

**OTC Pink Basic Disclosure Guidelines -  
Quarterly Report for period Ending September 30, 2017.**

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

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

BITCOIN SERVICES, INC.

formerly known as TULIP BIOMED, INC.  
(name change 2/16/2016 effective 3/21/2016).

**2) Address of the issuer's principal executive offices**

Company Headquarters  
910 16th Street  
Suite 412  
Denver, CO 80202  
Phone: (866) 804-4725  
Email: info@bitcoinservices.biz or info@bitcoinservicescorp.com  
Website(s): <http://www.bitcoinservicescorp.com>  
<http://www.cryptocapitalcorp.com>

IR Contact  
Address 1: NONE

**3) Security Information**

Authorized Capital. The designation, powers, including voting rights, preferences and any qualifications, limitations, or restrictions of the classes of Authorized Capital Stock of Corporation are specified as follows: The Corporation is authorized to issue four classes of stock which are designated, respectively, "Common Stock," "Series "A" Preferred Stock," "Series "B" Preferred Stock," and "Series "C" Preferred Stock." The total number of shares of stock which the Corporation shall have authority to issue shall be 1,890,000,010., consisting of: 1,770,000,000 shares of Common Stock, having a \$0.0001 par value per share; 100,000,000 shares of Series "A" Preferred Stock, having a \$0.0001 par value per share; 20,000,000 shares of Series "B" Preferred Stock, having a \$0.0001 par value per share; and 10 shares of Series "C" Preferred Stock, have a \$0.0001 par value per share, which has votes equal to 60% of the votes of any meeting of the shareholders.

Trading Symbol: BTSC.  
Exact title and class of securities outstanding: COMMON  
CUSIP: 09173Y107  
Par or Stated Value: \$0.0001

Total shares authorized: 1,770,000,000 as of: 9/30/2017

Total shares outstanding: 625,836,771 as of: 9/30/2017

Total shares outstanding: 511,784,705 as of: 12/31/2016 (post-forward split)

Total shares outstanding: 16,917,051 as of: 12/31/2015 (post-forward split). On March 21, 2016, all common shareholders received five (5) shares for every one (1) share of common stock that they owned.

Shares of Common Stock are entitled to one vote per share.

Additional class of securities (if necessary):

Trading Symbol: NONE

Exact title and class of securities outstanding: Series "A" Preferred

CUSIP: NONE

Par or Stated Value: \$0.0001

Total shares authorized: 100,000,000 as of: 9/30/2017

Total shares outstanding: 9,390,362 as of: 9/30/2017

Total shares outstanding: 9,390,362 as of: 12/31/2016

Total shares outstanding: 9,390,362 as of: 12/31/2015

Shares of Series "A" Preferred Stock enjoy dividend and liquidation preferences and are convertible into one share of Common Stock at the express election of each such preferred shareholder. At any time, the entire class of Series "A" Preferred Stock may be forced converted to Common Stock by a vote or written consent of the holders of at least a simple majority of these Series "A" Preferred Stock that are then outstanding.

Additional class of securities (if necessary):

Trading Symbol: NONE

Exact title and class of securities outstanding: Series "B" Convertible Preferred

CUSIP: NONE

Par or Stated Value: \$0.0001

Total shares authorized: 20,000,000 as of: 9/30/2017

Total shares outstanding: 5,366,666 as of: 9/30/2017

Total shares outstanding: 6,366,666 as of: 12/31/2016

Total shares outstanding: 1,366,666 as of: 12/31/2015

Shares of Series "B" Convertible Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series B shareholders shall not have any Common Stock voting rights unless and until converted into Common Stock.

Additional class of securities (if necessary):

Trading Symbol: NONE

Exact title and class of securities outstanding: Series "C" Convertible Preferred

CUSIP: NONE

Par or Stated Value: \$0.0001

Total shares authorized: 10 as of: 9/30/2017

Total shares outstanding: 10 as of: 9/30/2017

Total shares outstanding: 0 as of: 12/31/2016

Total shares outstanding: 0 as of: 12/31/2015

Shares of Series "C" Convertible Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series C shareholders shall have votes equaling 60% of any meeting of the shareholders.

Transfer Agent

Name: Signature Stock Transfer, Inc.

Address 1: 2632 Coachlight Court

Address 2: Plano, Texas 75093

Phone: 972.612.4120

Is the Transfer Agent registered under the Exchange Act?\* Yes: X No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security: None.

Describe any trading suspension orders issued by the SEC in the past 12 months: 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:

On March 21, 2016, all Common stock holders did receive five (5) shares for every one (1) share of Common stock they owned, those holding physical certificates must turn their certificates back into the transfer agent for new certificates if they have not already done so. All Common holders of book entry shares were increased as set forth above without any action by the transfer agent, and those shares in street name or with brokers were increased electronically. As of March 21, 2016, the symbol changed to "BTSC," which is the current trading symbol.

No stock other splits or stock dividends are anticipated or have occurred in the past 12 months.

#### **4) Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

On January 11, 2016, for consideration of certain advancements of funds and services rendered to the Company, the Company issued Hamo Enterprises, Inc. Fifty million (50,000,000.) common shares, five million (5,000,000.) series "A" preferred and five million (5,000,000.) series "B" preferred shares. All of these shares are restricted and control person shares.

On January 31, 2016, pursuant to agreement, the Company issued one hundred and fifty thousand (150,000) restricted shares of the common stock were issued for past professional services rendered in full without adverse claim. The stockholder has declined to be named in the company's transfer records.

On January 31, 2016, pursuant to agreement, the Company issued Two Million and Five Hundred (2,500,000.) restricted shares of the common stock and paid \$2,500. to a professional for services, including, for past content management, E-Commerce Solutions, affiliate Consulting, Third party payment options, Analytics, Search Engine Optimization, Custom WordPress Development, Custom Web Development, custom logo design, custom landing pages, custom web site design, web development, social networks, web site consulting, corporate identity package, web site management, and web site hosting services, each of which were rendered. The stockholder has declined to be named in the company's transfer records.

On February 8, 2016, pursuant to an executive employment agreement, as part of compensation, the

Company issued Fifteen Million (15,000,000.) restricted shares of the common stock to Joel C. Schneider for professional services to the Company as C.E.O., C.F.O. and Director. All of these shares are restricted and control person shares.

In January 2016, a creditor of the Company filed a state lawsuit against the Company. On January 27, 2016, the Company entered into a settlement agreement with its creditor of the Company, whereby the creditor exchanged certain direct claims it had against the Company in the amount of \$29,039.42 for certain common shares, up to 29,039,450. shares. This Court Ordered and provided amongst other items for the issuance of non-restricted shares of common stock pursuant to Section 3(a)(10) of the Act that could be resold by the individual claimholder without regard to the statutory guidelines of Reg. § 230.144, also known as Rule 144, under the Securities Act of 1933, as amended, so long as the Shares are issued in a manner which would not result in the individual claimholder owning more than 9.99% of all the Company's common stock on such date, as determined in accordance with Section 16 of the Securities and Exchange Act of 1934, as amended, and the regulations promulgated thereunder. As of the date of this filing, and within the first quarter of 2016, the Company issued 4,000,000. shares of stock pursuant to the Court's Order. No further issuances to creditor have since been made.

In January 2016, a creditor of the Company filed a state lawsuit against the Company. On January 27, 2016, the Company entered into a settlement agreement with its creditor of the Company, whereby the creditor exchanged certain direct claims it had against the Company in the amount of \$27,910.00 for certain common shares, up to 27,910,000. shares. This Court Ordered and provided amongst other items for the issuance of non-restricted shares of common stock pursuant to Section 3(a)(10) of the Act that could be resold by the individual claimholder without regard to the statutory guidelines of Reg. § 230.144, also known as Rule 144, under the Securities Act of 1933, as amended, so long as the Shares are issued in a manner which would not result in the individual claimholder owning more than 9.99% of all the Company's common stock on such date, as determined in accordance with Section 16 of the Securities and Exchange Act of 1934, as amended, and the regulations promulgated thereunder. As of the date of this filing, and within the first quarter of 2016, the Company issued 4,000,000. shares of stock pursuant to the Court's Order. No further issuances to creditor have since been made.

February 1, 2017, there was an issuance of 109,052,066 shares, for the retirement of convertible debt, the Company relied upon the exemption from securities registration afforded by Section 4(2) of the Securities Act. No advertising or general solicitation was employed in offering the securities. The issuances of these shares were made to a limited number of persons, and transfer was restricted by the Company in accordance with the requirements of the Securities Act of 1933.

March 13, 2017, there was an issuance of 5,000,000 Common shares, that were converted at 5 to 1 based on the prior forward split ratio from Series "B" Convertible Preferred Stock and done at the express election of shareholder holding said Convertible Preferred Series B shares.

June 9, 2017, there was an issuance of 10 shares of Series "C" Preferred Stock.

B. Any jurisdictions where the offering was registered or qualified: Not applicable to any issuance.

C. The number of shares offered: Not applicable to any issuance.

D. The number of shares sold; Not applicable to any issuance.

E. The price at which the shares were offered, and the amount actually paid to the issuer; Not applicable to any issuance.

F. The trading status of the shares as noted to each above in A.; and

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Yes, as noted above in A.

## **5) Financial Statements**

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

**Bitcoin Services, Inc.**  
**Condensed Consolidated Balance Sheet**  
**(unaudited)**

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 344,957	\$ 89,652
Total current assets	344,957	89,652
Fixed assets, net	36,341	39,455
Total assets	<u>\$ 381,298</u>	<u>\$ 129,107</u>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Convertible notes payable	\$ 22,600	\$ 22,600
Accounts payable and accrued expenses	96,526	95,077
Total current liabilities	119,126	117,677
Total liabilities	119,126	117,677
Shareholders' equity		
Series A preferred stock, \$0.0001 par value, 100,000,000 shares authorized, 9,390,362 and 9,390,362 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	9,390	9,390
Series B preferred stock, \$0.0001 par value, 20,000,000 shares authorized, 5,366,666 and 6,366,666 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	5,367	6,367
Series C preferred stock, \$0.0001 par value, 10 shares authorized, 10 and 0 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	-	-
Common stock, \$0.0001 par value, 1,770,000,000 shares authorized, 625,836,771 and 511,784,705 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	62,584	46,284
Additional paid-in capital	213,709	-
Accumulated deficit	(28,878)	(50,611)
Total shareholders' equity	262,172	11,430
Total liabilities and shareholders' equity	<u>\$ 381,298</u>	<u>\$ 129,107</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**Bitcoin Services, Inc.**  
**Condensed Consolidated Statement of Operations**  
**For the Nine Months Ended September 30,**  
**(unaudited)**

	2017	2016
Revenue	\$ 312,659	\$ 132,694
Operating expenses		
Direct costs of revenue	26,907	12,918
Selling, general and administrative expenses	33,561	69,393
Operating income	252,191	50,383
Other income (expense)		
Settlement of debt	(229,009)	-
Interest expense	(1,449)	(816)
Net income	<u>\$ 21,733</u>	<u>\$ 49,567</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**Bitcoin Services, Inc.**  
**Condensed Consolidated Statement of Stockholders' Equity (Deficit)**  
**September 30, 2017**  
**(unaudited)**

	<b>Series A</b>		<b>Series B</b>		<b>Series C</b>		<b>Common Stock</b>		<b>Additional Paid-in Capital</b>	<b>Accum- ulated Deficit</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>			
Balance, December 31, 2015	4,390,362	\$ 4,390	1,366,666	\$ 1,367	-	\$ -	16,917,051	\$ 16,917	\$ -	\$ (116,452)	\$ (93,778)
Balance, December 31, 2016	9,390,362	\$ 9,390	6,366,666	\$ 6,367	-	\$ -	511,784,705	\$ 46,284	\$ -	\$ (50,611)	\$ 11,430
Balance, September 30, 2017	9,390,362	\$ 9,390	5,366,666	\$ 5,367	10	\$ 0	625,836,771	\$ 62,584	\$ 213,709	\$ (28,878)	\$ 262,172

See accompanying notes to unaudited condensed consolidated financial statements.



**Bitcoin Services, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30,**  
**(unaudited)**

	<u>2017</u>	<u>2016</u>
Net income	\$ 21,733	\$ 49,567
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	3,114	1,038
Settlement of debt	229,009	-
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	<u>1,449</u>	<u>817</u>
Net cash provided by (used in) operations	<u>255,305</u>	<u>51,422</u>
Cash flows used in investing activities		
Acquisition of intangible assets	<u>-</u>	<u>(41,531)</u>
Total cash used in investing activities	<u>-</u>	<u>(41,531)</u>
Cash flows from financing activities		
Proceeds from convertible notes payable	-	22,600
Proceeds from the sale of common stock	-	29,366
Proceeds from the sale of Series A preferred stock	-	5,000
Proceeds from the sale of Series B preferred stock	<u>-</u>	<u>5,000</u>
Total cash provided by financing activities	<u>-</u>	<u>61,966</u>
Net cash increase	255,305	71,857
Cash balance at beginning of period	89,652	-
Cash balance at end of period	<u>\$ 344,957</u>	<u>\$ 71,857</u>

See accompanying notes to unaudited condensed consolidated financial statements.

## NOTES TO FINANCIALS FOR PERIOD ENDING SEPTEMBER 30, 2017

### **Note 1 - Organization and Summary of Significant Accounting Policies**

#### **Forward Looking Statements**

Some of the statements contained in this information statement that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this prospectus, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition; and
- General economic conditions.

All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

During the next twelve months, the Company's plans to expand its business into other countries the Company plans to finance its growth through traditional bank financing sources as well as additional potential debt and equity private placements. To that end, the Company may attempt to raise money in a private placement of its shares of Common Stock, but has not yet commenced this initiative. There can be no assurance that financing sufficient to enable us to expand and grow our business will be available to us in the future. The failure to obtain future financing or to produce levels of revenue to meet our financial needs could result in our inability to operate, grow and expand our business.

#### **Off-Balance Sheet Arrangements**

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources and would be considered material to investors.

#### **Organization of Business**

Bitcoin Services, Inc. (the "Company") was domesticated in Florida in February 2016. It was originally incorporated in Nevada in 1997 under the name "JLL Miami Enterprises, Inc." until January 2002 when its name was changed to "BMX Holdings, Inc.," until February 2003 when its name was changed to "Direct

Music Group, Inc." until April 2004 when its name was changed to "Cell Bio-Systems, Inc.," until June 2006 when its name was changed to Tulip Biomed, Inc, and lastly until February 2016 when it changed its name to Bitcoin Services, Inc. On December 21, 2015, under Nevada NRS 78.347 an Order of Appointment of Custodianship was entered appointing Hamo Enterprises, Inc. to comply with NRS 78.180 to reinstate the Company with the Nevada Secretary of State in accordance with Nevada statutes. Accordingly, on January 6, 2016, the Company reinstated its business license with the State of Nevada. On February 11, 2016, the Company filed its Certificate of Amendment with Nevada Secretary of State changing the name from 'Tulip Biomed, Inc.' to 'Bitcoin Services, Inc.' Starting February 12, 2016, the Company became aware of certain information from giving rise to a state based Judgment by Confession, dated February 10, 2010, against the Company involving certain U.S. Patents, then Patent Applications, and trademarks not utilized by the Company, along with its corresponding state based lien. These materials are not published to protect the privacy of the parties thereto, and as to avoid spurious claims of ownership of these claims. Additionally, certain detailed but unsupported and incomplete financial statements for the period December 1, 2008 through December 31, 2009 were received. The Company is not able to consolidate these materials without further corroboration and support thereto. These records are not available to the Company. The Company requested such information, but has not received these records. Until such time that support is received, these materials cannot be combined to the current existing information should that be appropriate. On February 17, 2016, the Company filed its Certificate of Domestication with Florida Secretary of State. On February 26, 2016, the Company filed its Certificate of Dissolution with the Nevada Secretary of State dissolving Bitcoin Services, Inc. in the state of Nevada and, thus, making it a Florida Corporation. On February 26, 2016, the Board appointed Joel C. Schneider as the sole officer, director of Bitcoin Services, Inc., and resigns from all positions with the Company. On February 29, 2016, the Company approved a five for one forward stock split. On March 9, 2016, the Company filed their Amended and Restated Articles of Amendment with the Florida Secretary of State. See Note 2 - Stockholders' Equity below for clarification on the three classes of stock, designations, and voting rights and the powers of each class. On March 21, 2016, all of the Company's Common stock holders did receive five (5) shares for every one (1) share of Common stock they owned. Those holding physical certificates must turn their certificates back into the transfer agent for new certificates. All Common holders of book entry shares were increased without any action and done by the Company's transfer agent, and those shares in street name or with brokers increased electronically. The issuer's business operations are each Internet based to the consumer and consist of three separate streams, as follows: (1) bitcoin escrow services, (2) bitcoin and other virtual currency mining, and (3) blockchain software development. The market for these services and products is Worldwide, and are sold and marketed on the Internet. Bitcoin is a digital asset and a payment system. The system is peer-to-peer and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes and recorded in a publicly distributed ledger called the blockchain, which uses bitcoin as its unit of account. Since the system works without a central repository or single administrator, the U.S. Treasury categorizes bitcoin as a decentralized virtual currency. Bitcoin is often called the first cryptocurrency.

### **Principles of Consolidation**

The accompanying consolidated financial statements include all applicable accounts and subsidiaries of the Company. All significant inter-company transactions and balances have been eliminated in consolidation.

### **Basis of Presentation**

The accompany unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. Certain information and note disclosure normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a

fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Management makes these estimates using the best information available at the time the estimates are made; however, actual results could differ materially from these estimates.

### **Net Loss per Share**

ASC 260, "Earnings per Share," requires dual presentation of basic and diluted earnings or loss per share ("EPS") for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution; diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. Basic loss per share is computed by dividing net loss applicable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company, unless the effect is to reduce a loss or increase earnings per share. The Company has outstanding common stock purchase warrants; however, inclusion of the warrants in the calculation of diluted loss per share would be anti-dilutive. Therefore, diluted loss per share is equivalent to basic loss per share.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and cash in deposits and all highly liquid debt instruments with an original maturity of three months or less.

### **Inventory**

The Company has 39.9674998 Bitcoins, and 697.35 Dash in an Exodus Wallet

### **Revenue Recognition**

The Company recognizes revenue in accordance with the provisions of Staff Accounting Bulletin ("SAB") 104. Sales and service revenue is recognized at the date of shipment, or completion of services rendered, to a customer when a formal arrangement exists, the price is fixed or determinable, the delivery or service is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all the relevant criteria for revenue recognition are recorded as customer deposits.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Trade receivables are non-interest bearing, uncollateralized customer obligations and are stated at the amounts billed to customers. The preparation of financial statements requires management to make estimates and assumptions relating to the collectability of accounts receivable. Management specifically analyzes historical bad debts, customer credit worthiness, current economic trends and changes in customer

payment terms when evaluating the adequacy of the allowance for doubtful accounts.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. The Company computes depreciation and amortization using the straight-line method over the estimated useful lives of the assets acquired as follows:

Building	39 years
Computer equipment	3-5 years
Furniture and fixtures	5-7 years
Machinery and equipment	5-10 years
Trucks and automobiles	5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statements of operations. Repairs and maintenance that do not extend the useful lives of the related assets are expensed as incurred.

### **Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Management plans to raise additional proceeds from debt and equity transactions and to continue to increase its sales and marketing activities. There is no guarantee, however, that management will be able to secure sufficient financing to sustain the operations of the Company or that operations will become self-sustaining. In the absence of one of those accomplishments, the Company would likely be forced to liquidate. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

### **Business Combinations**

Acquisitions of businesses are accounted for using the purchase method of accounting, and the financial statements include the results of the acquired operations from the respective dates they were acquired. The purchase price of the acquired entities is allocated to the net assets acquired and liabilities assumed based on the estimated fair value at the dates of acquisition, with any excess of cost over the fair value of net assets acquired, including intangibles, recognized as goodwill. The balances included in the consolidated balance sheets related to recent acquisitions are based upon preliminary information and are subject to change when final asset and liability valuations are obtained. Material changes to the preliminary allocations are not anticipated by management.

### **Fair Value Measurements**

The FASB's Accounting Standards Codification defines fair value as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants and requires that assets and liabilities carried at fair value are classified and disclosed in the following three categories:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active or inactive markets and valuations derived from models where all significant inputs are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable in any market.

## **Fair Value of Financial Instruments**

The carrying values of cash, prepaid expenses, accounts payable and accrued expenses approximate their fair values due to their short-term maturities. The carrying values of the Company's notes payable approximate their fair values based upon a comparison of the interest rate and terms of such debt given the level of risk to the rates and terms of similar debt currently available to the Company in the marketplace.

## **Recent Accounting Pronouncements**

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying condensed consolidated financial statements.

## **Note 2 - Stockholders' Equity**

For the period ending September 30, 2017, the Company was authorized to issue such shares into three following three classes of stock:

1,770,000,000 shares of \$0.0001 par value Common stock;  
100,000,000 shares of \$0.0001 par value Series A Preferred stock;  
20,000,000 shares of \$0.0001 par value Series B Convertible Preferred stock; and  
10 shares of \$0.0001 par value Series C Preferred stock.

Dividends may be paid on outstanding shares as declared by the Board of Directors.

Shares of Common Stock are entitled to one vote per share.

Shares of Series "A" Preferred Stock enjoy dividend and liquidation preferences and are convertible into one share of Common Stock at the express election of each such preferred shareholder. At any time, the entire class of Series "A" Preferred Stock may be forced converted to Common Stock by a vote or written consent of the holders of at least a simple majority of these Series "A" Preferred Stock that are then outstanding.

Shares of Series "B" Convertible Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series B shareholders shall not have any Common Stock voting rights unless and until converted into Common Stock.

Shares of Series "C" Preferred Stock are convertible into one share of Common Stock at the express election of shareholder to convert. Series C shareholders shall have votes equaling 60% of any meeting of the shareholders.

During this period, there were no changes to the share classes and designations.

## **Note 3 – Business Combination**

For the period ending September 30, 2017, the Company launched its bitcoinbasics.com. The website explains the basics of Bitcoin to new users. The Company sells ads and affiliate offers on the site.

## **Note 4 - Income Taxes**

The Company's net deferred tax assets consist primarily of net operating loss carry-forwards. These net operating loss carry-forwards expire over various years through 2029. The net operating loss carry forwards may be limited under the Change of Control provisions of the Internal Revenue Code section 382. There is no income tax provision for the year due to the change in valuation allowance. The difference between the effective rate and the statutory rate is the result of the change in the valuation allowance.

#### **Note 5 - Going Concern**

The Company's financial statements are prepared using generally accepted accounting principles 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. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on raising capital to fund its business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

#### **Note 6—Related Party Transactions**

For the Quarterly Period ending September 30, 2017, the Company did not engage in any related party transactions.

#### **Note 7 – Commitments and Contingencies**

##### **Legal Matters**

From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of its business. The Company is not currently a party to any material legal proceedings, nor is the Company aware of any other pending or threatened litigation that would have a material adverse effect on the Company's business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

##### **Lease Commitment**

On September 6, 2016, the Company secured a 3,500 square foot facility, and fifteen new Bitmain Antminers S7 Batch 8, stable at 4.73TH/s. Antminer S7 ~4.73TH/s @ .25W/GH 28nm ASIC Bitcoin Miners. In addition to mining Bitcoin, it will also start mining Litecoin, Dogecoin, and Ethereum. The lease for the facility is \$1,350 per month for five years.

Future minimum lease payments under this lease is as follows:

2017	\$ 4,050
2018	16,200
2019	16,200
2020	16,200
2021	<u>10,800</u>
Total	<u>\$ 63,450</u>

#### **Note 8 - Notes Payable**

None.

## **Note 9- Convertible Notes Payable**

On April 13, 2016, the Company issued a convertible promissory note for \$7,800 at 8% per annum to a non-affiliate for working capital.

On May 3, 2016, the Company issued a convertible promissory note for \$8,800 at 8% per annum to a non-affiliate for working capital.

On May 14, 2016, the Company issued a convertible promissory note for \$6,000 at 10% per annum to a third party non-affiliate for working capital.

## **Note 10 – Subsequent Events**

The Company has evaluated subsequent events through the date the financial statements were issued and filed. The Company has determined that there are no other such events that warrant disclosure or recognition in the financial statements.

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The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service 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 reports separately as described in part (ii) 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 otcq.com in the field below.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

## **6) Describe the Issuer’s Business, Products and Services**

Describe the issuer’s business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer’s business operations;

The issuer's business operations are each Internet based to the consumer and consist of three separate streams, as follows: bitcoin mining, and blockchain software development.

For more information see <https://en.wikipedia.org/wiki/Bitcoin#Mining>.

B. Date and State (or Jurisdiction) of Incorporation:



Domesticated to Colorado in 2017  
from Nevada, April 4, 1997.

C. the issuer's primary and secondary SIC Codes;

2836 - Biological products, except diagnostic

D. the issuer's fiscal year end date: 12/31

E. principal products or services, and their markets;

The principal products and services are the mining of bitcoins, , and the development and sale of blockchain software

For more information see <https://en.wikipedia.org/wiki/Bitcoin#Mining>.

## **7) Describe the 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. Some of the issuers facilities are leased on a monthly basis. These consist of an executive office suite and remote mail drop centers in several states. Principally in Michigan, and in Florida and Colorado. The cost for each of these are minimal and fluctuate depending on the services required, and range in total from \$200 to \$300 monthly. Additionally, the issuer has a 3,500. square foot facility under an annual lease term of \$3,000. Our operations are Internet based and these facilities suit our needs.

## **8) 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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, 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);

None

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;

Yes, on July 15, 2015 Mr. Schneider was disbarred from the practice of law in the state of New York for failure to maintain proper recording procedures for his firm's escrow account and failure to respond to the grievance committee on a timely basis. Mr. Schneider elected to not respond to the appellate division due to the fact he had no desire to continue to practice law.

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

None.

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.

Yes, on July 15, 2015 Mr. Schneider was disbarred from the practice of law in the state of New York for failure to maintain proper recording procedures for his firm's escrow account and failure to respond to the grievance committee on a timely basis. Mr. Schneider elected to not respond to the appellate division due to the fact he had no desire to continue to practice law.

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Name and Position	Shares of Common Stock	Percentage of Class (Common)	Shares of Series A Preferred Stock	Percentage of Class Series A Preferred	Shares of Series B Preferred Stock	Percentage of Class Series B Preferred	Shares of Series C Preferred Stock	Percentage of Class Series C Preferred
Saturn Group, Ltd Control Person							10.00	100%

## 9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Matheau J.W. Stout Esq.  
400 E. Pratt St.  
8th Floor  
Baltimore, MD, 21202  
United States

Accountant or Auditor

Name: None

Firm:

Address 1:

Address 2:

Phone:

Email:

Investor Relations Consultant

Name: None

Firm:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: None

Firm:

**10) Issuer Certification**

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, Joel C. Schneider certify that:

1. I have reviewed this September 30, 2017 Quarterly Report Disclosure Statement of Bitcoin Services, Inc.;
2. To the best of 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.

November 14, 2017

/s/ Joel C. Schneider, CEO, CFO, Director