

Sack Lunch Productions, Inc. and Subsidiaries

Annual Report

(Unaudited)

For the Years Ended December 31, 2015 and 2014

We previously were a shell company; therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction, pursuant to Rule 144.

Table of Contents

		<u>Page</u>
Part A.	<u>General Company Information</u>	
Item 1	The exact name of the issuer and its predecessor (if any)	3
Item 2	The address of the issuer’s principal executive offices	3
Item 3	The jurisdiction and date of the issuer’s incorporation or organization	3
Part B.	<u>Share Structure</u>	
Item 4	The exact title and class of securities outstanding	3
Item 5	Par or stated value and description of the security	4
Item 6	The number of shares or total amount of the securities outstanding for each class of securities authorized	4
Item 7	The name and address of the transfer agent	5
Part C.	<u>Business Information</u>	
Item 8	The nature of the issuer’s business	5
Item 9	The nature of products or services offered	6
Item 10	The nature and extent of the issuer’s facilities	13
Part D.	<u>Management Structure and Financial Information</u>	
Item 11	The name of the chief executive officer, members of the board of directors, as well as control persons	14
Item 12	Financial information for the issuer’s most recent fiscal period.	17
Item 13	Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence	17
Item 14	Beneficial Owners	40
Item 15	The name, address, telephone number and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure	41
Item 16	Management’s Discussion and Analysis or Plan of Operation	41
Part E.	<u>Issuance History</u>	
Item 17	List of securities offerings and shares issued for services in the past two years.	45
Part F.	<u>Exhibits</u>	
Item 18	Material Contracts	46
Item 19	Articles of Incorporation and Bylaws	47
Item 20	Purchases of Equity Securities by the Issuer and Affiliated Purchasers.	47
Item 21	Issuer’s Certifications	48

Part A: General Company Information

Item 1: Exact name of the issuer and its predecessor (if any).

Sack Lunch Productions, Inc., (FKA Nexia Holdings, Inc., April 15, 2015 name change effective) ("SAKL" or the "Company").

Item 2: The address of the issuer's principal executive offices.

59 West 100 South, Second Floor, Salt Lake City, Utah 84101

Office: 801-575-8073

Fax: 801-575-8092

Web: <http://www.sacklunchproductions.com>

Item 3: The jurisdiction(s) and date of the issuer's incorporation or organization.

SAKL was originally incorporated in 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. In 2009, SAKL changed its domicile to the State of Utah through a merger with a Utah corporation with the same name. Effective April 15, 2015 the name of the Company was changed to Sack Lunch Productions, Inc. SAKL's fiscal year end is December 31.

Part B: Share Structure

Item 4: The exact title and class of securities outstanding.

A. Common Stock -- The Company is authorized to issue 990,000,000 shares of \$0.0001 par value Common Stock. The Company's Common Stock is traded on the Pink Sheets Electronic Quotation Service under the symbol "SAKL" (CUSIP number 785765108). As of April 1, 2016, 142,368,223 shares of the Company's Common Stock were outstanding.

B. Preferred Stock -- The Company is authorized to issue 50,000,000 shares of preferred stock with such rights and preferences and in such series as determined by the Board of Directors at the time of issuance, a portion of which is designated as Class A, B, or C.

As of April 10, 2016, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 559,750. Richard Surber holds a total of 139,000 shares and Joe Corso Jr. holds 3,000 shares of Series A Preferred Stock. Each named individual received the shares of Series A stock in exchange for the transfer of various assets. The Series A Convertible Preferred Shares have voting rights which equate to 100 shares of common stock for every 1 Series A Preferred share and may be converted into \$10 worth of common stock. A total of 10,000,000 shares have been designated and authorized as Series A Convertible Preferred Shares.

On August 25, 2004, the Company filed with the Nevada Secretary of State a Certificate of Designation of the Rights and Preferences of Preferred Stock of Nexia Holdings, Inc. This designation created 10,000,000 shares, par value \$0.001, of Series B Preferred Stock. The Series B Preferred Stock holds voting rights equal to 500 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 the Company. In October 2009, the Company increased the number of authorized shares to 20,000,000. As of April 10, 2016, the number of shares of Series B Preferred Stock issued and outstanding was 15,000,000, 14,250,000 of which are held by Richard Surber.

In March of 2016, the Company filed with the State of Utah a Certificate of Designation of the Rights and Preferences of Preferred Stock of Sack Lunch Productions, Inc. designated as Series C Preferred Stock. The designation of 5,000,000 shares as Series C Preferred Stock provides that the Series C shares will hold conversion rights into shares of common stock of the Company equal in value to \$5.00 per share and are subject to redemption by the Company upon a \$5.00 cash payment. The Series C Preferred Shares hold one vote per share. As of April 10, 2016 the number of shares of Series C Preferred Stock issued and outstanding was 1,228,761.

Dividends: The Company has not declared a cash dividend for any of the classes of Preferred Stock during the fiscal years ended December 31, 2012-2015. Rights to dividends are granted to the Series A, B and C Convertible Preferred Stock, when, as, and if declared by the Directors of SAKL, to be paid in cash or in common stock.

Item 5: Par or Stated Value and description of the security.

A. Par Value

The Company's Common Stock has a par value of \$0.0001 and the Preferred Stock has a par value of \$0.001.

B. Common Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- One vote per share
3. Preemption Rights -- None
4. Other Material Rights -- None
5. Provisions in Charter or by-laws that would delay, defer, or prevent a change in control of the issuer -- None

C. Preferred Stock

Class A Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- 100 votes per share
3. Conversion Rights -- \$10.00 of common stock for one share
4. Liquidation Rights -- None
5. Other material Rights -- None

Class B Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- 500 votes per share
3. Conversion Rights -- None
4. Liquidation Rights -- None
5. Other Material Rights -- None

Class C Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- One vote per share
3. Conversion Rights -- \$5.00 of common stock for one share
4. Liquidation Rights -- None
5. Other Material Rights -- None

Item 6: The number of shares or total amount of securities outstanding for each class or securities authorized
Shares outstanding

Common Stock		December 31, 2015	December 31, 2014	December 31, 2013
(i)	Number of shares authorized(3)	990,000,000	25,000,000,000	25,000,000,000
(ii)	Number of shares outstanding (1)	135,990,890	64,821,834	45,419,512
(iii)	Freely tradable shares (public float)	56,441,651	49,052,330	38,400,008
(iv)	Total number of beneficial shareholders (2)	3,100	3,100	3,000
(v)	Total number of shareholders of record	51	55	65

(1) The shares numbers all reflect the 1 for 2,000 reverse stock split effective February 23, 2010.

(2) Estimate of all holders in brokerage accounts.

(3) Number of authorized shares reduced to 990 Million on October 15, 2015.

Class A Preferred Stock		December 31, 2015	December 31, 2014	December 31, 2013
(i)	Number of shares authorized	10,000,000	10,000,000	10,000,000
(ii)	Number of shares outstanding	559,000	142,750	151,000
(iii)	Freely tradable shares (public float)		----	----
(iv)	Total number of beneficial shareholders	6	3	3
(v)	Total number of shareholders of record	6	3	3
Class B Preferred Stock		December 31, 2015	December 31, 2014	December 31, 2013
(i)	Number of shares authorized	20,000,000	20,000,000	20,000,000
(ii)	Number of shares outstanding	15,000,000	15,000,000	15,000,000
(iii)	Freely tradable shares (public float)	----	----	----
(iv)	Total number of beneficial shareholders	4	1	1
(v)	Total number of shareholders of record	4	1	1
Class C Preferred Stock		December 31, 2015	December 31, 2014	December 31, 2013
(i)	Number of shares authorized	5,000,000	5,000,000	5,000,000
(ii)	Number of shares outstanding	1,228,761	1,486,333	1,679,882
(iii)	Freely tradable shares (public float)	----	----	----
(iv)	Total number of beneficial shareholders	32	32	35
(v)	Total number of shareholders of record	32	32	35

Item 7: The name and address of the transfer agent.

Standard Registrar & Transfer Company
12528 South 1840 East
Draper, Utah 84020
(801) 571-8844

Standard is registered under the Exchange Act.
Its regulatory authority is the Securities and Exchange Commission.

Part C: Business Information

Item 8: The nature of the issuer's business

SAKL was originally incorporated in 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 at the time, effectively changing its state of domicile from Colorado to Nevada. In 2009, SAKL changed its domicile to the State of Utah through a merger with a Utah corporation with the same name at the time. The Company's name was changed to Sack Lunch Productions, Inc. effective as of April 15, 2015. SAKL's fiscal year end is December 31.

Forward-Looking Statement

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements pertaining to future financial and/or operating results, future events, or future developments involving Sack Lunch Productions may constitute forward-looking statements. The statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project," or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Sack Lunch Productions' management, of which many are beyond control. These are subject to a number of risks, uncertainties, and factors, including but not limited to those described in disclosures, in particular in the chapter

Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance, or achievements of Sack Lunch Productions may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Sack Lunch Productions neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Sack Lunch Productions net assets and financial positions or results of operations as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Overview

We are an action-oriented events and entertainment company providing immersive experiences that bring families, friends and communities together through corporate hosted and managed events across the U.S. and Canada. In addition, we operate globally through a proven franchise system. Sack Lunch Productions through its wholly owned subsidiaries, operates and has exclusive rights for well-branded events including Slide The City®, Lantern Fest®, Color Me Rad 5K®, The Dirty Dash®, and our newest event series, Trike Riot®.

In addition to our branded events, Sack Lunch Productions, Inc., has built a stable portfolio of diversified operations established in burgeoning markets that include segments in entertainment, health and beauty, and real estate.

We generate revenue primarily from selling admission to our unique community-building events and activities, franchise agreements, corporate sponsorship as well as the sale of health and beauty products and services.

Our principal executive offices are located at 59 West 100 South Salt Lake City, Utah 84101 (telephone: 801–575–8073 Ext.111). Our principal website is www.sacklunchproductions.com. Sack Lunch Productions is listed on the OTC Markets trading under the symbol “SAKL.”

Legal Proceeding

1. Eventbrite Co. vs. Sack Lunch Productions Inc. and Springbok Holdings LLC, Arbitration case No. 01-16-0000-7716, claim amount of \$1,000,000. Arising out a contract by Springbok Holdings LLC with Eventbrite for online ticket sales by Color Me Rad and Dirty Dash events. Filed March 8, 2016, Sack Lunch has filed a motion to Dismiss for Lack of Jurisdiction on March 24, 2016 based upon Sack Lunch was not a party to contract made the basis of claim.
2. Lantern Fest LLC v. Pike’s Peak International Raceway, LLC and Robert Joseph Boileau III, United States District Court for the District of Colorado, Civil Action No. 16-cv-00684-MJW. Action filed to prevent the misappropriation of Lantern Fest’s trademarks and operations by a former venue of Lantern Fest. Defendants have been served but have not yet filed answers. Estimated value of the matters raised is approximately \$500,000.

Item 9: The nature of products or services offered

Taking full advantage of a thriving special events industry and bringing with it a sense of unity and community pride, our portfolio of branded events include:

Slide the City®

Slide the City is a family friendly slip-n-slide water party event. This event generates \$29 of average revenue per participant with an estimated 2,500+ participants per event. During 2015 this speedy 1000-foot slide, utilizing city streets, generated 35% of our total revenue. Expansion plans for corporate and franchised events in 2016 increased the number of scheduled events by 149%.

Color Me Rad®

Color Me Rad is a popular 5K run where participants complete an entertaining course teeming with color stations, eventually culminating in a polychromatic party with music and food. We are seeing a rapid expansion of corporate and franchised events that generate \$28 of average revenue per participant with an estimated 2,500+ participants per event.

Lantern Fest®

The Lantern Fest brings the community together in a celebration of hopes and wishes for the future. Participants paint the night sky in a spectacular lantern release. These glorious corporate events with over 4,000 participants and an average of \$25 in revenue per participant will double their number of events in 2016, witnessing a 145% increase in expected revenue.

The Dirty Dash®

The Dirty Dash is a fun run incorporating a muddy obstacle course that caters to a runner's inner child. Participants focus on fun and frivolity in a non-competitive way as they help contribute to an honorable charity. This event generates \$29 of average revenue per participant with an estimated 2,200+ participants per event.

Trike Riot®

Our newest event, Trike Riot, is set to launch in 2016. This one of a kind experience evokes childhood memories of trike rides through the neighborhood, as participants speed through a specially designed course on super-sized trikes. Projections are for an estimated \$90 average revenue per participant and over 2,000 participants per event. This event is sure to ignite interest in family fun.

Green Endeavors, Inc.

Sack Lunch Productions currently holds 34% of the shares of common stock and voting control of 87.6% of the total outstanding votes for Green Endeavors, Inc., an operation in the health and beauty industry. Providing a stable revenue base for Sack Lunch, this segment operates two Aveda Lifestyle Salons and an Aveda retail store. Green Endeavors delivers a wide range of upmarket health and beauty products and services targeted at a high-end clientele. The Landis Lifestyle Salon brand, mission, and highly skilled staff bring quality and excellence to the Utah salon market. Consistently outperform other high-end boutique salons year after year, Green Endeavors generated \$3M of revenue in 2015. Going forward, revenue is expected to remain stable at approximately \$3M annually.

WG Production Company and Redline Entertainment, Inc.

Sack Lunch Productions owns a majority interest in WG Production Company and Redline Entertainment, Inc., through which it produces its own feature films, contributes to the production of other feature films, and acquires the rights to independent and third-party films for domestic and foreign distribution. Through its subsidiaries, Sack Lunch Productions has successfully produced and distributed 16 independent films to date, and is filling a gap that has huge potential for growth within a niche market by combining industry-leading quality and low cost production with promotion strategies that bring films to a worldwide marketplace.

On 12/18/15 the company acquired the 33% minority interest held in Lantern Fest and Slide the City in exchange for the issuance of 417,000 shares of Series A Preferred Stock.

SUBSEQUENT EVENTS

During the first quarter of 2016 the Company has reorganized its operations to simplify the corporate structure and tax reporting of the Company's subsidiaries. For Color Me Rad and Dirty Dash this resulted in the purchase of 100% of the assets of the LLC's by new corporations formed to operate these events. Lantern Fest and Slide the City events operational LLC's have been merged into new corporations that will continue the operations of these events. These actions have resulted in the elimination and consolidation of numerous LLC's into four wholly owned corporations and the resulting simplification of the organization and operation of these events and the reduction of tax and accounting reporting generated by the prior organization.

Slide the City Productions, Inc., a Utah corporation formed on February 2, 2016 has merged with Slide the City Franchising LLC, Slide the City Canada LLC and Slide the City LLC and will operate the Slide the City events of the Company going forward.

The Lantern Fest Productions, Inc. a Utah corporation, formed on February 3, 2016 has merged with Lantern Fest LLC and will operate the Lantern Fest events of the Company.

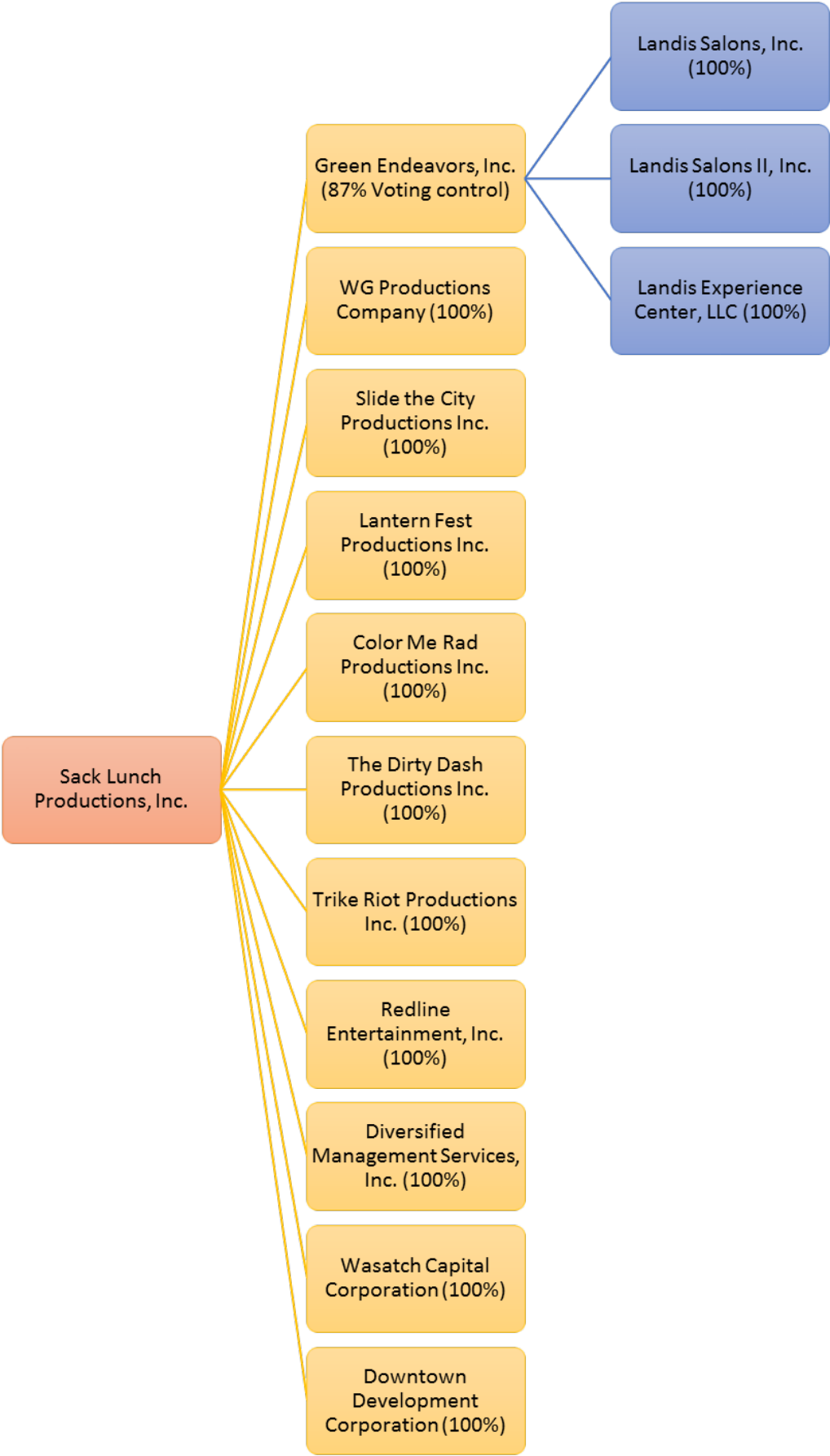
Color Me Rad Productions, Inc. a Utah corporation, was formed on January 28, 2016 and has purchased 100% of the assets of Color Me Rad, LLC and will operate Color Me Rad events and the Color Me Rad franchises for the Company.

Trike Riot Productions Inc. a Utah corporation was formed on February 10, 2016 and will operate Trike Riot events for the Company.

The Dirty Dash Productions, Inc. a Utah corporation was formed on January 28, 2016 and has purchased 100% of the assets of Dirty Dash LLC and Springbok Franchising, LLC and will operate Dirty Dash events for the Company.

On March 29, 2016 the Company transferred the LLC Memberships it held in Springbok Holdings LLC, this LLC is the sole member of Springbok Management LLC, Springbok Franchising LLC and Springbok Slide the City LLC, these membership interests were transferred to Diversified Holdings X, Inc. for \$100 in cash and other good and valuable consideration. The Company agreed to indemnify DHX against any liability arising at time the Company held the membership interests, including providing legal counsel and defense against any litigation brought against DHX. DHX is a 100% owned by Richard Surber, the CEO of Sack Lunch Productions, Inc. The transaction was affected to streamline the operations of SAKL. All the transferred LLC's are expected to be dissolved within the next 12 months.

The following chart reflects the current organization of Sack Lunch Productions, Inc. and its subsidiaries as of March 31, 2016



Our Products and Services

Admission Tickets

We generate revenue from selling admission to our events. For the year ended 2015, event admissions accounted for approximately 56% of our revenue. We maintain an online presence including social media to promote advanced sales and provide guests convenience and easy entry. Approximately 99% of our admission tickets sales are made online.

Franchise Agreements

We generate revenue through royalties and fees associated with our branded franchise systems. In addition, franchisees purchase trademarked products, services, event assets, event supplies, event equipment, and promotional items.

Corporate Sponsorships and Strategic Alliances

We create and maintain long-term corporate sponsorship and strategic alliances with leading companies and brands. Utilizing a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our events, we add significant brand marketing value and drive mutual business gains. Our current corporate sponsors include, among others, Sprite, Sony, Nestle, Nivea, CBS, Razer, GoPro, Uber, Aape, Vita Coco, and Hong Kong Airlines.

Health and Beauty Services and Products

Green Endeavors, Inc., provides a wide range of upmarket health and beauty services and Aveda products targeted at a high-end clientele. For the year ended December 31, 2015, the sale of health and beauty services and products accounted for 29% of our revenue.

Competitive Strengths

Driving dynamic innovation that capitalizes on the power of nostalgia, we believe our events tap into an intrinsic need to revisit the wonder and awe of childhood experiences and a desire to share these traditions with the next generation. We believe our competitive strengths to be our unique blend of entertainment and event promotion that targets an underserved millennial demographic. Utilizing both corporate managed events and a franchise model to garner a large market share, our scalable business model allows us to expand worldwide. With proven operating experience and an impressive list of corporate sponsors, our high-profile events effectively increase publicity through positive media coverage and generate revenue through admission sales and franchise agreements.

Our strategy is to grow and innovate through the initiatives listed below.

- Maintain and utilize a database of millions of potential participants.
- Increasing our brand offerings through acquisitions that contribute substantially to short and long-term growth.
- Expanding into new geographic markets.

We believe our focus on franchise growth and the continued acquisition of branded events will increase shareholder value as we continue to grow our revenue, earnings and cash flow. With over 250 projected corporate and franchise events worldwide in 2016 that optimize our cost structure, we believe we will continue to strengthen our core operations as we expand into additional global markets.

Each of these events incorporates quality vendors that provide live music, food and drinks to service the festivities and help make it a momentous, magical life event. These events, which are entertainment and not sporting events, attract a wide and diverse attendance from all age groups and especially appeal to families and young people. As of December 31, 2015, Sack Lunch has produced over 100 events in the US and Canada. In 2015 we attracted over thousands of participants. Franchised all over the globe, attendance at each individual event may attract thousands of revelers united in unforgettable, community-centered spectacles. This unique blend of entertainment and event promotion has already created an online media sensation with an estimated 8 million views across multiple platforms in 2015.

Corporate Social Responsibility

SAKL believes in giving back to the communities that support us and improving the world we live in. In 2015, we gave over \$500,000 of cash and in kind donations, while providing valuable exposure for all of our charitable partners, some of which include: Boys & Girls Club of American, March of Dimes, YMCA, Rotary International, Canadian Cancer Society, Ronald McDonald House Charities, and USA Cares.

Our Guests and Customers

Our events attract a wide and diverse attendance from all age groups and especially appeal to families and young people. Our events are held in major cities with large population centers, and generate positive media coverage on local levels. We believe we maintain a large and growing fan base based on our online and social media presence.

Our History

Sack Lunch Productions has been a holding company over the last 10 years with diverse operations through its subsidiaries that have including salon services, real estate, financial consulting services, retail clothing and film production and distribution. The company discontinued its retail clothing, real estate operations and has limited its film related services as of the time of this filing. In 2014, the Company entered the event management and production service sectors which is the company's primary focus on an ongoing basis. We expect to continue our film production and distribution services in 2017.

Seasonality

Outdoor events are seasonal by nature, typically generating the highest revenues in the second and third quarters of each year. Our global franchise network, the diversity in type and venue of our events, and the consistency of our health and beauty operations not only drive revenue growth but also reduce the seasonality of our events segment.

The robust growth of our international franchise agreements in Europe, China, South America and Malaysia, where seasons and climate differ from that of our corporate operated events, generates cash flow throughout the entire year.

Our Industry

The party and event planning industry comprises independent companies and individuals that organize parties, corporate dinners and other social gatherings. Industry participants usually orchestrate a variety of details for such events including venue booking, music arrangement, food catering, photography, video recording and other services. The industry depends on the willingness of households and businesses to spend money on social gatherings, and is set to benefit from climbing corporate profit and per capita disposable income as the U. S. economy continues to grow. We believe the events industry to be a thriving sector. According to an IBISWorld Industry Report, party and event planners in the U.S. generate an estimated \$4.5B annually. After a rebound in 2011, the demand for professional event services has driven profit margins in 2015 up to an estimated 9.8%. According to recent research conducted by Dr. Joe Goldblatt, CSEP (Certified Special Events Professional), spending for special events worldwide is \$500 billion annually. We believe the market is large, lucrative and awaiting expansion in diverse areas. In just a few years profit margins have more than doubled; we believe profits in this industry will continue to rise.

Competition

Our action-oriented events and entertainment offerings compete directly for discretionary spending with other local or regional events and indirectly with other types of recreational forms of entertainment including movies, home entertainment options, sports attractions, restaurants and vacation travel. Some Principal direct competitors for events are Color Run, Spartan, and Warrior Dash,

We believe we compete effectively and our competitive position is protected due to strong brand recognition, unique event types and low operating cost. Operating globally through our franchise system and scalable business model, our highly differentiated products offer events that are innovative and provide authentic experiences for participants of an underserved millennial demographic. In addition, our family oriented offerings help advance healthy communities by supporting experiences that build memories through entertainment, events and playful activities.

Our main competitors at the local market level for sponsorships and advertising dollars include local sports teams, which often offer state of the art venues and strong local media packages, as well as festivals, theme parks and other local events. On the national level, our competitors include the major sports leagues that sell sponsorships combined with significant national media packages.

Insurance

We maintain insurance of the type and in the amounts that we believe to be commercially reasonable for businesses in our industry. We maintain primary and excess casualty coverage of up to \$5,000,000. As part of this

coverage, we retain deductible/self-insured retention exposures of \$2,000,000 per occurrence for general liability claims, \$1,000,000 per accident for automobile liability claims, and \$2,000,000 per occurrence for workers compensation claims. We maintain employers' liability and all coverage required by law in the states in which we operate. Defense costs are included in the insurance coverage we obtain against losses in these areas. Based upon our historical experience of reported claims and an estimate for incurred-but-not-reported claims, we accrue a liability for our deductible/self-insured retention contingencies regarding general liability, automobile liability and workers compensation exposures. We maintain additional forms of special casualty coverage appropriate for businesses in our industry. We also maintain commercial property coverage against fire, natural perils, so-called "extended coverage" perils such as civil commotion, business interruption and terrorism exposures for protection of our real and personal properties (other than land). We generally renegotiate our insurance policies on an annual basis. We cannot predict the amounts of premium cost that we may be required to pay for future insurance coverage, the level of any deductibles/self-insured retentions we may retain applicable thereto, the level of aggregate excess coverage available or the availability of coverage for special or specific risks.

Regulation

We are subject to federal, state and local laws, both domestically and internationally, governing matters such as:

- Construction, renovation and operation of our events;
- Licensing, permitting and zoning, including noise ordinances;
- Human health, safety and sanitation requirements;
- The service of food and alcoholic beverages;
- Working conditions, labor minimum wage and hour, citizenship and employment laws;
- Compliance with the ADA and the DDA;
- Historic landmark rules;
- Compliance with United States Foreign Corrupt Practices Act and similar regulations in other countries;
- Hazardous and non-hazardous waste and other environmental protection laws;
- Sales and other taxes and withholdings of taxes;
- Privacy laws and protection of personally identifiable information;
- Marketing activities via the telephone and online; and
- Primary ticketing services.

We believe that we are in material compliance with these laws. The regulations relating to our food service in our venues are many and complex. A variety of regulations at various governmental levels relating to the handling, preparation and serving of food, the cleanliness of food production facilities and the hygiene of food-handling personnel are enforced primarily at the local public health department level.

We also must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is intoxicated or a minor. If we violate dram shop laws, we may be liable to third parties for the acts of the customer. Although we generally hire outside vendors to provide these services at our larger operated venues and regularly sponsor training programs designed to minimize the likelihood of such a situation, we cannot guarantee that intoxicated or minor customers will not be served or that liability for their acts will not be imposed on us.

We are also required to comply with the ADA, the DDA and certain state statutes and local ordinances that, among other things, require that places of public accommodation, including both existing and newly constructed venues, be accessible to customers with disabilities. The ADA and the DDA require that venues be constructed to permit persons with disabilities full use of a live entertainment venue. The ADA and the DDA may also require that certain modifications be made to existing venues to make them accessible to customers and employees who are disabled. In order to comply with the ADA, the DDA and other similar ordinances, we may face substantial capital expenditures in the future.

We are required to comply with the laws of the countries we operate in and also the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010 regarding anti-bribery regulations. These regulations make it illegal for us to pay, promise to pay or receive money or anything of value to, or from, any government or foreign public official for the purpose of directly or indirectly obtaining or retaining business. This ban on illegal payments and bribes also applies to agents or intermediaries who use funds for purposes prohibited by the statute.

We are required to comply with federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction.

From time to time, governmental bodies have proposed legislation that could have an effect on our business. For example, state and local regulations have been proposed to prohibit the release of sky lanterns in various locations, we work hard to explain our safety record and how we take action to minimize any fire risk from our Lantern Fest™ events.

In addition, we and our venues are subject to extensive environmental laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non-hazardous substances, as well as zoning and noise level restrictions which may affect, among other things, the hours of operations of our events.

Employees

As of April 18, 2016, we employed approximately 80 full-time employees and approximately 25 part-time employees. None of our employees are covered by a collective bargaining agreement, and we consider our employee relations to be good. Full-time staff members consist of event directors, operations experts, and legal support including:

Richard Surber: CEO, Director and controlling shareholder

Richard Surber's experience includes over 20 years in the public markets. He was CEO and Director of Axia Group, Inc., which employed over 100 individuals and generated over \$20 million in revenues at its peak. He is a member of the California bar, and practices law on a limited basis specializing in complex corporate and securities law matters. He graduated from the University of Utah with a Bachelor of Science degree in Finance and a Juris Doctor with an emphasis in corporate law, including securities, taxation and bankruptcy.

John Fry, Director

John Fry previously served on the Board of Directors of the Company, from 2002 through 2005. For over 35 years, Mr. Fry worked for Firestone Tire Company with distinction. After retiring from an executive position, he continues his work as a business consultant and as a director for various other corporations.

Scott C. Coffman, Director

Mr. Coffman previously served the Company's subsidiary, Green Endeavors, Inc. as its CFO. Mr. Coffman graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Masters of Business Administration and later returned to the University of Utah for additional masters level accounting coursework.

The Company's SIC Code is 7999.

Prior to February of 2002, the Company's predecessor, Kelly's Coffee Group, Inc. reported no revenue and was classified by the SEC in its reports as a "blank check" company. Subsequent to February of 2002, and the name change to Nexia Holdings, Inc., the Company had revenues and operations. The Company was a fully reporting company with the SEC until April of 2009 when it ceased to be reporting and filed a Form 15 with the SEC. The Company is not currently a shell or "blank check" company and has had continuous revenue generating operations from February of 2002 until the present.

Item 10: The nature and extent of the issuer's facilities.

GREEN ENDEAVORS INC. LOCATIONS

Our Liberty Heights facility is located at 1298 South 900 East, Salt Lake City, Utah 84105. This lease is for a 4,000 square foot free standing commercial building with a preliminary term of ten years beginning on October 1, 2005 and the lease provides for one five year extended term.

Our Landis II facility is located at 600 North 300 West, Salt Lake City, Utah 84103. This lease is for a 3,000 square foot commercial building with a term of ten years beginning on September 15, 2010 and the lease provides for two, five year extended terms.

On March 10, 2012, we signed a lease through a newly formed subsidiary, Landis Experience Center, LLC to operate an Aveda™ experience center in the newly opened City Creek Mall located in downtown Salt Lake City, Utah. This 430 square foot store will focus on the sale of products only, no salon services will be provided. The lease is for a period of seven years beginning when the store opened in August 2012.

SACK LUNCH PRODUCTIONS, INC. LOCATION

SAKL and its subsidiaries corporate headquarters of approximately 3,000 square feet are located at 59 West 100 South, Salt Lake City, Utah 84101.

SAKL maintains an 8476 Sq. ft. warehouse space located at 4521 W. 1980 S. Suite 501, Salt Lake City, UT 84104

Part D Management Structure and Financial Information

Item 11: The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

The following persons are officers and directors of SAKL as of April 10, 2016:

<u>Name</u>	<u>Age</u>	<u>Positions(s) and Office(s)</u>	<u>Business Address</u>	<u>Total Compensation</u>	
				<u>2015</u>	<u>2014</u>
Richard D. Surber	43	President, CEO, CFO and Director	59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	\$ 156,845 (1)	\$ 150,948(2)
John E. Fry Jr.	80	Director	59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	\$0.00	\$0.00

- (1) Total Compensation includes \$52,000 from Landis Salons, Inc. for management services and \$45,500 from Landis Salons II, Inc. for management services.
- (2) Total Compensation includes \$52,000 from Landis Salons, Inc. for management services and \$41,750 from Landis Salons II, Inc. for management services.
- (3) SAKL has been accruing salary of \$150,000 per year for Mr. Surber. As of December 31, 2015 the accrued balance of unpaid salary to him is \$25,170. As of January 1, 2016 salary has been changed to \$250,000 per year.

Richard D. Surber, 43, graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Juris Doctorate with an emphasis in corporate law, including securities, taxation, and bankruptcy. He has served as President and Director of the Company since May of 1999. He also served as an officer and director of the Company's former parent corporation, Axia Group, Inc. (president and director from 1992 until control transferred in 2004). He has been an officer and director of several public companies, including SAKL's majority owned subsidiary Green Endeavors, Inc.

Mr. Surber is licensed to practice law in the State of California and occasionally represents corporate clients on various corporate matters, to which he occasionally devotes a significant amount of time. Mr. Surber has disclosed the fact that he, on occasion, does act as counsel to several companies for which he receives fees for the legal or consulting services provided.

John E. Fry, Jr., 80, Director. Mr. Fry previously served on the Board of Directors of SAKL from 2002 through 2005. Mr. Fry worked for Firestone Tire Company for over 35 years, retiring from a position as a Vice President. He currently works as a business consultant and as a director for various other corporations.

Scott C. Coffman, Director

Mr. Coffman has been appointed as a Director in 2016. Mr. Coffman previously served the Company's subsidiary, Green Endeavors, Inc. as its CFO and director. Mr. Coffman graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Masters of Business Administration and later returned to the University of Utah for additional master's level accounting coursework.

Directors are appointed for terms that expire upon a shareholders meeting being held at which an election of directors is held.

All executive officers are appointed by the board and hold office until the board appoints their successors or they resign.

The goal of this table is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and 5% Ownership Persons. The following table provides the names of each of the issuer's executive officers, directors, general partners and persons that are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities, as of March 31, 2016.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Preferred Series "B" Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	14,250,000	95%
Preferred Series "A" Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	24.87%
Preferred Series "A" Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	24.87%
Preferred Series "A" Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	24.87%
Preferred Series "A" Stock	Martin Malfatto Squared, Inc. 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	24.87%
Common Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	19,301 Indirect	Less than 0.01%
Common Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	28,392,342	19.94%
Common Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%
Common Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%

Common Stock	John Malfatto 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%
Common Stock	John E. Fry, Jr.-Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	600,002	Less than 0.5%
Preferred Series “C” Stock	Joseph Corso*, 5% owner Personal	294,600	33.3%
Preferred Series “C” Stock	Casey J. Coleman*, 5% owner Personal	79,050	8.9%
Preferred Series C Stock	Richard Surber 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	10,000	1.1%
Preferred Series C Stock	John E. Fry, Jr.-Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	6,500	0.7%
Preferred Series C Stock	Desert Vista Capita*1	52,863	5.98%

*The above listed Preferred Series C Stock shareholders are limited to conversion into less than 5% of the issued common stock at any point in time and hold only 1 vote per share of preferred stock and thus hold less than 0.01% of votes in any shareholder vote. None of the named C shareholders are control persons at this point in time.

- (1) Richard Surber may be deemed a beneficial owner of 19,301 shares of the Company's common stock by virtue of his position as an officer and director of Diversified Holdings X, Inc.
- (2) Series "B" preferred stock has voting rights of 500 to 1 of the common stock.
- (3) Series “A” preferred stock has voting rights of 100 to 1.

B. Legal/Disciplinary History -- None

C. Disclosure of Family Relationships -- There is currently no family relationship between any Director or Executive Officer of the Company.

D. Disclosure of Related Party Transactions -- During the years ended December 31, 2015 and 2014, the Company has entered into the following related party transactions:

Over the years 2015, 2014 and 2013, the President of the Company has extended short-term, interest-free advances for the purchase of inventory and operational expenses. As of December 31, 2015, the outstanding balance was \$45,820.

On December 4, 2015 Settlement of \$1,051,387 of compensation owed to Richard D. Surber for 52,569,350 restricted shares.

On January 5, 2016 the Board of Directors of SAKL approved the execution of employment agreements with Richard Surber, John Malfatto, David Wulf and Taylor Gourley. The terms of the agreements begin on January 1, 2016 and expire on December 31, 2020. Base annual salary for each of the named persons is \$250,000 and cannot be reduced below \$1,500 for any single two week payroll period. The agreements include non-compete provisions for a period equal to three years or sale of all preferred securities held by the employee. Each of the named persons hold shares of Series B Preferred Stock that by agreement are not transferable without the prior approval of the Board of Directors of SAKL. Each of these same persons has signed a Lock-Up Agreement with the Company that limits the sale of securities by the named persons and the Company in exchange agreed to protect the four named individuals’ securities from “corporate action, including any reverse stock split of the common stock exceeding a factor of two (2) OR OTHER RESTRUCTURING OF THE Company.”

On November 25, 2015 the Company agreed with Richard Surber, Its President to settle \$1,051,387 owed to him as compensation in exchange for the issuance of 52,569,350 shares of the Company's Common Stock.

E. Disclosure of Conflicts of Interest – None

Item 12: Financial information for the issuer's most recent fiscal period.

Consolidated financial statements for the three months and nine months ended September 30, 2015 were filed separately as a Quarterly Report with the OTC Disclosure and News Service. These financial statements can be found at www.otcmarkets.com.

Item 13: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Consolidated financial statements for the years ended December 31, 2015 and 2014 are attached hereto.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
ASSETS		
Current assets		
Cash, includes restricted escrow amounts of \$424,416 and \$321,693, respectively	\$ 1,024,016	\$ 730,208
Investments in marketable securities	-	62,401
Accounts receivable, net of allowance for doubtful accounts of \$264,598 and \$243,614, respectively	216,254	804,628
Due from affiliates	-	1,637
Inventory	1,753,574	236,659
Prepaid expenses	156,276	26,300
Current portion of notes receivable	15,624	31,093
Total current assets	3,165,744	1,892,926
Property and equipment, net of accumulated depreciation of \$1,409,713 and \$1,075,429, respectively	2,111,255	1,493,308
Notes receivable	224,751	173,781
Film costs, net amortization	345,761	345,761
Other assets	288,441	235,584
Long term investments	36,769	-
Trademarks, tradenames & customers	1,440,000	-
Total assets	<u>\$ 7,612,721</u>	<u>\$ 4,141,360</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,917,200	\$ 2,511,085
Deferred revenue	239,198	688,429
Deferred rent	86,818	103,174
Due to related parties	272,793	205,575
Derivative liability	215,802	31,424
Current portion of notes payable	2,274,962	512,346
Current portion of notes payable, related party	101,022	87,532
Current portion of capital lease obligations	13,854	21,701
Current portion of convertible notes payable, net of debt discount of \$144,048 and \$0, respectively	32,844	135,000
Total current liabilities	6,154,493	4,296,266
Long-term liabilities		
Notes payable	782,931	700,758
Notes payable, related party	14,389	-
Convertible notes payable, net of debt discount of \$38,500 and \$0 respectively	8,110	-
Capital lease obligations	21,294	12,945
Contingent liability	92,000	-
Total long-term liabilities	918,724	713,703
Total liabilities	7,073,217	5,009,969
Stockholders' deficit		
Series A preferred stock, par value \$0.001; 10,000,000 shares authorized; 559,750 and 142,750 shares issued and outstanding respectively	560	143
Series B preferred stock, par value \$0.001; 20,000,000 shares authorized; 15,000,000 shares issued and outstanding	15,000	15,000
Series C preferred stock, par value \$0.001; 5,000,000 shares authorized; 1,228,761 and 1,486,333 shares issued and outstanding, respectively	1,229	1,487
Common stock, par value \$0.0001; 990,000,000 shares authorized; 135,999,890 and 64,821,834 shares issued and outstanding, respectively	13,599	6,482
Additional paid-in capital	37,918,769	35,765,276
Subscription receivable for subsidiary stock	(76,800)	-
Accumulated deficit	(35,846,285)	(35,846,072)
Accumulated other comprehensive income	(15,885)	15,994
Total Sack Lunch Productions, Inc. and subsidiaries stockholders' deficit	2,010,187	(41,690)
Non-controlling interest	(1,470,683)	(826,919)
Total stockholders' deficit	539,504	(868,609)
Total liabilities and stockholders' deficit	<u>\$ 7,612,721</u>	<u>\$ 4,141,360</u>

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

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

	Years Ended December 31,	
	2015	2014
Revenue		
Services, net of discounts	\$ 2,220,349	\$ 2,303,271
Product, net of discounts	891,803	890,781
Rent	54,411	64,190
Entertainment	7,495,988	1,391,715
Consulting	-	174,284
Total revenue	<u>10,662,551</u>	<u>4,824,241</u>
Costs and Expenses		
Cost of services	1,123,571	1,771,494
Cost of product	1,001,303	548,805
Event costs	3,613,328	-
Depreciation and amortization	333,466	171,920
Amortization of film costs	-	4,414
General and administrative	5,827,720	2,495,240
Total operating expenses	<u>11,899,388</u>	<u>4,991,873</u>
Income (loss) from operations	(1,236,837)	(167,632)
Other income (expense)		
Interest income	(1,510)	1,996
Interest expense	(444,206)	(255,258)
Interest expense, related parties	(36,196)	(5,296)
Gain (loss) on derivative fair value adjustment	(86,992)	23,675
Gain on disposal of assets	-	(1,097)
Gain (loss) on foreign currency translation	-	4,170
Gain (loss) on sale of securities	-	1,000,000
Gain (loss) on forgiveness of debt	610,472	549,287
Bad debt expense	(130,678)	(17,929)
Gain (loss) on bargain purchase	735,912	-
Other income (expense)	22,407	4,184
Total other income (expenses), net	<u>669,209</u>	<u>1,303,732</u>
Net income (loss)	<u>(567,628)</u>	<u>1,136,100</u>
Less net (income) loss attributable to noncontrolling interest	575,821	(13,657)
Net income (loss) attributable to stockholders	<u>\$ 8,193</u>	<u>\$ 1,122,443</u>
Earnings (loss) per share		
Basic:		
Earnings (loss) per common share	<u>\$ 0</u>	<u>\$ 0</u>
Weighted average common shares outstanding	<u>75,743,661</u>	<u>53,716,325</u>
Diluted:		
Earnings per common share	<u>\$ 0</u>	<u>\$ 0</u>
Weighted average common shares outstanding	<u>75,743,661</u>	<u>53,716,325</u>

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

Sack Lunch Productions, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit
(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	\$ 36,020,060	\$ (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	\$ 35,765,276	\$ (35,846,072)	\$ ---	\$ 15,994	\$ (826,919)	\$ (868,609)
Series A preferred shares issued for purchase of minority interest	417,000	417							(417)					
Series C preferred shares cancelled	-	-	-	-	(322,006)	(322)	-	-	322	-	-	-	-	-
Series C preferred shares converted to common shares	-	-	-	-	(25,766)	(26)	11,186,416	1,119	(1,093)	-	-	-	-	-
Series C preferred shares purchased	-	-	-	-	5,200	5	-	-	12,995	-	-	-	-	13,000
Series C preferred shares issued for services	-	-	-	-	85,000	85			424,915	-	-	-	-	425,000
Common shares issued for services	-	-	-	-	-	-	900,000	90	16,110	-	-	-	-	16,200
Common shares for accrued payroll	-	-	-	-	-	-	52,569,348	5,255	1,046,130	-	-	-	-	1,051,385
Common shares issued for note payable	-	-	-	-	-	-	2,105,625	211	33,808	-	-	-	-	34,019

Common stock issued for finance costs	-	-	-	-	-	-	1,416,667	142	23,858	-	-	-	-	24,000
Common shares sold	-	-	-	-	-	-	3,000,000	300	44,700	-	-	-	-	45,000
Subscriptions receivable activity of a subsidiary	-	-	-	-	-	-	-	-	552,165	-	(76,800)	-	-	475,365
Decrease NCI for ownership change in acquired subsidiary	-	-	-	-	-	-	-	-	-	(8,406)	-	-	-	(8,406)
Other Comprehensive Income adjustment	-	-	-	-	-	-	-	-	-	-	-	(31,879)	-	(31,879)
Net income	-	-	-	-	-	-	-	-	-	8,193	-	-	(643,764)	(635,571)
Balances at December 31, 2015	<u>559,750</u>	<u>\$ 560</u>	<u>15,000,000</u>	<u>\$15,000</u>	<u>1,228,761</u>	<u>\$ 1,229</u>	<u>135,999,890</u>	<u>\$13,599</u>	<u>\$ 37,918,769</u>	<u>\$ (35,846,285)</u>	<u>\$ (76,800)</u>	<u>\$ (15,885)</u>	<u>\$ (1,470,683)</u>	<u>\$ 539,504</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

	Years Ended December 31,	
	2015	2014
Cash flows from operating activities		
Net income (loss)	\$ (567,628)	\$ 1,136,100
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	469,303	171,920
Amortization of film costs	-	4,414
(Gain) loss on derivative liability fair value adjustment	93,184	(23,675)
(Gain) loss on settlement of debenture debt	(607,216)	(6,994)
(Gain) loss on forgiveness of non-related party convertible debt	-	(205,200)
(Gain) loss on forgiveness of non-related party notes payable	-	(337,093)
(Gain) loss on sale of investments (see Note 4)	-	(1,000,000)
(Gain) loss on sale of fixed assets	-	1,097
(Gain) loss on foreign currency transaction	-	(4,170)
(Gain) loss on forgiveness of capital lease	(3,256)	-
Gain on bargain purchase	(735,912)	-
Amortization of debt discount	56,604	21,832
Write-off of subscription receivable	155,489	-
Initial derivative expense	27,178	-
Other non-cash items	-	2,496
Bad debt	130,678	-
Consulting Services	441,200	-
Changes in assets and liabilities:		
Certificate of deposit	62,401	(28,660)
Accounts receivable	740,019	(383,919)
Notes receivable - short term	(50,970)	(30,000)
Due from affiliates	-	(1,637)
Inventories	(186,453)	(92,342)
Prepaid expenses	-	(26,300)
Other assets	26,719	1,946
Accounts payable and accrued liabilities	216,085	493,980
Deferred revenue	(1,526,956)	624,599
Deferred rent expense	(16,356)	(10,326)
Net cash provided by operating activities	(1,275,887)	308,068
Cash flows from investing activities		
Purchases of property, plant, & equipment	(438,819)	(227,282)
Net cash (paid) acquired in business combinations	(36,769)	-
Net cash used in investing activities	(475,588)	(227,282)
Cash flows from financing activities		
Payments made on capital leases	(21,352)	(18,371)
Payments made on notes payable	(868,091)	(165,818)
Payments made on notes payable, related parties	(4,953)	(26,466)
Payments made on convertible notes payable	116,085	-
Proceeds from issuance of preferred and common stock	58,000	-
Proceeds from issuance of subsidiary stock	62,762	94,000
Proceeds from issuance of notes payable	2,667,750	347,749
Proceeds from issuance of notes payable to related parties	35,082	-
Net cash provided by financing activities	2,045,283	231,094
Net increase (decrease) in cash	293,808	311,880
Cash at beginning of period	730,208	418,328
Cash at end of period	\$ 1,024,016	\$ 730,208
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 21,508	\$ 15,264

Noncash investing and financing activities:

Other comprehensive income adjusted	\$	-	\$	32,591
Conversions of convertible notes and accrued interest to subsidiary stock		916,753		661,896
Stock issued for accrued compensation		-		77,000
Stock issued for services rendered		475,310		
Non-cash asset acquisition		(843,107)		-
Exercised options for subscriptions receivable of subsidiary		(295,051)		-
Debt discount on derivative liability, convertible notes of subsidiary		(50,000)		
Change in capitalization of a subsidiary		552,163		
Settlement of Debt		(60,804)		-
Deferred Financing Costs	\$	(109,970)	\$	-

The accompanying notes are an integral part of these Consolidated Financial Statements.

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 year ending December 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”)
- Springbok Holdings LLC (“Springbok”)
 - Color Me Rad, LLC
 - The Dirty Dash, LLC
 - Springbok Slide the City LLC
 - Springbok Franchising LLC
 - Springbok Management LLC
- 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 100% 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 100% 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 100% owned subsidiary of WG.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

- 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 100% owned subsidiary of WG.

Springbok Holdings LLC, (“Springbok”), a Utah limited liability company was organized on December 11, 2012. Springbok is a wholly-owned subsidiary of SAKL. Springbok was formed as holding company for the Dirty Dash and Color Me Rad events operations. Springbok is the 100% owner in the following subsidiaries.

- Color Me Rad, LLC, (“CMR”) a Utah limited liability company was organized on February 8, 2012. CMR is a wholly owned subsidiary of Springbok and operates Color Me Rad events.
- Springbok Franchising, LLC (Springbok Franchising”) a Utah limited liability company was organized on April 4, 2012. Springbok Franchising is a wholly owned subsidiary of Springbok and was organized to facilitate the franchising of Springbok events.
- The Dirty Dash LLC (Dirty Dash”) a Utah limited liability company was organized on May 5, 2010. Dirty Dash is a wholly owned subsidiary of Springbok and was organized to operate Dirty Dash, a fun mud-run type event.
- Springbok Management LLC (Springbok Management”) Utah limited liability company was organized on December 11, 2012. Springbok Management is a wholly owned subsidiary of Springbok and was organized as a management organization for Springbok.

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 organized under the laws of the State of Delaware on April 25, 2002 as Jasper Holdings.com, Inc. SAKL holds 35.72% of Green’ shares of common stock and has voting control of 87.96% of the total 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 non-controlling 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 September 30, 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.

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

Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business.

Principles of Consolidation and 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 non-controlling 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 December 31, 2015 and 2014 and the consolidated statements of operations

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

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.

Use of Estimates

The preparation of consolidated financial statements in conformity with United States 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Investments with original maturities of six months or less at the time of purchase are considered cash equivalents. As of December 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 and goods used in the Springbok operations and for resale at its events. 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.

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.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

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

	Cost	Accumulated Depreciation	Net
Computer equipment and related software	\$ 101,044	\$ 87,898	\$ 13,146
Construction in process	22,147	-	22,147
Leasehold improvements	639,253	476,654	162,599
Furniture and fixtures	163,798	75,864	87,934
Leased equipment	76,298	54,061	22,237
Equipment	1,114,046	356,757	757,289
Vehicle	175,534	58,537	116,997
Building and Improvements	736,474	286,140	450,334
Land	467,220	-	467,220
Signage	25,154	13,802	11,352
Total	<u>\$ 3,520,968</u>	<u>\$ 1,409,713</u>	<u>\$ 2,111,255</u>

The following is a summary of Sack Lunch'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	<u>\$ 2,568,737</u>	<u>\$ 1,075,429</u>	<u>\$ 1,493,308</u>

Fair Value of Financial Instruments

On a quarterly basis, SAKL measures at fair value its available-for-sale securities. Inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect SAKL's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- 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.

This hierarchy requires SAKL to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

The fair value of SAKL's cash, short-term investments, receivables and accounts payable approximate their carrying value due to the short-term nature of these instruments. The fair market values of SAKL's long-term investments approximate their carrying values based upon current market rates of interest.

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' deficit. 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.

Impairment of 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 for the years ended December 31, 2015 and 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 year ended December 31, 2015 and 2014, diluted earnings per common share amounted to \$0.000.

Goodwill

SAKL conducts a goodwill impairment analysis annually and as necessary if changes in facts and circumstances indicate the fair value may be less than its carrying amount.

Deferred Revenue

Deferred revenue arises when customers pay for products and/or services in advance of revenue recognition. SAKL's deferred revenue consists solely of unearned revenue associated with the purchase of gift certificates for which revenue is recognized only when the service is performed or the product is delivered.

Revenue Recognition

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

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

Entertainment Revenue

Ticket sales are recorded in the period in which the event took place less an allowance for refunds. Franchise revenues are recorded according to agreements and recognized once all obligations to the franchisee has been provided.

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.

Advertising and Promotional Expense

SAKL expenses advertising costs as incurred. Advertising expense was \$769,091 and \$220,369 for the years ended December 31, 2015 and 2014, respectively.

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.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

As of December 31, 2015 and 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 December 31, 2015 and 2014, 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. The non-controlling interests at December 31, 2015 and 2014 were valued at (\$1,470,683) and (\$826,919) respectively.

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 December 31, 2015, SAKL had negative working capital of \$2,988,748 and an accumulated deficit through December 31, 2015 of \$35,846,285. 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 or Acquiring new types of events for the events line of business;
- Increasing the number of event locations for existing events;
- Increase retail sales of Landis Salons, Inc.;

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

- Open new salon locations;
- Reduce expenses through consolidating or disposing of certain subsidiary companies; 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 – FINANCIAL INSTRUMENTS

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' deficit. 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.

On a quarterly basis, SAKL measures its available-for-sale securities at fair value. The fair value of financial assets was determined using the following levels of inputs as of December 31, 2015

<u>Assets</u>	<u>Fair Value Measurements as of December 31, 2015:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Available-for-sale securities	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of financial assets was determined using the following levels of inputs as of December 31, 2014

<u>Assets</u>	<u>Fair Value Measurements as of December 31, 2014:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Available-for-sale securities	\$ 62,401	\$ 62,401	\$ -	\$ -
Total	<u>\$ 62,401</u>	<u>\$ 62,401</u>	<u>\$ -</u>	<u>\$ -</u>

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 years ended December 31, 2015 and 2014.

Non-Marketable Securities

SAKL uses either the cost or equity method of accounting to account for its long-term, non-marketable investment securities. During the year ended December 31, 2015 SAKL realized no non-cash gain of on disposal of securities as compared to a non-cash gain in the year ended December 31, 2014 of \$1,000,000. If SAKL determines that

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

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 December 31, 2015 and 2014, the non-marketable securities were \$0.

NOTE 5 – INVENTORY

SAKL's inventory consists of finished goods products that are held for resale at all salon locations or that are used for the services provided by the salons. The event companies maintain inventories for event participants and retail sales. Inventory is carried at the lower of cost or market. As of December 31, 2015 and December 31, 2014, inventory amounted to \$1,753,574 and \$236,659, respectively.

NOTE 6 – NOTES RECEIVABLE

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

	Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
Receivable from an LLC	-	5/1/2021	\$ 179,031	\$ 173,781
Receivable from an LLC	10%	8/13/2015	-	31,093
Receivable from a Related Party	10%		13,524	-
Receivable from an Individual			45,720	-
Receivable from an Individual			2,100	-
Total			240,375	204,874
Less: current portion of notes receivable			15,624	31,093
Total long-term portion of notes receivable			\$ 224,751	\$ 173,781

NOTE 7 – FAIR VALUE MEASUREMENTS

Our financial assets and (liabilities) carried at fair value measured on a recurring basis as of December 31, 2015 and 2014, consisted of the following:

		Level 1	Level 2	Level 3
Description	Total fair value at December 31, 2015	Quoted prices in active markets (Level)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level)
Derivative liability (1)	\$ 215,802	\$ -	\$ 215,802	\$ -

		Level 1	Level 2	Level 3
Description	Total fair value at December 31, 2014	Quoted prices in active markets (Level)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level)
Derivative liability (1)	\$ 31,424	\$ -	\$ 31,424	\$ -

- (1) Derivative liability amounts are due to the embedded derivatives of certain convertible notes payable issued by the Company and are calculated using the Black Scholes pricing model (see Derivative Liability footnote for information on measurement of the derivative liability).

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

NOTE 8 – NOTES PAYABLE AND CAPITAL LEASE COMMITMENTS

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

	Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
<u>Notes Payable:</u>				
Note payable due to a partnership	8.00%	7/21/2012	\$ 22,873	\$ 27,873
Note payable due to a corporation	3.25%	8/1/2015	-	12,520
Note payable due to an individual	11.00%	2/27/2016	14,844	18,115
Note payable due to a bank	12.00%	8/2/2016	-	225,558
Note payable due to an individual	8.00%	10/1/2016	40,000	40,000
Note payable due to a corporation	20.00%	10/20/2016	-	250,000
Note payable due to a corporation	12.00%	12/13/2016	1,800,000	-
Note payable due to a corporation	5.00%	9/1/2017	18,935	29,035
Note payable due to a bank	12.00%	11/19/2017	261,806	-
Note payable due to a corporation	10.07%	8/19/2020	9,058	-
Note payable due to an individual	12.00%	3/31/2016	300,000	-
Note payable due to a bank		2/9/2019	17,055	22,440
Note payable due to a partnership	8.00%	3/3/2019	8,532	10,681
Note payable due to a bank	6.50%	5/23/2021	564,790	576,882
Total Notes Payable			3,057,893	1,213,104
Less: Current Portion			2,274,962	512,346
Lang Term Notes Payable			<u>\$ 782,931</u>	<u>\$ 700,758</u>

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

	Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
<u>Convertible Notes Payable:</u>				
Note payable due to a partnership	- - - -	2/28/2013	\$ -	\$ 75,000
Note payable due to an individual	8.00%	6/27/2013	-	25,000
Note payable due to a corporation	8.00%	8/17/2014	35,000	35,000
Note payable due to a corporation	8.00%	3/25/2016	14,983	-
(1) Note payable due to a corporation	12.00%	7/30/2017	38,500	-
(2)				
Total Convertible Notes Payable			88,483	135,000
Less: Current Portion			49,983	135,000
Lang Term Convertible Notes Payable			<u>\$ 38,500</u>	<u>\$ -</u>

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

A summary of capital lease commitments as of December 31, 2015 and 2014 is as follows:

<u>Lease Commitments:</u>	Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
Capitalized lease for equipment with monthly payments of \$1,535, secured by the equipment.	16.96%	4/23/2016	\$5,929	\$21,843
Capitalized lease for equipment with monthly payments of \$128, secured by the equipment.	10.90%	2/25/2018	-	4,105
Capitalized lease for equipment with monthly payments of \$485, secured by the equipment.	17.75%	9/5/2016	4,110	8,698
Capitalized lease for equipment with monthly payments of \$389, secured by the equipment.	3.62%	11/12/2021	25,110	-
Total lease commitments			<u>35,149</u>	<u>34,646</u>
Less: current portion of lease commitments			<u>13,854</u>	<u>21,701</u>
Total long-term portion of lease commitments			<u>\$21,295</u>	<u>\$12,945</u>

NOTE 9 – RELATED PARTIES

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

<u>Related Party Notes</u>	Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
Note payable due to Richard Surber, President and CEO of SAKL	24.00%	11/20/2011	\$ 60,282	\$ 62,532
Note payable due to Richard Surber, President and CEO of SAKL	20.00%	11/20/2011	25,000	25,000
Note payable due to a corporation	18.00%	5/6/2016	9,309	-
Note payable due to Richard Surber, President and CEO of SAKL	18.00%	3/12/2018	20,820	-
Total related Party Notes Payable			<u>115,411</u>	<u>87,532</u>
Less: Current Portion			<u>101,022</u>	<u>87,532</u>
Lang Term Related Party Notes Payable			<u>\$ 14,389</u>	<u>\$ -</u>

NOTE 10 – LEASE COMMITMENTS

Operating Leases

Facilities are leased under operating leases expiring at various dates through 2020. Certain of these leases contain renewal options. Rental expense for the years ending December 31, 2015 and 2014, was \$189,059 and \$215,360, respectively.

Landis has signed a ten year lease agreement for its Salt Lake salon location until September 30, 2020. Landis II has signed a ten year lease agreement for its Marmalade salon location until September 30, 2020. SAKL also has commitments on operating leases for equipment used in product production or office use. Future payments for maintenance, insurance and taxes to which SAKL is obligated are excluded from minimum lease payments.

As of December 31, 2015, future minimum lease payments under non-cancelable operating leases were as follows:

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

	<u>Operating Leases</u>
For the fiscal years ending December 31:	
2016	95,740
2017	137,800
2018	145,575
2019	120,065
Thereafter	62,313
Total operating lease payments	<u>\$ 561,493</u>

Capital Leases

During 2013, the Company entered into a lease agreement for office equipment. The Company evaluated the leases at the time of purchase and determined that the agreement contained a beneficial by-out option wherein the Company has the option to buy the equipment for \$1 at the end of the lease term. Under the guidance in ASC 840, the Company has classified the leases as capital leases for equipment in the gross amount of \$76,298. This amount has been capitalized and included with the Company's equipment and is amortized as such. The Company used the discounted value of future payments as the fair value of this asset and has recorded the discounted value of the remaining payments as a liability. As of December 31, 2015 and 2014, the gross carrying amount of the leased assets was \$76,298. As of December 31, 2015 and 2014, accumulated amortization on the leases was \$54,335 and \$38,803, respectively. This amount is included in fixed assets (see Note 2 – Significant Accounting Policies – Property and Equipment)

The following is a summary of the gross amount of assets by class recorded under capital leases as of December 31, 2015 and 2014:

	Years ended December 31,	
<u>Capital leases payable outstanding as of:</u>	2015	2014
Total, net	\$ 35,149	\$ 34,646
Less current portion	13,854	21,701
Long-term portion	<u>\$ 21,295</u>	<u>\$ 12,945</u>

As of December 31, 2015, future minimum lease payments under non-cancelable capital leases were as follows:

For the fiscal years ending December 31:	<u>Capital Leases</u>
2016	\$ 16,705
2017	6,201
2018	4,919
2019	4,663
Thereafter	9,327
Total capital lease payments	41,815
Less interest for the terms	3,765
Total, net	<u>\$ 38,050</u>

NOTE 11 – REAL PROPERTY LEASES

SAKL owns one commercial building and two residential homes which it leases to tenants. Lease agreements are generally five years for the commercial building and one year for the residential homes. Annual lease amounts generally

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

increase each year. Commercial tenant leases include reimbursement to SAKL for allocated property taxes, insurance on the building and common area expenses.

NOTE 12 – 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 December 31, 2015 and December 31, 2014, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 559,750 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 December 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 December 31, 2015 and December 31, 2014, the number of shares of Series C Preferred Stock issued and outstanding was 1,228,761 and 1,468,333 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 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.

On July 23, 2015 the Board of Directors approved the conversion of 4,488 shares of Series C Preferred shares into 3,300,000 shares of Common Stock. The shares were converted at \$0.0068 based on the conversion provisions for the Convertible Series C Preferred Stock designation.

On August 31, 2015 the Company signed a promissory note in the amount of \$300,000 for a cash payment in that amount with a non-related third party individual lender. The note provides for repayment on or before November 30, 2015, bears interest at the rate of 12% per annum and included a grant of \$9,000 worth of the Company's common stock (a total of 750,000 shares of common stock were issued to the note holder). The note has a provision that in the event the Company obtains financing in an amount that exceed \$500,000 the note shall be due at that time. This note was paid in full in November of 2015.

The Board of Directors cancelled or repurchased 558,662 Series C Preferred shares. The total face value of all the shares cancelled or bought back \$2,793,310. All of the certificates comprising the above mentioned shares were cancelled by December 31, 2015.

Common Stock

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

As of December 31, 2015, SAKL was authorized to issue 990 Million shares of common stock with a par value of \$0.0001 per share. As of December 31, 2015 and December 31, 2014, the number of common shares issued and outstanding was 135,999,890 and 64,821,834, respectively. The common stock holds voting rights of one vote per share. It has no dividend or preemptive rights. On October 15, 2015, the Company reduced its authorized shares from 25 Billion to 990 Million. The action was approved by a majority vote of shareholders and the board of directors.

NOTE 13 – SEGMENT REPORTING

The Company has two significant operating segments, action-oriented events (Events) and health and beauty salons (Salons). The Events segment is comprised of Slide the City Productions, Inc., Color Me Rad Productions, Inc., Lantern Fest Productions, Inc. and Dirty Dash Productions, Inc. The Salons segment is comprised of two Aveda Lifestyle salons and an Aveda retail store.

The following table identifies assets and profit/loss for the significant operating segments.

	Events	Salons	Non-segment	Total Consolidated
	ASSETS			
2015	\$ 3,247,891	\$ 860,674	\$ 3,504,156	\$ 7,612,721
2014	833,713	747,237	2,560,410	4,141,360
	PROFIT/(LOSS)			
2015	835,670	(884,543)	57,066	8,193
2014	\$ 92,891	\$ (79,037)	\$ 1,108,589	\$ 1,122,443

NOTE 14 – SUBSEQUENT EVENTS

SAKL has evaluated subsequent events through April 10, 2016, which is the date the financial statements were issued.

During March 2016 a subsidiary of the Company borrowed \$400,000 at 9% interest for 15 months with Weekly payments. Approximately \$150,000 of these proceeds were used to refinance higher interest rate loans.

During March 2016 a subsidiary of the Company borrowed \$62,000 at 6% interest for 1 year with payments on all business days.

During the first quarter of 2016 the Company has reorganized its operations to simplify the corporate structure and tax reporting of the Company's subsidiaries. For Color Me Rad and Dirty Dash this resulted in the purchase of 100% of the assets of the LLC's by new corporations formed to operate these events. Lantern Fest and Slide the City events operational LLC's have been merged into new corporations that will continue the operations of these events. These actions have resulted in the elimination and consolidation of numerous LLC's into four wholly owned corporations and the resulting simplification of the organization and operation of these events and the reduction of tax and accounting reporting generated by the prior organization.

Slide the City Productions, Inc., a Utah corporation formed on February 2, 2016 has merged with Slide the City Franchising LLC, Slide the City Canada LLC and Slide the City LLC and will operate the Slide the City events of the Company going forward.

The Lantern Fest Productions, Inc. a Utah corporation, formed on February 3, 2016 has merged with Lantern Fest LLC and will operate the Lantern Fest events of the Company.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

Color Me Rad Productions, Inc. a Utah corporation, was formed on January 28, 2016 and has purchased 100% of the assets of Color Me Rad, LLC and will operate Color Me Rad events and the Color Me Rad franchises for the Company.

Trike Riot Productions Inc. a Utah corporation was formed on February 10, 2016 and will operate Trike Riot events for the Company.

The Dirty Dash Productions, Inc. a Utah corporation was formed on January 28, 2016 and has purchased 100% of the assets of Dirty Dash LLC and Springbok Franchising, LLC and will operate Dirty Dash events for the Company.

On January 5, 2016 the Board of Directors of SAKL approved the execution of employment agreements with Richard Surber, John Malfatto, David Wulf and Taylor Gourley. The terms of the agreements begin on January 1, 2016 and expire on December 31, 2020. Base annual salary for each of the named persons is \$250,000 and cannot be reduced below \$1,500 for any single two week payroll period. The agreements include non-compete provisions for a period equal to three years or sale of all preferred securities held by the employee. Each of the named persons hold shares of Series B Preferred Stock that by agreement are not transferable without the prior approval of the Board of Directors of SAKL. Each of these same persons has signed a Lock-Up Agreement with the Company that limits the sale of securities by the named persons and the Company in exchange agreed to protect the four named individuals' securities from "corporate action, including any reverse stock split of the common stock exceeding a factor of two (2) OR OTHER RESTRUCTURING OF THE Company."

On March 29, 2016 the Company transferred the LLC Memberships it held in Springbok Holdings LLC, this LLC is the sole member of Springbok Management LLC, Springbok Franchising LLC and Springbok Slide the City LLC, these membership interests were transferred to Diversified Holdings X, Inc. for \$100 in cash and other good and valuable consideration. The Company agreed to indemnify DHX against any liability arising at time the Company held the membership interests, including providing legal counsel and defense against any litigation brought against DHX. DHX is a 100% owned by Richard Surber, the CEO of Sack Lunch Productions, Inc. The transaction was affected to streamline the operations of SAKL. All the transferred LLC's are expected to be dissolved within the next 12 months.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

Item 14: Beneficial Owners

The following table sets forth certain information concerning the ownership of the Company's common stock as of April 15, 2016, with respect to: (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's common stock; (ii) all directors; and (iii) directors and executive officers of the Company as a group. The notes accompanying the information in the table below are necessary for a complete understanding of the figures provided below. As of April 15, 2016, there were 142,368,223 shares of common stock issued and outstanding.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT & NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Preferred Series "B" Stock (\$0.001 par value)	Richard Surber, President & Director 59 West 100 South, Second Floor Salt Lake City, Utah 84101	14,000,000 ⁽²⁾	93.33%
Preferred Series "A" Stock (\$0.001 par value)	Richard Surber, President & Director 59 West 100 South, Second Floor Salt Lake City, Utah 84101	139,000 ⁽³⁾	24.87%
Preferred Series "C" Stock (\$0.001 par value)	John E. Fry, Jr. 59 West 100 South, 2 nd Floor Salt Lake City, UT 84101	6,500	0.73%
Common Stock (\$0.0001 par value)	Richard Surber, President & Director 59 West 100 South, Second Floor Salt Lake City, Utah 84101	19,301 Indirect ⁽¹⁾	<0.1%
Common Stock (\$0.0001 par value)	Richard Surber, President & Director 59 West 100 South, Second Floor Salt Lake City, Utah 84101	28,392,342	19.94%
Common Stock (\$0.0001 par value)	John E. Fry, Jr., Director 59 West 100 South, Second Floor Salt Lake City, Utah 84101	600,002	<0.001%
Common Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%
Common Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%
Common Stock	John Malfatto 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	10.0%
Common Stock (\$0.0001 par value)	Directors and Executive Officers as a Group	28,992,344	20.36%

⁽¹⁾ Richard Surber may be deemed a beneficial owner of 19,301 share of the Company's common stock by virtue of his position as an officer and director of Diversified Holdings X, Inc. (19,301 post-reverse shares).

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

- (2) Series "B" preferred stock has voting rights of 500 to 1 of the common stock; these shares give Mr. Surber 7,500,000,000 votes in any shareholder vote and his personal vote of these shares may not always be exercised in the best interest of the balance of the common stock shareholders.
- (3) Series "A" preferred stock has voting rights of 100 to 1 of the common stock; these shares give Mr. Surber 15,000,000 votes in any shareholder votes and his personal vote of these shares may not always be exercised in the best interest of the balance of the common stock shareholders.

Item 15: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure.

1. Investment Banker: None
2. Promoters: None
3. Counsel:
Name: Michael Golightly
Address 1: 59 West 100 South, 2nd Floor
Address 2: Salt Lake City, UT 84101
Phone: 801-575-8073
Email: mikelegal@sacklunchproductions.com
4. Accountant or Auditor:
 - a. Management: Management is responsible for the preparation of these financial statements.
 - b. Auditor: Sadler Gibb & Associates LLC
Address: 2455 E. Parley's Way, Suite 320
Address 2: Salt Lake City, Utah 84109
Phone: 801-783-2950
Email: csadler@sadlergibb.com
 - c. Tax accountant: Richard Smith, CPA
Address: 1336 East Millbrook Way, Bountiful Utah 84010.
Telephone: 801-292-7613
Services: Richard Smith, CPA provides all income tax preparation services.
5. Public Relations Consultant: None
6. Investor Relations Consultant:
Name: RedChip Companies, Inc.
Address: 1017 Maitland Center Commons Blvd
Address: Maitland, Florida 32751
Email: bruce@redchip.com
Phone: 407-644-4256
7. Any other advisor: None

Item 16: 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

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

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 Four principal areas: (1) the entertainment events operated under the Slide the City™® Color Me Rad™®, Dirty Dash™® and LanternFest®™ divisions of the Company (2) assisting with the development and production of film products, and (3) the operation of Landis Lifestyle Salons through SAKL’s ownership interest in Green Endeavors, Inc. (“GRNE”). The following discussion examines SAKL's financial condition as a result of operations for the years ended December 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 years ended December 31, 2015 and 2014.

Revenue

Years ended December 31, 2015 and 2014

Gross revenues for the years ended December 31, 2015, were \$10,662,551 as compared to \$4,824,241 for the same period in 2014. The increase in revenue for the year ended December 31, 2015 compared with the same period in 2014 was \$5,838,310, or 121.02%, is primarily due to an increase of \$6,104,273 in event revenue offset by a decrease in consulting revenue of \$174,284. Resulting from 12 months of operations of Slide the City and Lantern Fest, as well as Dirty Dash and Color me Rad events acquired from Springbok Holdings.

	Years Ended December 31,		
	2015	2014	Change
Services	\$ 2,220,349	\$ 2,303,271	\$ (82,922)
Product	891,803	890,781	1,022
Rent	54,411	64,190	(9,779)
Entertainment	7,495,988	1,391,715	6,104,273
Consulting	-	174,284	(174,284)
Total revenue	<u>\$ 10,662,551</u>	<u>\$ 4,824,241</u>	<u>\$ 5,838,310</u>

Costs and Expenses

Years ended December 31, 2015 and 2014

Costs of revenue for the year ended December 31, 2015, increased to \$11,899,388 from \$4,991,873 for the year ended December 31, 2014, an increase of \$6,907,515 or 138.4%. This increase over the comparable annual periods is primarily attributable to an increase in the number of Event held. Resulting from 12 months of operations of Slide the City and Lantern Fest, as well as Dirty Dash and Color me Rad events acquired from Springbok Holdings.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

The following table shows general and administrative expense for the years ended December 31, 2015 and 2014:

	Years Ended December 31		
	2015	2014	Change
Salaries and wages	\$ 1,922,569	\$ 833,788	\$ 1,088,781
Rent	189,059	215,360	(26,301)
Advertising and promotional	769,091	220,369	548,722
Credit card merchant fees	265,508	48,433	217,075
Insurance	255,534	137,708	117,826
Utilities and telephone	82,319	71,496	10,823
Professional services	1,112,478	412,731	699,747
Repairs and maintenance	56,874	46,345	10,529
Finance charges	2,833	3,901	(1,068)
Office expense	412,263	162,537	249,726
Travel	385,555	47,472	338,083
Other	373,637	295,100	78,537
	<u>\$ 5,827,720</u>	<u>\$ 2,495,240</u>	<u>\$ 3,332,480</u>

The increase in general and administrative expenses over the comparable annual periods is primarily due to increases in other expenses, and Investor relations, and salaries and wages, offset by decreases in rent and repairs and maintenance.

Depreciation and amortization expense for the year ended December 31, 2015, increased to \$333,466 from \$171,920 for the year ended December 31, 2014.

Other Expenses, net

Years ended December 31, 2015 and 2014

Other income (expenses), net for the year ended December 31, 2015, resulted in a gain of \$669,209 compared to total of \$1,303,732 for the year ended December 31, 2014, a decrease of \$634,523 or (48.67%). This decrease over the comparable annual periods is primarily due to a \$1,000,000 gain on the sale of securities in 2014.

Net Income (Losses)

Years ended December 31, 2015 and 2014

Net loss for the year ended December 31, 2015, was \$567,628 compared to a net income of \$1,136,100 for the year ended December 31, 2014, a decrease of (\$1,703,728) or (150%). This decrease is primarily due to an increase of \$3,613,328 in event expenses, an increase of \$3,332,480 in general and administrative expenses related to 12 months of operations of Slide the City and Lantern Fest, as well as Dirty Dash and Color me Rad events acquired from Springbok Holdings., and a decrease of \$1,000,000 of gain on sale of securities.

Liquidity and Capital Resources

As of December 31, 2015 and December 31, 2014

We had a working capital deficit of \$2,988,748 as of December 31, 2015. Our current assets were \$3,165,744, which consisted of \$1,024,016 in cash, \$216,254 in accounts receivable net of allowance for doubtful accounts, \$156,276 in prepaid expenses, \$1,753,574 in inventory, and \$15,624 as the current portion of notes receivable. Our total assets were \$7,612,721, which included \$2,111,255 in property and equipment (net), \$224,751 in notes receivable, \$345,761 in film costs, \$288,441 in other assets, \$36,769 in long-term investments, and \$1,440,000 in trademarks, tradenames and

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

customer intangibles. Our current liabilities were \$6,154,494, including \$2,917,200 in accounts payable and accrued liabilities, \$239,198 in deferred Revenue, \$2,274,712 in current portion of notes payable, \$101,022 in current portion of notes payable, related party, \$13,854 in current portion of lease obligation, \$32,844 in convertible notes, net, and \$215,802 in derivative liabilities, \$86,818 in deferred rent, and \$272,793 due to related parties. Our long-term liabilities were \$918,724 which included \$782,931 in long-term portion of notes payable, \$21,294 in long-term portion of lease obligations, \$8,110 in long-term convertible notes, \$14,389 in related party notes payable, and 92,000 in contingent liabilities. Our total stockholders' deficit at December 31, 2015, was \$539,504.

Cash Flows from Operating Activities

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

Years ended December 31, 2015 and 2014

Net cash provided by operating activities for the year ended December 31, 2015, was \$(1,275,887) as compared to \$308,068 for the year ended December 31, 2014. The decrease in cash provided by operating activities over the comparable periods is primarily due to change in inventory levels on hand, and a decrease in deferred revenues.

We expect to increase cash provided by operating activities over the next twelve months by executing the individual business strategies of our subsidiaries which are outlined in note 3.

Cash Flows from Investing Activities

Years ended December 31, 2015 and 2014

Cash flow used in investing activities for the year ended December 31, 2015, was \$475,588 as compared to \$227,282 for the year ended December 31, 2014. The decrease in cash flows used in investing activities is primarily due to an increase in the purchases of property, plant, and equipment.

We expect to continue our investing activities, including purchasing both property and equipment for an additional salon location and making both short and long-term equity investments.

Cash Flows from Financing Activities

Years ended December 31, 2015 and 2014

Cash flows used in financing activities for the year ended December 31, 2015, was \$2,045,283 as compared to cash flows provided by financing activities of \$231,094 for the year ended December 31, 2014. The transition from cash flows used in financing activities over the comparable period is due to an increase in proceeds from the issuance of notes payable and convertible notes payable partially offset by a decrease in payments made on notes payable and an increase in payments made on related party notes payable in the current period.

Other Factors Affecting Liquidity and Capital Resources

We have insufficient current assets to meet our current liabilities due to negative working capital of \$2,988,748 as of December 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.

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

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

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

Risks Related to Entertainment Events

The various events operated by the Company are subject to risks related to the conducting of events that are subject to weather that may cause an outdoor event to be cancelled due to inclement weather, drought conditions may prevent an opportunity to conduct a Slide the City® event, and high fire danger may prevent obtaining necessary permission to conduct a Lantern Fest® event. Further complications may arise in the need to obtain permits from local governmental authorities that may be denied due to local political conditions, local opposition to the nature and type of event being proposed, the need to comply with local health or safety regulations that differ significantly from jurisdiction to jurisdiction. Obtaining favorable contracts with regard to suitable venues can sometimes create obstacles and difficulties in operating events in the safe and desirable conditions that we would want and seek to locate. There are areas in which fire codes have been adopted that prohibit the release of “sky lanterns” and thus prohibit the opportunity to hold a Lantern Fest® event in such a location. Efforts are being taken by the Company to educate those decision makers about the safety record of our event and how the risk is limited and controlled by how we operate. With the hundreds of events that are planned for the future we cannot control nor predict the various obstacles to conducting our events that may be in each location. Efforts are taken to always comply with all local rules, regulations, ordinances and statutes and to obtain all necessary and required permits or licenses needed in the operation of the events.

Part E: Issuance History

Item 17: List of securities offerings and shares issued for services in the past two years.

There were no common stock issuances or grants of stock options during the years ended December 31, 2015 and 2014:

Part F: Exhibits

- A. Employment Contract with Richard Surber-December 30, 2015**
- B. Employment Contract with David Wulf-December 30, 2016**
- C. Employment Contract with John Malfatto-December 30, 2015**
- D. Employment Contract with Taylor R. Gourley-December 30, 2015**
- E. LLC Membership Purchase Agreement-December 18, 2015**
- F. Settlement Agreement and Release-November 25, 2015**
- G. Lock-Up Agreement-December 18, 2015**

Item 18: Material Contracts.

TCA

Effective October 13, 2015, the Company closed a Credit Agreement (the “Credit Agreement”) by and among the Company, as borrower, and the Company’s subsidiaries as joint and several guarantors (such guarantors, collectively, the (“Subsidiaries”) and together with the Company, the (“Borrowers”) and TCA Global Credit Master Fund, LP, a Cayman Islands limited partnership, as lender (“TCA”). Pursuant to the Credit Agreement, TCA agreed to loan the Company up to a maximum of \$5 million for working capital and general operating expenses. An initial amount of \$1,800,000 was funded by TCA at the closing of the Credit Agreement. Any increase in the amount extended to the Company shall be at the discretion of TCA.

The amounts borrowed pursuant to the Credit Agreement are evidenced by a Convertible Promissory Note (the “Note”) and the repayment of the Note is secured by a first position security interest in substantially all of the Company’s assets in favor of TCA, as evidenced by a Security Agreement by and between the Company and TCA (the “Company Security Agreement”) and a first position security interest in substantially all of the Subsidiaries’ assets in favor of TCA, as evidenced by a Security Agreement by and among the Subsidiaries and TCA (the “Subsidiaries Security Agreement” and, together with the Company’s Security Agreement, the “Security Agreements”). The Note, in the original principal amount of \$1,800,000, is due and payable, along with interest thereon, fifteen months following the effective date of the Note, and bears interest at the rate of 12% per annum, increasing to 22% upon the occurrence of an event of default, in addition to a monthly collections fee payable to TCA under the Credit Agreement. The initial draw down of \$1.8M allowed SAKL and its subsidiaries to refinance approximately \$750,000 in debt that was predominately used to consummate the Springbok acquisition.

Acquisition Agreement dated August 7, 2015 between Sack Lunch Productions, Inc. and Springbok Holdings, LLC and its controlling members by which SAKL acquired 100% ownership and control of Springbok Holdings LLC. This acquisition included control of numerous Slide the City™ franchise events previously granted to Springbok by SAKL subsidiary and The Dirty Dash™ and Color Me Rad™. Two events over which Springbok held exclusive control.

On November 25, 2015 the Company agreed with Richard Surber, Its President to settle \$1,051,387 owed to him as compensation in exchange for the issuance of 52,569,350 shares of the Company’s Common Stock.

On December 18, 2015 the Company entered into a Lock-Up Agreement with Richard Surber, David Wulf, Taylor R. Gourley, Martin Malfatto Squared Inc. and John Malfatto, which restricted the named parties from selling any securities of the Company held by them in excess of 500,000 shares of common stock without prior written consent of the Company.

On December 18, 2015 the Company’s wholly owned subsidiary WG Productions Company acquired from Martin Malfatto Squared Inc. the minority ownership interests in The Lantern Fest LLC and Slide the City LLC. The 33.3334% interests acquired resulted in WG holding 100% ownership in both of the named LLCs.

On December 30, 2015 the Company entered into Employment Agreements with Richard Surber, David Wulf, John Malfatto and Taylor R. Gourley, each of the agreements details the duties of the employees and provides that each will receive an annual salary of \$250,000, which salary may be deferred but not reduced below \$1,500 in gross salary for any single two week payroll period through June 1, 2016. The Agreements extend through December 31, 2020.

Subsequent Events

On March 29, 2016 the Company transferred the LLC Memberships it held in Springbok Holdings LLC, this LLC is the sole member of Springbok Management LLC, Springbok Franchising LLC and Springbok Slide the City LLC, these membership interests were transferred to Diversified Holdings X, Inc. for \$100 in cash and other good and valuable consideration. The Company agreed to indemnify DHX against any liability arising at

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

time the Company held the membership interests, including providing legal counsel and defense against any litigation brought against DHX. DHX is a 100% owned by Richard Surber, the CEO of Sack Lunch Productions, Inc. The transaction was affected to streamline the operations of SAKL. All the transferred LLC's are expected to be dissolved within the next 12 months.

Item 19: 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 20: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

On September 9, 2015 the Board of Directors approved the repurchase of 190,486 shares of Series C Preferred Shares from AmeriResource Technologies Inc. in exchange for the return of 100,000 shares of Restricted Series F Preferred Stock of AmeriResource Technologies Inc.

On September 9, 2015 the Board of Directors approved the repurchase of 200,000 shares of Series C Preferred Shares from RoboServer Systems Corp. in exchange for the return of a Convertible Debenture of RoboServer Systems Corp. in the amount of \$900,000.

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchase	Column (b) Average Price Paid per Shares (or Unit)	Column (c) Total Number of Shares (or Units) Purchase as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (or Approximate Dollar Value) or Shares (or Unites) that May Yet Be Purchased Under the Plan or Programs
September	390,486 Series C Preferred Shares	\$0, securities of the other party were returned to them	0	0
Total	390,486 Series C Preferred Shares	\$0	0	0

Sack Lunch Productions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014
(Unaudited)

Item 21: Issuer's Certifications

I, Richard D. Surber, certify that:

1. I have reviewed this disclosure statement for the years ended December 31, 2015 and 2014 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: April 22, 2016

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