Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ALUF HOLDINGS, INC.

4801 South University Drive, Ste 227
Davie FL 33328
(866) 793-1110
https://www.aluf.com/
Info@aluf.com
SIC CODE: 551114

Quarterly Financial Report
For the Period Ending: March 31, 2020
(the "Reporting Period")

As of June 5, 2020, the number of shares outstanding of our Common Stock was: **4,008,602,631**

As of March 31, 2020, the number of shares outstanding of our Common Stock was: **4,008,602,631**

As of December 31, 2019, the number of shares outstanding of our Common Stock was: **4,008,602,631**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets.

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

ALUF HOLDINGS, INC. – 07/14/2015 to PRESENT,

COREWAFER INDUSTRIES, INC. – 06/22/2012 to 07/14/2015

ACTION PRODUCTS INTERNATIONAL, INC. – 05/27/1988 to 06/22/2012

ACTION PACKETS, INC. – 01/07/1981 to 05/27/1988

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

NEVADA – ACTIVE

FLORIDA (Foreign Corp) – ACTIVE

FLORIDA (Past domicile) – INACTIVE/MERGER

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol:	AHIX	
Exact title and class of securities outstanding:	Common	
CUSIP:	022167100	
Par or stated value:	$.001	
Total shares authorized:	7,400,000,000	as of date: 03-31-2020
Total shares outstanding:	4,008,602,631	as of date: 03-31-2020
Number of shares in the Public Float[2]:	2,747,616,697	as of date: 03-31-2020
Total number of shareholders of record:	288	as of date: 03-31-2020

All additional class(es) of publicly traded securities (if any):

Trading symbol:	AHIX	
Exact title and class of securities outstanding:	Preferred A, B, D, and E	
CUSIP:	N/A	
Par or stated value:	$.001	
Total shares authorized:	100,000,000	as of date: 03-31-2020
Total shares outstanding:	89,502,775	as of date: 03-31-2020

[2] "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Transfer Agent

Name: Broadridge Financial Solutions, Inc.
Phone: (631) 392-5845
Email: Keri.Cuadros@broadridge.com

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

A Reverse stock split was submitted to FINRA for approval in October 2019 but has not been initiated pending additional information submission to FINRA.

On April 22, 2019, the Company completed a Seller-Financed common stock acquisition of Interaqt Corp d/b/a COLOTRAQ.

On September 12, 2019 the Company entered into a non-binding LOI to acquire all the stock of a start-up technology company, an end-to-end, multi-factor biometric digital identity authentication and management platform.

On or about August 19, 2019, the Company entered into a non-binding LOI to acquire all the stock of a program management, consulting, integration, and custom software development services company.

On October 31, 2016, the Company entered into a Stock Purchase Agreement to acquire all the stock of a biometric software development and technology consulting company.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 01-01-2018 Common: 3,471,202,631 Preferred: 17,233,200			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
03/07/2018	Issuance	5,200,000	Pref B	5,200	No	Leonard Kravets	Private placement	Restricted	4(a)2
05/23/2018	Issuance	375,000,000	Common	750,000	No	Teresa McWilliams	Debt Conversion	Restricted	4(a)2
05/23/2018	Issuance	37,500,000	Pref B	$37,500	No	Teresa McWilliams	Debt Conversion	Restricted	4(a)2
05/23/2018	Issuance	10,000,000	Pref B	$10,000	No	Donald Bennett	Debt Conversion	Restricted	4(a)2
05/23/2018	Issuance	375,000,000	Common	$750,000	No	Teresa McWilliams	Debt Conversion	Restricted	4(a)2
05/23/2018	Issuance	3,069,610	Pref B	$3,070	No	Dale Churchill	Debt Conversion	Restricted	4(a)2
06/05/2018	Issuance	55,400,000	Common	$138,500	No	Gary Polistena	Debt Conversion	Restricted	4(a)2
11/05/2018	Issuance	2,000,000	Common	$500.00	No	Anthony Pollitt	Services Provided	Restricted	4(a)2
04/01/2019	Issuance	10,000,000	Common	$25,000	No	Jeffery Teisch	Purchased in Private Placement	Restricted	506(c)
04/01/2019	Issuance	2,000,000	Common	$5,000	No	Bruce Karpf	Purchased in Private Placement	Restricted	506(c)
04/01/2019	Issuance	5,000,000	Common	$12,500	No	Dany Bouchedid	Purchased in Private Placement	Restricted	506(c)
04/01/2019	Issuance	10,000,000	Common	$25,000	No	Phillip Elias	Purchased in Private Placement	Restricted	506(c)
04/01/2019	Issuance	10,000,000	Common	$25,000	No	Teresa McWilliams	Debt Conversion	Restricted	506(c)

04/15/2019	Issuance	48,000,000	Common	$120,000	No	DIA Retail Fashion LLC (Control person: Jennifer Winchester)	Purchased in Private Placement	Restricted	506(c)
04/19/2019	Issuance	10,000,000	Common	$25,000	No	Advisory Board Consulting Group LLC (Control person: Ben Zandi)	Debt Conversion	Restricted	506(c)
04/30/2019	Issuance	10,000,000	Common	$25,000	No	Donald Bennett	Debt Conversion	Restricted	506(c)
9/27/2019	Issuance	5,000,000	Pref B	$ 5,000	No	Carmel D Smith	Private Placement	Restricted	506(c)
10/15/2019	Issuance	3,500,000	Pref B	$ 3,500	No	Dany Bouchedid	Private Placement	Restricted	506(c)
11/21/2019	Issuance	2,000,000	Pref B	$ 5,000	No	Jeffery Teisch	Private Placement	Restricted	506(c)
11/22/2019	Issuance	2,000,000	Pref B	$ 2,000	No	Carmel D Smith	Private Placement	Restricted	506(c)
12/6/2019	Issuance	4,000,000	Pref B	$ 4,000	No	Carmel D Smith	Private Placement	Restricted	506(c)
Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 3-31-2020 Common: 4,008,602,631 Preferred: 89,502,775									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

____

(this space intentionally left blank)

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
7/31/2015	$215,500	$215,500	-0-	7/31/2016	After maturity may be converted at a price equal to 80% of avg closing bid price for the 5 days prior to conversion notice	Cyril Moreau	Conversion of accounts payable to notes payable per separation agreement
4/15/19	5,875,000	5,900,000	$0.00	11/15/19	N/A	Dany Bouchedid Lou Peccoralo	Acquisition Seller financing
4/15/19	3,100,000	3,100,000	$0.00	11/30/21	N/A	Dany Bouchedid Lou Peccoralo	Acquisition Seller financing
9/23/2019	5,000	5,000	$0.00	4/30/2020	N/A	Marcus Bodet	Loan
1/12/2020	35,000	35,000	$0.00	12/31/2020	N/A	Robert Marino	Settlement

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name: **Teresa McWilliams**
Title: **Chief Financial Officer**
Relationship to Issuer: **Officer**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

C. Balance sheet;
D. Statement of income;

[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

E. Statement of cash flows;
F. Statement of Changes in Shareholders' Equity
G. Financial notes; and
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statements are attached in Appendix A

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Aluf Holdings, Inc. (AHIX) is a holding company headquartered in Hollywood, FL, engaged in acquiring, operating and managing subsidiary companies in the development and sale of proprietary software. Through strategic acquisitions, the Company will develop, and manage biometric, blockchain, and AI software, technology and cyber security companies as subsidiaries. To this, the Company has launched a very intensive campaign to target multiple strategic partnerships, business and software asset acquisitions and will rapidly develop a robust portfolio of technology assets over the next several years ,allowing us to increase strategic partnerships, market share and profitability. The Company has selected a number of potential candidates in order to enable the success of this software and technology vertical. However, there are currently no products being sold.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The Company's current subsidiaries include the following:

Aluf Biometrics, Inc. was formed by the Company on November 12, 2015 for the purpose of a reverse triangular merger with an acquisition target for which the Company is currently under contract.

Aluf CBD Partners, LLC, formed by the Company on March 7, 2019 to engage in the investing of Hemp CBD crude for converting into Distillate by a licensed qualified lab. The Distillate will then be sold to manufacturers of Hemp CBD products. The officers and directors of Aluf will see to the day to day operations of this wholly owned subsidiary.

Interaqt Corp. d/b/a COLOTRAQ acquired on or about April 23, 2019 is the first and largest broker and master agency specializing in data center infrastructure (DCI) solutions with an unrivaled network of direct agreements with over 400 service providers across 140 countries and territories. Their proprietary solution

allows clients, including Fortune 500 companies such as Amazon and IBM, and government agencies such as U.S. Department of Homeland Security and Department of the Interior, or their representatives, to easily source Cloud, Colocation, Connectivity, and Cybersecurity services worldwide.

C. Describe the issuers' principal products or services, and their markets

The Company's core business and strategy is to build a large portfolio of companies with more diverse enterprise software solutions through strategic acquisitions and managed growth as it acquires profitable businesses with strong growth potential and a solid business plan. Our technology acquisitions stem from a surge in momentum in the tech space; especially in areas of biometrics and cyber security, cloud-based software services (SaaS), medical applications, energy production, IoE (Internet of Everything) services, and global law enforcement and military-based offensive and defensive applications. in the software and technology industries.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company neither owns nor leases any real or personal property. Shared office space is being rented on a month-by-month basis. The Company's wholly owned subsidiary leases approximately 3,254 sq. ft of office space for their headquarters located in Parsippany, NJ at approximately $76,400 annually.

7) Officers, Directors, and Control Persons

The goal of this section 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 or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Donald C. Bennett	Chairman/Owner	Naples, FL	121,454,037 10,000,000 2	Common Series B Series E	3% 11% 50%	______
Teresa McWilliams	Officer/Director/Owner	Hollywood, FL	577,750,000	Common	14.4%	______

			44,000,000 2	Series B Series E	49% 50%	
Eduardo Cabrera	Owner of more than 5%	Scarsdale, NY	340,000,000	Common	8.48%	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, <u>in the past 10 years</u>, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

<u>No</u>

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

<u>No</u>

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

<u>No</u>

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

<u>No</u>

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties

C. thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

<u>NONE</u>

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

McMurdo Law Group, LLC
Matthew McMurdo, Esq.
1185 Avenue of the Americas 3rd Floor
New York, New York 10036
(w) 917-318-2865
(f) 866-606-8914

Accountant or Auditor

SALBERG & COMPANY, P.A.
2295 NW Corporate Blvd., Suite 240
Boca Raton, FL 33431-7328
Phone: 561) 995-8270
Fax: (561) 995-1920
Website: http://www.salbergco.com

Investor Relations

TO BE DETERMINED

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Brian Higley, Esq.
Business Legal Advisors
Corporate Law, General
3889 Coastal Dune Drive
South Jordan, UT 84009
(801) 634-1984
brian@businesslegaladvisor.com

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, **DONALD C. BENNETT** certify that:

1. I have reviewed this **QUARTERLY DISCLOSURE STATEMENT** of ALUF HOLDINGS, 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.

June 6, 2020 [Date]

/s/ DONALD C. BENNETT [CHAIRMAN's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, **TERESA MCWILLIAMS** certify that:

1. I have reviewed this **QUARTERLY DISCLOSURE STATEMENT** of ALUF HOLDINGS, 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.

June 6, 2020 [Date]

/s/ Teresa McWilliams [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

APPENDIX A

aluf

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended
March 31, 2020 and 2019

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

[This space intentionally left blank]

ALUF HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEET

	March 31,	
	2020	2019
Current Assets		
Cash	131,355	35,547
Accounts receivable	784,416	13,000
Prepaid expenses and other current assets	236,436	156,257
Total current assets	1,152,208	204,804
Deposits	19,090	-
Investments in Subsidiaries	12,700,000	3,450,000
Fixed Assets, net	777,581	21,375
Total assets	$ 14,648,878	$ 3,676,179
Current Liabilities		
Accounts payable and accrued expenses	1,826,296	994,729
Short-term promissory notes payable	49,148	-
Total current liabilities	1,875,445	994,729
Long Term Notes Payable	10,515,079	362,723
Total Liabilities	12,390,523	1,357,452
Shareholders' Deficit		
Preferred stock, $.001 par value; 100,000,000 and 53,178,001 shares authorized at March 31, 2020 and 2019, respectively.		
· Series A: 175,000 shares issued and outstanding at March 31, 2020 and 2019, respectively	175	175
· Series B: 89,325 and 72,825 shares issued and outstanding at March 31, 2020 and 2019, respectively	89,325	72,825
· Series D: 3,001 and .00 shares issued and outstanding at March 31, 2020 and 2019, respectively	3	3
· Series E: 4 and .2 shares issued and outstanding at March 31, 2020 and 2019, respectively	0	0
Common stock $.001 par value; 7,400,000,000 shares authorized March 31, 2020 and 2019 respectively; 4,008,602,631 and 3,903,603,631 issued and outstanding March 31, 2019 and 2018, respectively	4,008,603	3,903,603
Treasury stock, $.001 par value; 141,000 shares authorized at March 31, 2020 and 2019, respectively	(141)	(141)
Additional paid-in-capital	16,507,473	16,573,181
Unearned compensation costs	-	-
Stock Dividend	(151,931)	(151,931)
Accumulated deficit	(18,195,151)	(18,078,988)
Total shareholders' equity/deficit	2,258,355	2,318,727
Total liabilities and shareholders' equity	$ 14,648,878	$ 3,676,179

See accompanying notes to condensed financial statements

ALUF HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	For the Three Months Ended March 31,	
	2020	**2019**
Gross Sales	778,658	31,703
Cost of Sales	347,804	-
Net Sales	430,854	31,703
Operating expenses		
Marketing and advertising	18,091	-
General and administrative	668,574	99,203
Total operating expenses	686,666	99,203
Net loss before income taxes	(255,811)	(67,500)
Interest expense	3,898	1,779
Other income (expense)	-	-
Total other income (expense)	(3,898)	(1,779)
Net profit (loss)	$ (259,709)	$ (69,279)
Weighted average number of shares outstanding	81,490,110	178,886,575
Basic and diluted net loss per share	$ (0.0032)	$ (0.0004)

See accompanying notes to condensed financial statements

ALUF HOLDINGS, INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31,	
	2020	2019
Cash flow from operating activities:		
Net income (loss)	$ (259,709)	$ (69,279)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	-	-
Changes in operating assets and liabilities:		
Change in accounts receivable	45,505	-
Change in prepaid expenses and other assets	17,757	(8,971)
Decrease in accounts payable, accrued expenses	313,042	135,647
Gain on disposal of property and equipment	-	-
Net cash provided by (used in) operating activities	116,595	57,397
Cash flows from investing activities:		
Deposits	-	-
Website	-	(21,375)
Net cash used in investing activities	-	(21,375)
Cash flows from financing activities:		
Issuance of stock	-	-
Decrease in loans and notes payable	(134,219)	(1,250)
Additional Paid in Capital	-	-
Net cash used by financing activities	(134,219)	(1,250)
Net increase (decrease) in cash	(17,624)	34,772
Cash and cash equivalents at beginning of period	148,979	775
Cash and cash equivalents at end of period	131,355	34,772
Supplemental disclosure:		
Cash paid for interest	$ 3,898	$ 1,779
Non-cash financing activities:		
Deferred/Accrued Salaries & Benefits	$ 64,238	$ 64,238

See accompanying notes to condensed financial statements

ALUF HOLDINGS, INC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Preferred Stock $.001 Par Value		Common Stock $.001 Par Value		Treasury Stock $.001 Par Value		Stock	Additional Paid-In	Retained	Total Shareholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Dividend	Capital	Earnings	Equity/Deficit
Balance @ December 31, 2018	**73,003,000**	**$ 73,003**	**3,903,602,631**	**$ 3,903,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 16,573,181**	**$ (18,009,710)**	**$ 2,388,005**
Net Loss									$ (69,278)	$ (69,278)
Balance @ March 31, 2019	**73,003,000**	**$ 73,003**	**3,903,602,631**	**$ 3,903,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 16,573,181**	**$ (18,078,988)**	**$ 2,318,905**
Restricted common stock issued in a Private Placement			105,000,000	$ 105,000				$ 162,500		$ 267,500
Adjustment to APIC in acquisition								$ 3,679,907		$ 3,679,907
Net Income									$ 227,912	$ 227,912
Balance @ June 30, 2019	**73,003,000**	**$ 73,003**	**4,008,602,631**	**$ 4,008,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 20,415,588**	**$ (17,851,076)**	**$ 6,494,046**
Series B Preferred stock issued in a Private Placement	5,000,000	$ 5,000						$ -		$ 5,000
Acquisition valuation adjustment to APIC								$ (3,869,997)		$ (3,869,997)
Net Income									$ 23,494	$ 23,494
Balance @ September 30, 2019	**78,003,000**	**$ 78,003**	**4,008,602,631**	**$ 4,008,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 16,545,591**	**$ (17,827,582)**	**$ 2,652,543**
Series B Preferred stock issued in a Private Placement	11,500,000	$ 11,500							$ 3,000	$ 14,500
Retained earnings adjustment								$ (74,834)	$ 74,834	
Net Loss									$ (141,404)	$ (141,404)
Balance @ December 31, 2019	**89,503,000**	**$ 89,503**	**4,008,602,631**	**$ 4,008,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 16,470,757**	**$ (17,891,152)**	**$ 2,525,639**
Consolidating adjustment related to subsidiary								$ 36,716	$ (44,290)	$ (7,574)
Net Loss									$ (259,709)	$ (259,709)
Balance @ March 31, 2020	**89,503,000**	**$ 89,503**	**4,008,602,631**	**$ 4,008,603**	**(140,541)**	**$ (141)**	**$ (151,931)**	**$ 16,507,473**	**$ (18,195,151)**	**$ 2,258,356**

See accompanying notes to condensed financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS

Organization.
Aluf Holdings, Inc. ("Aluf," "Aluf Holdings", or the "Company"), a Nevada corporation, originally incorporated under the laws of New York in 1977 traded on NASDAQ from 1984 until voluntarily filing a Form 15 in 2009. In 2012, the Company relocated its state of incorporation to Nevada and, with its corporate headquarters in South Florida, began the process to strategically acquire businesses with strong growth potential and a solid business plan primarily in the software and technologies industries To date, the Company has three wholly owned subsidiaries, two of which are not currently operating, one Definitive Agreement**,** and one non-binding Letters of Intent (LOI), for additional acquisitions.

On April 22, 2019, the Company completed a Seller-Financed common stock acquisition of Interaqt Corp d/b/a COLOTRAQ a broker and master agency specializing in data center infrastructure (DCI) solutions with projected gross revenues of $3M in annually recurring revenue and consistent growth and profitability for over the past ten years.

On March 7, 2019 the Company formed Aluf CBD Partners, LLC for the purpose of investing in the manufacturing and processing of CBD isolate and distillate in order to fulfill the growing client need in the CBD marketplace. Aluf CBD Partners has no assets and currently has no operations.

On November 12, 2015 the Company formed Aluf Biometrics, Inc. for the purpose of a reverse triangular merger with an acquisition target for which the Company is currently under contract. Aluf Biometrics has no assets and currently has no operations.

On September 12, 2019 the Company entered into a non-binding LOI to acquire all the stock of a start-up technology company, that provides an end-to-end, multi-factor biometric digital identity authentication and management platform. Closing is contingent on funding.

On or about August 19, 2019, the Company entered into a non-binding LOI to acquire all the stock of a program management, consulting, integration, and custom software development services company. Closing is contingent on funding.

On March 18, 2016, the Company entered into a software acquisition agreement to acquire all rights, title, and interest in and to a certain computer program and documentation which will be marketed as "software-as-a-service", a web-based system that provides an easy way for the customer's compliance officers to identify and resolve potential violations or problematic areas under the rules of compliance. Closing is contingent on funding.

On October 31, 2016, the Company entered into Common Stock Purchase Agreement to acquire the capital stock of a developer of hardware independent biometric processing software and leading provider of software development services as a subcontractor to major corporations. The Company concentrates on the design and development of large custom systems such as high-volume message switches, large database systems, and the automation of large clerical systems. They also provide management consulting services to produce feasibility studies, procurement documents, special studies associated with automation or communications, and assisting customer staff in the development of automated systems. Closing is contingent on funding.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Basis of Presentation

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

Principles of Consolidation

The consolidated financial statements include the accounts of Aluf Holdings, Inc. and its wholly owned subsidiaries, Aluf Biometrics, Inc., Aluf CBD Partners, LLC and Interaqt Corp. dba COLOTRAQ. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Property and Equipment

Fixed assets are comprised of furniture and fixtures, computer equipment, purchased software and major categories of property and equipment and are stated at cost and depreciated using the straight-line method, over the estimated useful lives of the various classes of assets, as follows:

Furniture, fixtures and equipment	3 – 10 years
Computers and purchased software	3 – 5 years

Intangible Assets

The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144" or "ASC 360"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long- Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long- lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Fair Value of Financial Instruments

The Company's financial instrument consists of prepaid expenses, deposits, investments, customer deposits, accounts payable and accrued expenses, accrued interest, loans payable and loans payable to a related party. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its other financial instruments and that their fair values approximate their carrying values except where separately disclosed.

Revenue Recognition

We recognize revenue in accordance with generally accepted accounting principles as outlined in the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104 or ASC 605-10), which requires that four basic criteria be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) product delivery has occurred or services have been rendered. Revenue from the sale of products is generally recognized after both the goods are shipped to the customer and acceptance has been received, if required. Our products are custom made for our customers, who primarily consist of original engineer manufacturers (OEMs), and we do not accept returns. Our products are shipped complete and ready to be incorporated into higher level assemblies by our customers. The terms of the customer arrangements generally pass title and risk of ownership to the customer at the time of shipment.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. To date, the Company has not granted any stock options.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

Income Taxes

The Company provides for income taxes using an asset and liability approach. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. No provision for income taxes is included in the statement due to its immaterial amount, net of the allowance account, based on the likelihood of the Company to utilize the loss carry-forward.

Earnings/(Loss) per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128 or ASC 260), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Basic and diluted loss per share was $0.00 for the period ended June 30, 2018 and 2017, respectively.

Impairment of Long-lived Assets

In accordance with ASC 360, "Property, Plant and Equipment", the Company reviews the carrying values of long-lived assets, including property, plant and equipment and other intangible assets, whenever facts and circumstances indicate that the assets may be impaired. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If an asset is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs of disposal.

Goodwill

The Company recognizes goodwill for the excess of the purchase price over the fair value of the identifiable net assets of the business acquired. ASC 350 "Intangible Assets-Goodwill and Other", an impairment test for goodwill is undertaken by the Company at the reporting unit level annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU-2016-02, "Leases (Topic 842)." The guidance requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right of use asset representing its right to use the underlying asset for the lease term. For finance leases: the right-of-use asset and a lease liability will be initially measured at the present value of the lease payments, in the statement of financial position; interest on the lease liability will be recognized separately from amortization of the right-of-use asset in the statement of comprehensive income; and repayments of the principal portion of the lease liability will be classified within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows. For operating leases: the right-of-use asset and a lease liability will be initially measured at the present value of the lease payments, in the statement of financial position; a single lease cost will be recognized, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; and all cash payments will be classified within operating activities in the statement of cash flows. Under Topic 842 the accounting applied by a lessor is largely unchanged from that applied under previous GAAP. The amendments in Topic 842 are effective for the Company beginning January 1, 2019, including interim periods within that fiscal year. We are currently evaluating the impact of adopting the new guidance of the consolidated financial statements.

In January 2016, the Financial Accounting Standards Board ("FASB"), issued Accounting Standards Update ("ASU") 2016- 01, "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities," which amends the guidance in U.S. generally accepted accounting principles on the classification and measurement of financial instruments. Changes to the current guidance primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the ASU clarifies guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The new standard is effective for fiscal years and interim periods beginning after December 15, 2017 and are to be adopted by means of a cumulative- effect adjustment to the balance sheet at the beginning of the first reporting period in which

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

the guidance is effective. Early adoption is not permitted except for the provision to record fair value changes for financial liabilities under the fair value option resulting from instrument- specific credit risk in other comprehensive income. The Company is currently evaluating the impact of adopting this standard.

In November 2015, the FASB issued ASU 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which simplifies the presentation of deferred income taxes by requiring that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This ASU is effective for financial statements issued for annual periods beginning after December 16, 2016, and interim periods within those annual periods. The adoption of this standard will not have any impact on the Company's financial position, results of operations and disclosures.

NOTE 3 – PROPERTY AND EQUIPMENT

The company did not have any depreciable fixed assets for the period ending March 31, 2020 and 2019, respectively.

NOTE 4 – NOTES PAYABLE

On or about June 22, 2015, accrued as compensation payable for a former executive in the amount of $215,500, under his consulting agreement dated June 22, 2013, was converted into a convertible debenture on July 31, 2015 with interest at 8% per annum, and payable on or before July 31, 2016. As of March 31, 2020, no payments or conversions have been made.

On April 1, 2019, the Company entered into a promissory note (Note 1) in the amount of $5,900,000 with the sellers of Interaqt Corp. as part of the purchase price for all of the common stock of Interaqt. The note is due on or before November 15, 2019 and bears no interest. As of March 31, 2020, the Company has made principal payments in the amount of $25,000.

On April 1, 2019, the Company entered into a promissory note in the amount of $3,100,000 with the sellers of Interaqt Corp. as part of the purchase price for all of the common stock of Interaqt. The note is payable in 24 monthly installments beginning 45 days after payment of Note 1 with interest of 6% annually. As of March 31, 2020, the Company has made no payments.

On September 23, 2019, the Company entered into a demand promissory note, from a related party, in the amount of $5,000 plus 12% interest. The note is payable, with interest, on or before April 1, 2020.

On January 12, 2020, the Company entered into a Debt Purchase Settlement and Termination agreement in the amount of $35,000 with Beaufort Capital Partners for the Debt Purchase Agreement issued on January 12, 2016 for $157,000. The remaining balance of the debt was $113,268 and is replaced by a non-interest bearing, non-convertible promissory note in the amount of $35,000 due in full on or before December 31, 2020.

On January 15, 2020, the Company entered into a Termination of Loan and Release Agreement with Beaufort Capital Partners for the $1,555 remaining balance of the Convertible promissory note issued on November 5, 2015 in the amount of $25,000, and the balance of a Convertible Debenture issued November 16, 2016 in the amount of $10,000. The Company has no further obligation to Beaufort for these promissory notes issued on November 5, 2015 and November 16, 2016.

NOTE 6 – GOING CONCERN

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company has operating and liquidity concerns, current liabilities exceeded current assets by $723,200 at March 31, 2020, and has reported a net loss of $259,700 at March 31, 2020. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light

NOTE 6 – GOING CONCERN (CONTINUED)

of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

NOTE 7 – STOCKHOLDERS' EQUITY

Authorized

The Company is authorized to issue 7,400,000,000 shares of $0.001 par value common stock and 100,000,000 shares of $0.001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

A On November 19, 2019, the Nevada Secretary of State accepted for filing, a Certificate of Amendment decreasing the company's authorized common stock from 7,400,000,000 to 900,000,000 with a par value of $0.001 in conjunction with the Company's submission to FINRA for a reverse stock split. The amendment was approved by the shareholders and directors on October 1, 2019.

On October 16, 2018, the Nevada Secretary of State accepted for filing, a Certificate of Amendment increasing the company's authorized common stock from 5,400,000,000 to 7,400,000,000 with a par value of $0.001. The amendment was approved by the shareholders and directors on October 5, 2018.

On May 22, 2018, the Nevada Secretary of State accepted for filing, a Certificate of Amendment increasing the company's authorized common stock from 3,946,821,989 to 5,400,000,000 with a par value of $0.001. The amendment was approved by the shareholders and directors on May 15, 2018.

On February 3, 2020, the Company received a Deficiency Notice from FINRA regarding the Company's submission for a reverse common stock split. The deficiency determination was based on the Convertible Notes and a Convertible Debenture held by a certain note holder identified by FINRA as being subject to pending SEC action relating to federal securities law violations, not involving Aluf. As such, FINRA discontinued processing the corporate action for the reverse stock split.

Private Placements

On November 2, 2018, the Company announced it intends to complete a self-offering private placement financing of units of the Company (the "Units") at a price of $0.0025 per Unit for gross proceeds of up to $4,000,000 (the "Offering"). Each Unit shall consist of one common share of the Company (a" Common Share") and one common share purchase warrant (each whole warrant, (the" Warrants"). Each Warrant entitles the holder to acquire one Common Share of the Company at $0.005 for a period of 12 months from the date of issuance. The warrants will be expiring at various times through April 30, 2020.

Advances

From time to time, the Company has received advances from certain of its officers and related parties to meet short-term working capital needs. For the period ended March 31, 2020 and 2019, approximately $13,675 and $6,100 advances from related parties is outstanding, respectively. These advances are unsecured, bear no interest, and do not have formal repayment terms or arrangements.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Employment agreements

Effective June 1, 2017, the Company renewed the employment agreement with our interim president/chief executive officer and chief financial officer for an additional two-year period. The agreement calls for a minimum salary of $15,000 through July 31, 2017

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

with an increase, effective August 1, 2017, to $18,750 per month plus additional cash and stock compensation. All other terms of the renewal agreement remain the same as the original agreement. The company has not made certain cash payments due under these agreements.

On May 22, 2018, approximately $825,000 of accrued salary and benefits was exchanged for 375,000,000 shares of restricted common stock and 37,500,000 share of Series B preferred stock. As of March 31, 2020, there is an unpaid balance of approximately $613,126 accrued as compensation and benefits payable.

Effective January 3, 2018, the Company entered into an employment agreement with a part-time president and chief executive officer, replacing the interim president and CEO for an annual salary of $185,000 plus additional cash and stock compensation contingent upon certain milestones. As of December 31, 2018, the Company had not made certain cash payments due under the agreement. On February 20, 2019, Mr. Milligan resigned due to long term illness. On March 4, 2019, the company issued a payment in the amount of $15,000, as settlement in full of all unpaid accrued amounts.

Payroll taxes

As of March 31, 2020, there is an accrued payroll tax liability of approximately $193,271.

Legal Proceedings

In June 2008, Debra Rutledge, Eric Rutledge & Jeanne Moore filed a claim against Action Products International, Inc., Action Toys, Inc., Action Healthcare Products, Inc., Curiosity Kits, Inc., Warren Kaplan and Judith Kaplan, Case No. 6:09-cv-1245- Orl-35GJK in the United States Middle District Court, District of Florida, Orlando Division. Plaintiffs allege a breach by the company of an oral contract and claim damages for failure to pay minimum wages, breach of contract, back pay with benefits and penalties for COBRA and ARRA violations. In an order adopting the Report and Recommendation of the Magistrate Judge, Plaintiffs' Amended Motion for Attorneys' Fees and Costs, filed on October 24, 2011 Plaintiffs were awarded a total sum of $35,801.50 for attorneys' fees. Plaintiffs were awarded postjudment interest, pursuant to 28 U.S.C. Section 1961, at the legal rate. This judgment for fees is awarded in favor of Plaintiffs and against Defendants Action Products International, Inc., Action Toys, Inc., Action Healthcare Products, Inc., and Curiosity Kits, Inc., jointly and severally. In all other respects, the Amended Motion for Attorneys' Fees and Costs was denied. On June 28, 2012, the Clerk was directed by Judge Charlene Edwards Honeywell to enter judgment accordingly. As of March 31, 2020, no other action has been taken.

Operating Leases

The Company neither owns nor leases any real or personal property. A shared office space is being rented on a month by month basis. The Company's wholly owned subsidiary leases approximately 3,254 sq. ft of Class A office space for its corporate headquarters located in Parsippany, NJ at the rate of approximately $76,500 annually.

NOTE 9 – INCOME TAXES

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in its financial statements or tax returns. Deferred income tax liabilities and assets are determined based on the difference between the financial statement and tax bases of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company applies the provisions of FASB, Interpretation No. 48, or FIN 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement 109." FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. When applicable, the Company will include interest and penalties related to uncertain tax positions in income tax expense. At December 31, 2019, the Company had federal net operating loss carryforwards totaling approximately $12,000,000 which expires in various years through 2035.

NOTE 10 – SUBSEQUENT EVENTS

On April 20, 2020, the Company's President and CEO submitted his resignation as well as his resignation from the Board of Directors.

On April 20, 2020, the Sellers of the Company's wholly owned subsidiary, Interaqt Corp. d/b/a/ COLOTRAQ, notified the Company of their desire to unwind the acquisition in accordance with the termination clause of the acquisition agreement, citing the Company's failure to raise capital. The unwind will become effective as of May 15, 2020.

On May 8, 2020, the Company filed a Certificate of Correction with the Nevada Secretary of State changing the effective date of the action filed on November 19, 2019 reducing the number of authorized common shares.

As of June 5, 2020, approximately $10,900 has been advanced to the Company by its Chief Financial Officer for working capital.

[This space intentionally left blank]