cannot at any time hold, as a result of conversion, more than 9.99% of the outstanding common stock of Green. The fair value of the derivative at the inception date of the LGCF note was $40,018, which was recorded on the balance sheet. $34,000 was recorded as a debt discount on the balance sheet and $6,018 was recorded as non-cash interest expense. As of March 31, 2015, none of the note had been converted into shares of common stock. As of March 31, 2015, the balance of the note was $34,000 and the balance of the debt discount was $33,443. No payments have been made on the note as of March 31, 2015.

NOTE 8 – RELATED PARTIES

A summary of related party notes payable commitments as of March 31, 2015 and December 31, 2014 is as follows:

	Interest Rate	Maturity Date	March 31, 2015	December 31, 2014
Note payable due to Richard Surber, President and CEO of SAKL, with annual payments of $50,000 plus accrued interest	24%	11/20/11	$ 60,829	$ 62,532
Note payable due to Richard Surber, President and CEO of SAKL, with monthly payments of $662 plus accrued interest	20%	11/20/11	25,000	25,000
Note payable due to Richard Surber, President and CEO of SAKL, with monthly payments of $806 plus accrued interest **	18%	03/12/18	25,082	- - - -
Total related party notes payable			110,911	87,532
Less: current portion of related party notes payable			(91,596)	(87,532)
Total long-term portion of related party notes payable			$ 19,315	$ - - - -

** On March 24, 2015, Green Endeavors, Inc. and Landis Salons, Inc. (the "Company") issued a promissory note to Richard Surber, President, CEO and Director of Green, in the principal amount of $25,082 for funds loaned. The note bears interest at the rate of 18% per annum, has a maturity date of March 12, 2018, and requires monthly payments of $806. The Company shall be credited for satisfaction of the note for any payment that it makes of a loan that Mr. Surber is obligated to pay to Upstart Network, Inc., the reported source of the funds loaned to the Company by Mr. Surber. As of March 31, 2015, the balance of the note was $25,082. No principal payments have been made on the note as of March 31, 2015. Mr. Surber is also providing his personal guaranty for several lines of credit and credit cards that are being utilized by the company and its operating subsidiaries.

NOTE 9 – REAL PROPERTY LEASES

SAKL owns one commercial building and two residential homes which it leases out. Lease agreements are generally five years for the commercial building and one year for the residential homes. Annual lease amounts generally increase each year. Commercial tenant leases include reimbursement to SAKL for allocated property taxes, insurance on the building and common area expenses.

NOTE 10 – EQUITY

Preferred Stock

SAKL is authorized to issue 50,000,000 shares of preferred stock with a par value of $0.001 per share. The Preferred Stock can be issued in various series with varying dividend rates and preferences.

As of March 31, 2015 and December 31, 2014, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 142,750 and 142,750 shares, respectively. The Series A Preferred shares have voting rights equal to 100 shares of common stock for every 1 Series A Preferred share, and it may be converted into $10 worth of common stock. A total of 10,000,000 shares have been designated and authorized as Series A Preferred Stock.

As of March 31, 2015 and December 31, 2014, the number of shares of Series B Convertible Preferred Stock issued and outstanding was 15,000,000. The Series B preferred stock holds voting rights equal to 2,000 shares of common stock for each share of the Series B Preferred Stock issued. The shares do not have any conversion rights into common stock or any other class of stock of SAKL. A total of 20,000,000 shares have been designated and authorized as Series B Preferred Stock pursuant to a filing on November 3, 2009.

As of March 31, 2015 and December 31, 2014, the number of shares of Series C Preferred Stock issued and outstanding was 1,432,097 and 1,486,333 shares, respectively. The Series C Preferred shares may be converted into $5.00 worth of common stock and are subject to redemption by SAKL upon a $5.00 cash payment. The Series C Preferred shares hold voting rights equal to 1 share of common stock for every 1 Series C Preferred share. A total of 5,000,000 shares have been designated and authorized as Series C Preferred Stock.

On November 04, 2014 the Board of Directors approved the cancellation and return of 43,610 shares from an individual previously issued for compensation for promotional consulting.

On January 23, 2015 the Board of Directors approved the conversion of 5,950 shares of Series C Preferred shares into 3,233,696 shares of Common Stock. The shares were converted at $0.0092 based on the conversion provisions for the Convertible Series C Preferred Stock designation.

On March 12, 2015 the Board of Directors approved the conversion of 4,676 shares of Series C Preferred shares into 3,500,000 shares of Common Stock. The shares were converted at $0.00668 based on the conversion provisions for the Convertible Series C Preferred Stock designation.

Common Stock

As of March 31, 2015, SAKL was authorized to issue 25 billion shares of common stock with a par value of $0.0001 per share. As of March 31, 2015 and December 31, 2014, the number of common shares issued and outstanding was 71,555,530 and 64,821,834, respectively. The common stock holds voting rights of one vote per share. It has no dividend or preemptive rights.

Subscription receivable

Green Endeavors, Inc. issued options for its stock as part of a stock-based compensation plan during the three months ended March 31, 2015. The options issued were exercised in exchange for a promissory note from employees. The exercise of the options resulted in stock-based compensation expense of $74,073 and a subscription receivable of $198,000. For further information see GRNE 10-Q for March 31, 2015 filed on May 26, 2015.

NOTE 11 – SUBSEQUENT EVENTS

On May 7, 2015, under Rule 506 of the Securities Act of 1933, SAKL offered and sold 5,200 shares of Series C Preferred Stock to Seth Bullough for a total price of $13,000. The certificate was issued with a “restricted” legend and the agreement stated the restrictions on the transferability and sale of the shares under the Securities Act.

In May 2015, the company signed an agreement to reverse a stock exchange agreement which would result in a gain of approximately 950,000 non-cash gain on sale of securities. As of July 21, 2015 the agreement has not been fully performed and no gain has been recorded.

SAKL has evaluated subsequent events through July 21, 2015, which is the date the financial statements were issued.

Item IV: Management's Discussion and Analysis of Plan of Operation

Cautionary Statement Regarding Forward-Looking Statements

The information herein contains certain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that all forward looking statements involve risks and uncertainty, including, without limitation, the ability of SAKL to continue its business strategy, changes in the real estate markets, labor and employee benefits, as well as general market conditions, competition, and pricing. Although SAKL believes that the assumptions underlying the forward looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward looking statements included in this disclosure will prove to be accurate. In view of the significant uncertainties inherent in the forward looking statements included herein, the inclusion of such information should not be regarded as a representation by SAKL or any other person that the objectives and plans of SAKL will be achieved.

General

The current operations of Sack Lunch Productions, Inc. ("SAKL" or the "Company") consist of three principal areas: (1) assisting with the development and production of events and film products (2) the operation of Landis Lifestyle Salons through SAKL's ownership interest in Green Endeavors, Inc. ("GRNE") and (3) the acquisition, leasing and selling of real estate. The following discussion examines SAKL's financial condition as a result of operations for the three months ended March 31, 2015 and 2014.

Results of Operations

The following discussion examines our results of operations and financial condition based on our consolidated financial statements for the three months ended March 31, 2015 and 2014.

Revenue

Three months ended March 31, 2015 and 2014

Gross revenues for the three months ended March 31, 2015 were $905,908 as compared to $1,009,666 for the same period in 2014. The decrease in revenue for the three months ended March 31, 2015 compared with the same period in 2014 was $103,758, or 10.3%, is due to an overall decrease in salon service and product sales as a result of a decrease in service providers.

	Three Months Ended		
	March 31, 2015	March 31, 2014	Change
Services, net of discounts	$ 504,517	$ 616,567	$ (112,050)
Product, net of discounts	239,619	220,898	18,721
Rent	13,568	22,988	(9,420)
Entertainment, net of discounts	142,704	87,853	54,851
Consulting	5,500	61,360	(55,860)
Total revenue	$ 905,908	$ 1,009,666	$ (103,758)

Costs and Expenses

Three months ended March 31, 2015 and 2014

Costs of revenue for the three months ended March 31, 2015, increased to $527,711 from $492,656 for the three months ended March 15, 2014 an increase of $35,055 or 7.1%. This increase over the comparable quarterly period is primarily attributable to an increase in the accounting, marketing, and production staff along with the staff required to operate Slide the City™ and The Lantern Fest™ events.

Cost of services for three months ended March 31, 2015, increased to $365,383 from $363,853 for the three months ended March 31, 2014. This increase over the comparable quarterly period is primarily attributable to an increase in event ticket sales. Cost of products for the three months ended March 31, 2015, increased to $162,328 from $128,803 for the three months ended March 31, 2014.

The following table shows general and administrative expense for the three months ended March 31, 2015 and 2014:

	Three Months Ended		
	March 31, 2015	March 31, 2014	Change
Salaries and wages	$ 310,938	$ 204,548	$ 106,390
Rent	49,207	62,899	(13,692)
Advertising and promotional	70,748	31,597	39,151
Credit card merchant fees	24,193	15,037	9,156
Insurance	42,783	24,688	18,095
Utilities and telephone	19,527	19,200	327
Professional services	115,782	110,090	5,692
Repairs and maintenance	8,380	14,518	(6,138)
Finance charges	1,162	1,498	(336)
Office expense	26,876	2,873	24,003
Travel	30,031	19,512	10,519
Other	74,461	83,761	(9,300)
Total general and administrative expenses	$ 774,088	$ 590,221	$ 183,867

The increase in general and administrative expenses over the comparable quarterly periods is primarily due to increases in salaries and wages from the addition of 3 new employees in the event companies and ; advertising expenses to promote the new Slide the City™ events scheduled for July and August 2015; insurance expenses; and professional services. Other general and administrative expenses are individually insignificant and include dues and subscriptions, property taxes, office supplies, and transfer agent expenses.

Depreciation and amortization expense for the three months ended March 31, 2015, increased to $51,528 from $40,283 for the three months ended March 31, 2014.

Other Expenses, net

Three months ended March 31, 20154 and 2014

Other expense, net, for the three months ended March 31, 2015, was $57,543 compared to other income, net, of $962,211 for the three months ended March 31, 2014. This net increase in expenses over the comparable quarterly period is primarily due to a decrease in the gain on sale of securities of $1,001,000 and an increase of $11,280 in interest expenses.

Net Income (loss)

Three months ended March 31, 2015 and 2014

Our net loss for the three months ended March 31, 2015, was $504,962 compared to net income of $846,426 for the three months ended March 31, 2014. This increase in loss is primarily due to a decrease in revenues of $103,758 as a result of revenues deferred relating to event ticket sales and a decrease of $1,001,000 in gain on sale of securities.

Liquidity and Capital Resources

As of March 31, 2015 and December 31, 2014

We had a working capital deficit of $2,907,018 as of March 31, 2015. Our current assets were $2,415,215, which consisted of $1,268,673 in cash, $33,741 in available-for-sale securities, $611,284 in accounts receivable net of allowance for doubtful accounts, $194,389 in inventory, $306,094 in prepaid expenses, and $1,034 in current portion of notes receivable. Our total assets were $4,777,274, which included $1,595,278 in property and equipment (net), $175,076 in notes receivable, and $345,761 in film costs, net of amortization, and $245,944 in other assets. Our current liabilities were $5,322,233, including $2,735,613 in accounts payable and accrued liabilities, $1,383,754 in deferred revenue (see note 2 under Deferred Revenue), $98,441 in deferred rent, $202,966 due to related parties, $161,870 in the derivative liability, $546,883 in current portion of notes payable, $91,596 in current portion of notes payable, related party, $22,626 in current portion of capital lease obligations, and $78,484 in current portion of convertible notes payable, net of debt discount. Our long-term liabilities were $723,734 and our total liabilities were $5,322,233. Our total stockholders' deficit at March 31, 2015, was $1,268,693.

Cash Flows from Operating Activities

Cash flows from operating activities include net loss, adjusted for certain non-cash charges, as well as changes in the balances of certain assets and liabilities.

Three months ended March 31, 2015 and 2014

Net cash provided by operating activities for the three months ended March 31, 2015, was $158,345 as compared to $65,171 for the three months ended March 31, 2014. The increase in cash provided by operating activities over the comparable period is primarily due to a $240,679 change in accounts payable and accrued liabilities and a $703,809 increase in deferred revenue offset by a change of $276,261 in cash used for prepaid expenses.

We expect to increase cash provided by operating activities over the next twelve months by executing the individual business strategies of our subsidiaries which include, increasing operational efficiencies, reduce discretionary spending, increasing operational levels of Slide the City™ and The Lantern Fest™ events and opening an additional salon. As additional locations are opened, we hope to achieve economies of scale by operating multiple salons with minimal general and administrative staff and expenses.

Cash Flows from Investing Activities

Three months ended March 31, 2015 and 2014

Cash flow used in investing activities for the three months ended March 31, 2015, was $158,345 as compared to $51,938 for the three months ended March 31, 2015. The increase in cash flows used in investing activities is primarily due to an increase in the purchases of property, plant, and equipment of $101,407.

We expect to continue our investing activities, including purchasing both property and equipment for an additional salon location. Additionally, we expect to purchase additional equipment for Slide the City™ events.

Cash Flows from Financing Activities

Three months ended March 31, 2015 and 2014

Cash flows provided by financing activities for the three months ended March 31, 2015, was $147,557 as compared to $59,763 for the three months ended March 31, 2014. The increase in cash flows provided by financing activities over the comparable period is due to an increase in proceeds from the issuance of notes payable, partially offset by a decrease of proceeds from the issuance of subsidiary stock.

Other Factors Affecting Liquidity and Capital Resources

We have insufficient current assets to meet our current liabilities due to negative working capital of $2,907,018 as of March 31, 2015. Historically, we have funded our cash needs from a combination of revenues, carried payables, sales of equity, and debt transactions. Since we are not currently realizing net cash flows from our business, we may need to seek financing to continue our operations. Prospective sources of funding could include shareholder loans, equity sales or loans from other sources though no assurance can be given that such sources would be available or that any commitment of support is forthcoming to date.

We do not intend to pay cash dividends in the foreseeable future.

We expect to purchase property or equipment for an additional salon location. We are currently seeking and analyzing equipment loans and capital leasing options to fund a significant portion of the equipment needed.

We expect to hire approximately 20 stylists over the course of the next 12 months to fully staff our existing salons and in the range of 30 to 40 stylists in the next 24 months to staff an additional salon location. The operating funds needed to carry out this plan will be generated through equity or debt financing.

We expect to continue to expand the event operations of Slide and Lantern. Cash flows from operations are expected to improve liquidity due to such activities.

Going Concern

Primarily, revenues have not been sufficient to cover SAKL's operating costs. Management's plans to enable SAKL to continue as a going concern include the following:

- Creating new types of events for the events line of business;
- Increasing the number of films produced for our own account and third parties;
- Generating additional revenues through increasing the number films we distribute for third parties;
- Producing higher quality films specifically tailored to sell in specific markets;
- Increase retail sales through our Landis Lifestyle Salons;
- Open new salon locations;
- Increasing revenues from rental properties by implementing new marketing programs;
- Making improvements to certain rental properties in order to make them more marketable;
- Reduce expenses through consolidating or disposing of certain subsidiary companies;
- Convert certain debt into shares of SAKL's common stock; and
- Purchasing revenue-producing real estate.

There can be no assurance that SAKL can or will be successful in implementing any of its plans or that it will be successful in enabling SAKL to continue as a going concern. SAKL's consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Impact of Inflation

We compensate some of our salon employees with percentage commissions based on sales they generate. Accordingly, this provides us certain protection against inflationary increases, as payroll expense is a variable cost of sales. In addition, we may increase pricing in our salons to offset any significant increases in wages and cost of services provided. Therefore, we do not believe inflation has had a significant impact on the results of our operations.

Off Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements.

Known Trends, Events, or Uncertainties

General Real Estate Investment Risks

SAKL's investments are subject to varying degrees of risk generally incident to the ownership of real property. Real estate values and income from SAKL's current properties may be adversely affected by changes in national or local economic conditions and neighborhood characteristics, changes in interest rates and in the availability, cost and terms of mortgage funds, the impact of present or future environmental legislation and compliance with environmental laws, the ongoing need for capital improvements, changes in governmental rules and fiscal policies, civil unrest, acts of God, including earthquakes and other natural disasters which may result in uninsured losses, acts of war, adverse changes in zoning laws and other factors which are beyond the control of SAKL.

Value and Illiquidity of Real Estate

Real estate investments are relatively illiquid. The ability of SAKL to vary its ownership of real estate property in response to changes in economic and other conditions is limited. If SAKL must sell an investment, there can be no assurance that SAKL will be able to dispose of it in the time period it desires or that the sales price of any investment will recoup the amount of SAKL's investment.

Property Taxes

SAKL's real property is subject to real property taxes. The real property taxes may increase or decrease as property tax rates change and as the property is assessed or reassessed by taxing authorities. If property taxes increase, SAKL's operations could be adversely affected.

Item V: Defaults upon senior securities

None.

Item VI: Other information

None.

Item VII: Exhibits

None.

Material Contracts

None.

Subsequent Events

On May 7, 2015, under Rule 506 of the Securities Act of 1933, SAKL offered and sold 5,200 shares of Series C Preferred Stock to Seth Bullough for a total price of $13,000. The certificate was issued with a "restricted" legend and the agreement stated the restrictions on the transferability and sale of the shares under the Securities Act.

In May 2015, the company signed an agreement to reverse a stock exchange agreement which would result in a gain of approximately 950,000 non-cash gain on sale of securities. As of July 21, 2015 the agreement has not been fully performed and no gain has been recorded.

The Lantern Fest™ held 4 events in 2015, which generated approximately $415,000 in revenues. As of July 21, 2015, Slide the City™ and its franchisees have held 30 events in North America and in various cities in other regions of the world, including Japan and England.

SAKL has evaluated subsequent events through July 21, 2015, which is the date the financial statements were issued.

Articles of Incorporation

The following items are incorporated by reference from the Annual Report of Sack Lunch Productions, Inc. filed with Pink Sheets on July 14, 2009:

Restated Articles of Incorporation of the Company
Articles of Incorporation of Nexia Holdings, Inc. in Utah
Plan of Merger and Share Exchange Agreement
Bylaws of Nexia Holdings, Inc.

Item VIII: Certifications.

I, Richard D. Surber, certify that:

1. I have reviewed this disclosure statement for the quarter ended March 31, 2015 of Sack Lunch Productions, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: July 21, 2015

/s/ Richard Surber
Richard D. Surber
President, CEO, CFO and Director