



<http://www.sacklunchproductions.com>

Sack Lunch Productions, Inc. and Subsidiaries

Quarterly Financial Report

(Unaudited)

For the Nine and Three months ended September 30, 2015

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

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Item II: Shares outstanding

Common Stock		September 30, 2015	December 31, 2014
(i)	Number of shares authorized	25,000,000,000	25,000,000,000
(ii)	Number of shares outstanding	75,601,200	64,821,834
(iii)	Freely tradable shares (public float)	54,336,025	49,052,330
(iv)	Total number of beneficial shareholders (1)	3,100	3,100
(v)	Total number of shareholders of record	47	55
(1) Estimate of all holders in brokerage accounts.			
Class A Preferred Stock		September 30, 2015	December 31, 2014
(i)	Number of shares authorized	10,000,000	10,000,000
(ii)	Number of shares outstanding	142,750	142,750
(iii)	Freely tradable shares (public float)	----	----
(iv)	Total number of beneficial shareholders	4	3
(v)	Total number of shareholders of record	4	3
Class B Preferred Stock		September 30, 2015	December 31, 2014
(i)	Number of shares authorized	20,000,000	20,000,000
(ii)	Number of shares outstanding	15,000,000	15,000,000
(iii)	Freely tradable shares (public float)	----	----
(iv)	Total number of beneficial shareholders	1	1
(v)	Total number of shareholders of record	1	1
Class C Preferred Stock		September 30, 2015	December 31, 2014
(i)	Number of shares authorized	20,000,000	20,000,000
(ii)	Number of shares outstanding	1,154,580	1,486,333
(iii)	Freely tradable shares (public float)	----	----
(iv)	Total number of beneficial shareholders	30	35
(v)	Total number of shareholders of record	30	35

Item III: Interim Financial Statements

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

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash, includes restricted escrow amounts of \$424,416 and \$321,693, respectively	\$ 765,876	\$ 730,208
Investments in Marketable securities	1,907	62,401
Accounts receivable, net of allowance for doubtful accounts of \$264,598 and \$243,614, respectively	478,954	804,628
Due from affiliates	202,974	1,637
Inventory	1,639,624	236,659
Prepaid expenses	48,866	26,300
Current portion of notes receivable	735	31,093
Total current assets	3,138,936	1,892,926
Property and equipment, net of accumulated depreciation of \$3,314,835 and \$1,268,176, respectively	2,046,659	1,493,308
Notes receivable	223,428	173,781
Film costs, net amortization	345,761	345,761
Other assets	282,370	235,584
Long Term Investments	19,963	---
Goodwill	925,596	---
Total assets	\$ 6,982,713	\$ 4,141,360
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,176,106	\$ 2,511,085
Deferred revenue	905,554	688,429
Deferred rent	92,716	103,174
Due to related parties	234,420	205,575
Derivative liability	223,441	31,424
Current portion of notes payable	745,745	512,346
Current portion of notes payable, related party	100,742	87,532
Current portion of capital lease obligations	15,491	21,701
Current portion of convertible notes payable, net of debt discount of \$18,514 and \$0, respectively	124,486	135,000
Total current liabilities	6,618,701	4,296,266
Long-term liabilities		
Notes payable	663,722	700,758
Notes payable, related party	---	---
Convertible notes payable, net of debt discount of \$41,282 and \$38,500 respectively	2,782	---
Capital lease obligations	---	12,945
Total long-term liabilities	666,504	713,703
Total liabilities	7,285,205	5,009,969
Stockholders' deficit		
Series A preferred stock, par value \$0.001; 10,000,000 shares authorized; 142,750 shares issued and outstanding shares	143	143
Series B preferred stock, par value \$0.001; 20,000,000 shares authorized; 15,000,000 shares issued and outstanding shares	15,000	15,000
Series C preferred stock, par value \$0.001; 5,000,000 shares authorized; 1,154,580 and 1,486,333 shares issued and outstanding, respectively	1,155	1,487
Common stock, par value \$0.0001; 25,000,000,000 shares authorized; 75,601,200 and 64,821,834 shares issued and outstanding, respectively	7,560	6,482
Additional paid-in capital	36,170,772	35,765,276
Subscription receivable for subsidiary stock	(97,050)	---
Accumulated deficit	(35,090,813)	(35,846,072)
Accumulated other comprehensive income	(15,841)	15,994
Total Sack Lunch Productions, Inc. and subsidiaries stockholders' deficit	990,926	(41,690)
Non-controlling interest	(1,293,418)	(826,919)
Total stockholders' deficit	(302,492)	(868,609)
Total liabilities and stockholders' deficit	\$ 6,982,713	\$ 4,141,360

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Revenue				
Services, net of discounts	\$ 534,352	\$ 708,769	\$ 1,590,009	\$ 1,994,284
Product, net of discounts	(202,987)	206,515	603,781	644,963
Event Tickets	5,328,804	---	5,531,031	---
Franchise Fees	320,243	---	562,681	---
Rent	13,628	14,167	40,783	50,622
Film distribution and commissions	26,295	87,512	83,679	559,791
Consulting	---	88,105	6,810	178,928
Total revenue	6,020,335	1,105,068	8,418,774	3,428,588
Costs and Expenses				
Cost of services	335,433	583,081	1,096,708	1,421,444
Cost of product	640,843	102,923	985,437	368,430
Event Costs	2,642,288	---	2,906,783	---
Depreciation and amortization	79,607	44,725	193,206	125,816
Amortization of film costs	---	2,123	---	4,414
General and administrative	1,567,315	687,056	3,306,256	1,792,214
Total operating expenses	5,265,486	1,419,908	8,488,390	3,712,318
Income (loss) from operations	754,849	(314,840)	(69,616)	(283,730)
Other income (expense)				
Interest income	(101)	246	4,360	675
Interest expense	(30,447)	(59,539)	(149,209)	(221,812)
Interest expense, related parties	(446)	(1,897)	(5,581)	(4,035)
Gain (loss) on derivative fair value adjustment	(42,815)	128	(124,695)	32,148
Gain on disposal of assets	---	---	---	(1,097)
Gain (loss) on foreign currency translation	---	(63)	---	4,107
Gain (loss) on sale of securities	---	---	---	1,001,000
Gain (loss) on forgiveness of debt	---	310	628,019	212,504
Bad debt expense	---	(4,656)	---	(13,756)
Other income (expense)	7,805	975	6,753	(171)
Total other income (expenses), net	(66,004)	(64,496)	359,647	1,009,563
Net income (loss)	688,845	(379,336)	290,031	725,833
Less net (income) loss attributable to noncontrolling interest	29,137	30,355	465,230	(8,417)
Net income (loss) attributable to stockholders	\$ 717,982	\$ (348,981)	\$ 755,261	\$ 717,416
Earnings (loss) per share				
Basic:				
Earnings (loss) per common share	\$ 0.01	\$ (0.01)	\$ 0.01	\$ 0.01
Weighted average common shares outstanding	74,741,672	47,836,068	71,674,486	48,349,920
Diluted:				
Earnings per common share	\$ 0.00	\$ (0.00)	\$ 0.00	\$ 0.00
Weighted average common shares outstanding	643,717,884	1,162,408,568	640,650,698	1,162,922,420

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

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

	Nine months ended September 30,	
	2015	2014
Cash flows from operating activities		
Net income (loss)	\$ 290,031	\$ 725,833
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	192,747	125,816
Amortization of film costs	---	4,414
Stock compensation	140,303	
(Gain) loss on derivative liability fair value adjustment	46,379	(32,148)
(Gain) loss on settlement of debenture debt	---	(6,994)
(Gain) loss on forgiveness of non-related party convertible debt	(110,220)	(205,200)
(Gain) loss on forgiveness of non-related party notes payable	(657,103)	---
(Gain) loss on forgiveness of debt related party	139,304	
(Gain) loss on sale of investments (see Note 4)	---	(1,000,000)
(Gain) loss on sale of fixed assets	---	1,097
(Gain) loss on forgiveness of capital lease	(3,223)	---
Amortization of debt discount	78,316	21,832
Initial derivative expense	27,178	---
Other non-cash items	3,500	(610)
Changes in assets and liabilities:		
Certificate of deposit	28,660	---
Accounts receivable	287,535	184,988
Notes receivable - short term	28,966	---
Due from affiliates	(201,337)	(1,909)
Inventories	(598,000)	(89,070)
Prepaid expenses	(22,566)	(29,933)
Other assets	(22,224)	(68,261)
Accounts payable and accrued liabilities	1,915,642	536,893
Deferred revenue	(1,799,309)	250,533
Deferred rent expense	(10,458)	(5,593)
Net cash provided by operating activities	(245,879)	411,688
Cash flows from investing activities		
Purchases of property, plant, & equipment	(381,626)	(127,930)
Net cash (paid) acquired in business combinations	(1,275)	---
Net cash used in investing activities	(382,901)	(127,930)
Cash flows from financing activities		
Payments made on capital leases	(15,932)	(13,490)
Payments made on notes payable	(186,517)	(80,323)
Payments made on notes payable, related parties	(5,762)	(24,895)
Payments made on convertible notes payable	---	---
Proceeds from issuance of preferred and common stock	13,000	---
Proceeds from issuance of subsidiary stock	---	94,000
Proceeds from issuance of subsidiary stock options	58,697	
Proceeds from issuance of notes payable	632,880	307,749
Proceeds from issuance of notes payable to related parties	35,082	---
Proceeds from issuance of convertible notes payable	133,000	---
Net cash provided by financing activities	664,448	283,041
Net increase (decrease) in cash	35,668	566,799
Cash at beginning of period	730,208	418,328
Cash at end of period	\$ 765,876	\$ 985,127

Supplemental disclosure of cash flow information:

Cash paid during the period for interest	\$ 21,508	\$ 5,264
Noncash investing and financing activities:		
Other comprehensive income adjusted	\$ 142	\$ 5,272
Conversions of convertible notes and accrued interest to subsidiary stock	\$ 661,896	\$ 661,896
Current assets acquired in acquisition	\$ 766,826	
Fixed assets acquired in acquisition	\$ 364,475	
Other assets acquired in acquisition	\$ 92,780	
Goodwill acquired in acquisition	\$ 925,596	
Accounts payable acquired in acquisition	\$ 169,221	
Deferred revenue acquired in acquisition	\$ 1,995,438	
Exercised options for subscriptions receivable of subsidiary	\$ 295,050	
Debt discount on derivative liability, convertible notes of subsidiary	\$ 132,548	

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

NOTE 1 – ORGANIZATION AND BASIS OF FINANCIAL STATEMENT PRESENTATION

Organization and Nature of Operations

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

SAKL’s operating subsidiaries during the nine months ending September 30, 2015 include the following:

- WG Productions Company. (“WG”)
 - Lantern Fest, LLC. (“Lantern”)
 - Slide the City, LLC (“Slide”)
 - Slide the City Canada, LLC (“STC CAN”)
 - Slide the City Franchising, LLC (“Franchise”)
- Springbok Holdings LLC (“Springbok”)
 - Color Me Rad, LLC
 - The Dirty Dash, LLC
 - Springbok Slide the City LLC
 - Springbok Franchising LLC
 - Springbok Management LLC
- Redline Entertainment, Inc. (“Redline”)
- Green Endeavors, Inc. (“Green”)
 - Landis Salons, Inc. (“Landis”)
 - Landis Salons II, Inc. (“Landis II”)
 - Landis Experience Center, LLC. (“LEC”)
- Downtown Development Corporation (“DDC”)
- Wasatch Capital Corporation (“WCC”)
- Diversified Management Solutions, Inc. (“DMS”)

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

- Lantern Fest, LLC (“Lantern”), a Utah limited liability company, was organized on December 5, 2013, for the purpose of operating Lantern Fest™ events around the United States and Canada. Lantern is a 66.666% owned subsidiary of WG. The website for Lantern is <http://www.thelanternfest.com>.
- Slide the City, LLC (“Slide”), a Utah limited liability company, was organized on June 24, 2013 for the purpose of operating Slide the City™ events worldwide. Slide is a 66.666% owned subsidiary of WG. The website for Slide is <http://www.slidethecity.com>.
- Slide the City Canada, LLC (“STC CAN”), a Utah limited liability company, was organized on December 6, 2014 for the purpose of operating Slide the City™ events in Canada. STC CAN is a 66.666% owned subsidiary of WG.
- Slide the City Franchising, LLC (“STC Franchise”), a Utah limited liability company, was organized on August 19, 2014 for the purpose of extending Slide the City™ events worldwide through franchisee rights licensing. STC Franchise is a 66.666% owned subsidiary of WG.

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

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

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

Green Endeavors, Inc. (“Green”), a Utah corporation, was originally organized under the laws of the State of Delaware on April 25, 2002 as Jasper Holdings.com, Inc. SAKL holds 35.72% of Green’ shares of common stock and has voting control of 87.96% of the total outstanding votes. Green is a publicly traded corporation under the stock symbol GRNE.

- Landis Salons, Inc. (“Landis”), a Utah corporation, was organized on May 4, 2005 for the purpose of operating an Aveda™ Lifestyle Salon. Landis is a wholly-owned subsidiary of Green Endeavors, Inc.
- Landis Salons II, Inc. (“Landis II”), a Utah corporation, was organized on March 17, 2010 for the purpose of opening a second Aveda™ Lifestyle Salon in the Marmalade area of Salt Lake City. Landis II is a wholly-owned subsidiary of Green Endeavors, Inc.
- Landis Experience Center, LLC (“LEC”), a Utah limited liability company, was organized in August, 2012 primarily for the purpose of selling Aveda™ retail products in the City Creek mall in downtown Salt Lake City. LEC is a wholly-owned subsidiary of Green Endeavors, Inc.

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

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

Basis of Presentation

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

SAKL consolidates entities under control and records a non-controlling interest for the portions not owned by SAKL. Control is determined, where applicable, by the sufficiency of equity invested and the rights of the equity holders,

and by the ownership of a majority of the voting interests, with consideration given to the existence of approval or veto rights granted to the minority shareholder. If the minority shareholder holds substantive participating rights, it overcomes the presumption of control by the majority voting interest holder. In contrast, if the minority shareholder simply holds protective rights (such as consent rights over certain actions), it does not overcome the presumption of control by the majority voting interest holder.

The consolidated balance sheets as of September 30, 2015 and December 31, 2014 and the consolidated statements of operations and cash flows for the periods presented have been prepared by SAKL and are unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. The results of operations presented in the accompanying consolidated financial statements for the nine months ended September 30, 2015, are not necessarily indicative of the results that may be expected for the 12 months ending December 31, 2015.

Use of Estimates in the Preparation of the Financial Statements

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Investments with original maturities of six months or less at the time of purchase are considered cash equivalents. As of September 30, 2015, and December 31, 2014, SAKL had no cash equivalents.

Inventory

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

Film Costs

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

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

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

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

Property and Equipment

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

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

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

The following is a summary of SAKL's Property and equipment by major category as of September 30, 2015:

	Cost	Accumulated Depreciation	Net
Computer equipment and related software	\$ 101,041	\$ 85,394	\$ 15,648
Construction in process	11,659	-	11,659
Leasehold improvements	639,254	466,883	172,371
Furniture and fixtures	161,693	52,802	108,891
Leased equipment	76,298	50,247	26,051
Equipment	911,520	273,645	637,874
Vehicle	184,521	48,924	135,597
Building and Improvements	736,474	277,083	459,390
Land	467,220	-	467,220
Signage	25,154	13,198	11,956
Total	<u>\$ 3,314,834</u>	<u>\$ 1,268,176</u>	<u>\$ 2,046,657</u>

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

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

Fair Value Measurements

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

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

Investments in Equity Securities

Marketable Securities

SAKL considers all of its investments in marketable securities as available-for-sale. Available-for-sale securities are stated at fair value, with the unrealized gains and losses presented net of tax and reported as a separate component of Stockholders' equity. Realized gains and losses are determined using the specific identification method. Gains are recognized

when realized and are recorded in the Consolidated Statements of Operations as Other income. Losses are recognized as realized or when SAKL has determined that an other-than-temporary decline in fair value has occurred.

Non-Marketable Securities

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

Long-Lived Assets

SAKL's long-lived assets consist of property, plant, and equipment and other intangible assets, excluding goodwill. SAKL recognizes impairment losses as the difference between historical cost and fair value of the asset, less costs to sell, when management determines that events and circumstances indicate a need to assess impairment, and when that assessment indicates that historical cost materially exceeds fair value, less costs to sell. There was no impairment expense of long-lived assets during the nine months ended September 30, 2015 and for the year ended December 31, 2014.

Basic and Diluted Income (Loss) Per Common Share

SAKL computes net income (loss) per common share by dividing the net income (loss) available to common stockholders for the period by the weighted average number of common and potentially dilutive shares during the specified period. The calculation of diluted net income (loss) per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive. For the nine months ended September 30, 2015, there were 640,650,698 potentially dilutive shares and 1,162,922,420 potentially dilutive shares as of September 30, 2014.

Deferred Revenue

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

As of September 30, 2015 and December 31, 2014 the classes of deferred revenue consisted of the following:

	Deferred Revenue by type as of	
	September 30, 2015	December 31, 2014
Gift cards	\$ 56,241	\$ 62,755
Advanced ticket sales	390,117	545,706
Film Distributor Deposits	459,196	79,968
Total Deferred Revenue	<u>\$ 905,554</u>	<u>\$ 688,429</u>

Revenue Recognition

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

Event Revenue

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

Sales – Salon

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

Film Distribution

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

Rental Revenue

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

Advertising and Promotional Expense

SAKL expenses advertising costs the first time the advertising occurs. Advertising expense was \$421,220 for the nine months ended September 30, 2015, and \$165,751 for the nine months ended September 30, 2014.

Stock-based Compensation

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

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

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

The computation of the expected volatility assumption used in the Black-Scholes option pricing model for new grants is based on implied volatility when the remaining maturities of the underlying traded options are at least one year

and, when the remaining maturities of the underlying traded options are less than one year, it is based on an equal weighting of historical and implied volatilities.

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

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

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

As of September 30, 2015 and December 31, 2014, SAKL had no outstanding options or warrants to purchase shares of its common stock.

Income Taxes

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

As of September 30, 2015, SAKL's deferred tax assets, which are solely related to net operating losses, have been fully offset by a valuation allowance.

Noncontrolling Interest in Subsidiary

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

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

Recent Accounting Pronouncements

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

NOTE 3 – GOING CONCERN

SAKL's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of September 30, 2015, SAKL had negative working capital of \$3,463,655 and an accumulated deficit through September 30, 2015 of \$35,090,813. In addition, SAKL has defaulted on several of its liabilities. These matters raise substantial doubt about SAKL's ability to continue as a going concern.

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

- Creating or Acquiring new types of events for the events line of business;
- Increasing the number of event locations for existing events;
- Generating additional revenues through increasing the number films we distribute for third parties;
- Producing higher quality films specifically tailored to sell in specific markets;
- Increase retail sales of Landis Salons, Inc.;
- Open new salon locations;
- Increasing the number of films produced for our own account and third parties;
- Reduce expenses through consolidating or disposing of certain subsidiary companies; and,
- Raising capital through planned public and private offerings.

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

NOTE 4 – FAIR VALUE MEASUREMENTS

Marketable Securities

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

Our financial assets and liabilities carried at fair value are measured on a recurring basis. As of September 30, 2015 and December 31, 2014, they consisted of the following:

	<u>Fair Value Measurements as of September 30, 2015:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Assets</u>				
Available-for-sale securities	\$ <u>1,907</u>	\$ <u>1,907</u>	\$ <u>----</u>	\$ <u>----</u>
Total assets	\$ <u>1,907</u>	\$ <u>1,907</u>	\$ <u>----</u>	\$ <u>----</u>
<u>Liabilities</u>				
Derivative liability	\$ <u>223,441</u>	\$ <u>----</u>	\$ <u>223,441</u>	\$ <u>----</u>
Total liabilities	\$ <u>223,441</u>	\$ <u>----</u>	\$ <u>223,441</u>	\$ <u>----</u>

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

It is SAKL's policy to review the fair value of these marketable equity securities on a regular basis to determine whether its investments in these companies are other-than-temporarily impaired. This evaluation includes, but is not limited to, reviewing each company's cash position, financing needs, earnings or revenue outlook, operational performance, management or ownership changes and competition. If SAKL believes the carrying value of an investment is in excess of its fair value, and this difference is other-than-temporary, it is SAKL's policy to write down the investment to reduce its carrying value to fair value. These impairments are included in Other income (expense), net in the Consolidated Statement of Operations. SAKL did not recognize an other-than-temporary impairment of its available-for-sale equity securities during the nine months ended September 30, 2015 and the year ended December 31, 2014.

As of September 30, 2015, Green Endeavors, Inc. a majority owned subsidiary, has a \$223,441 derivative liability balance on the balance sheet, and for the nine months ended September 30, 2015, the Company recorded a \$46,379 loss from derivative liability fair value adjustments. The derivative liability activity comes from convertible notes payable.

Non-Marketable Securities

SAKL uses either the cost or equity method of accounting to account for its long-term, non-marketable investment securities. SAKL recorded no gain in the nine months ended September 30, 2015, as compared to a realized, non-cash gain of \$1,000,000 on the disposal of non-marketable investments during the nine months ending September 30, 2014. If SAKL determines that an other-than-temporary decline exists in a non-marketable equity security, SAKL writes down the investment to its fair value and records the related write-down as an investment loss in the Consolidated Statements of Operations. As of September 30, 2015 and December 31, 2014, the non-marketable securities were \$0.

NOTE 5 – INVENTORY

SAKL's inventory consists of finished goods products that are held for resale at all salon locations or that are used for the services provided by the salons. The event companies maintain inventories for event participants and retail sales. Inventory is carried at the lower of cost or market. As of September 30, 2015 and December 31, 2014, inventory amounted to \$1,639,624 and \$236,659, respectively.

NOTE 6 – NOTES RECEIVABLE

A summary of notes receivable as of September 30, 2015 and December 31, 2014 is as follows:

	Interest Rate	Maturity Date	June 30, 2015	December 31, 2014
Bandaloops, LLC	- - - -	05/01/21	\$ 177,708	\$ 173,781
Other notes	- - - -	Various	45,720	-
Cyborg X Movie, LLC	10%	08/13/15	-	30,000
Total			223,428	202,458
Less: current portion of notes receivable			-	(30,000)
Total long-term portion of notes receivable			\$ 223,428	\$ 173,781

NOTE 7 – DEBT

A summary of notes payable as of September 30, 2015 and December 31, 2014 is as follows:

	Interest Rate	Maturity Date	September 30, 2015	December 31, 2014
<u>Notes Payable:</u>				
Note payable due to an individual	20.00%	5/17/2007	-	250,000
Note payable due to a corporation	3.25%	8/1/2015	-	12,520
Note payable due to a partnership	8.00%	7/21/2012	27,873	27,873
Note payable due to a bank	6.5%	5/23/2021	570,557	576,882
Note payable due to an individual	11.0%	2/27/2016	16,989	18,115
Note payable due to a corporation	5.0%	9/1/2017	21,508	29,035
Note payable due to a bank		2/9/2019	18,401	22,440
Note payable due to a partnership	8.0%	3/3/2019	9,086	10,681
Note payable due to a bank	12.0%	8/2/2016	129,630	225,558
Note payable due to an individual	8.0%	10/1/2016	40,000	40,000
Note payable due to a bank	12.0%	8/2/2016	57,228	-
Note payable due to an individual	12.0%	11/30/2015	300,000	-
Note payable due to a corporation	20.0%	10/20/2016	218,196	-
Total notes payable			1,409,467	1,213,104
Less: current portion			745,745	512,346
Long term notes payable			663,722	700,758
<u>Convertible Notes Payable:</u>				
Note payable due to an individual	8.0%	6/27/2013	25,000	25,000
Note payable due to a partnership	- - - -	2/28/2013		75,000
Note payable due to a corporation	8.0%	8/17/2014	35,000	35,000
Note payable due to a corporation (1)	8.0%	10/28/2015	49,000	-
Note payable due to a corporation (2)	8.0%	3/25/2016	34,000	-
Note payable due to a corporation (3)	12.0%	7/30/2017	38,500	-
Less: Debt discount - convertible notes, net			-	-
Total convertible notes payable			181,500	135,000
Less: current portion			143,000	135,000
Long term convertible notes payable			38,500	-
<u>Related Party Notes</u>				
Note payable due to Richard Surber, President and CEO of SAKL	24.0%	11/20/2011	60,282	62,532
Note payable due to Richard Surber, President and CEO of SAKL	20.0%	11/20/2011	25,000	25,000
Note payable due to Richard Surber, President and CEO of SAKL	18.0%	3/12/2018	22,262	
Note payable due to a corporation	18.0%	5/6/2016	9,309	-
Total related party notes payable			116,853	87,532
Less: current portion			100,741	-
Long term related party notes payable			16,112	-

NOTE 8 – REAL PROPERTY LEASES

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

NOTE 9 – EQUITY

Preferred Stock

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

As of September 30, 2015 and December 31, 2014, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 142,750 and 142,750 shares, respectively. The Series A Preferred shares have voting rights equal to 100 shares of common stock for every 1 Series A Preferred share, and it may be converted into \$10 worth of common stock. A total of 10,000,000 shares have been designated and authorized as Series A Preferred Stock.

As of September 30, 2015 and December 31, 2014, the number of shares of Series B Convertible Preferred Stock issued and outstanding was 15,000,000. The Series B preferred stock holds voting rights equal to 2,000 shares of common stock for each share of the Series B Preferred Stock issued. The shares do not have any conversion rights into common stock or any other class of stock of SAKL. A total of 20,000,000 shares have been designated and authorized as Series B Preferred Stock pursuant to a filing on November 3, 2009.

As of September 30, 2015 and December 31, 2014, the number of shares of Series C Preferred Stock issued and outstanding was 1,154,580 and 1,486,333 shares, respectively. The Series C Preferred shares may be converted into \$5.00 worth of common stock and are subject to redemption by SAKL upon a \$5.00 cash payment. The Series C Preferred shares hold voting rights equal to 1 share of common stock for every 1 Series C Preferred share. A total of 5,000,000 shares have been designated and authorized as Series C Preferred Stock.

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

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

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

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

In September of 2015, the board of directors approved the redemption and/or cancellation of 614,662 shares of its Series C Preferred stock. The Board of Directors cancelled 369,072 Series C Preferred shares that the company held in its possession for in excess of 5 years based upon the non-performance of certain agreements. Other shares are in the process of being bought back pursuant to certain Stock Purchase Agreements. The total face value of all the shares to be cancelled

or redeemed is \$3,073,310. The Board of Directors expects all of the certificates comprising the above mentioned shares will be cancelled by December 31, 2015.

Common Stock

As of September 30, 2015, SAKL was authorized to issue 25 billion shares of common stock with a par value of \$0.0001 per share. As of September 30, 2015 and December 31, 2014, the number of common shares issued and outstanding was 75,601,200 and 64,821,834, respectively. The common stock holds voting rights of one vote per share. It has no dividend or preemptive rights. On October 15, 2015, the Company reduced its authorized shares from 25 Billion to 990 Million. The action was approved by a majority vote of shareholders and the board of directors.

NOTE 10 – SUBSEQUENT EVENTS

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

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

Effective October 15, 2015, the Company reduced its authorized shares from 25 Billion to 990 Million. The action was approved by a majority vote of shareholders and the board of directors.

On October 13, 2015, the Company signed a retention agreement with Sadler, Gibb & Associates, LLC for the audit of the Company’s balance sheet and related financial statements for the periods ending December 31, 2015 and 2014. An initial payment of \$75,000 was tendered upon signing the agreement with an additional \$75,000 being held in escrow to be released upon completion of the audited financial statements.

On October 23, 2015, the Company issued 2,105,625 shares of its common stock at the market price of \$.016 per share to Joseph Corso in full satisfaction of a Promissory Note dated June 28, 2011 in the amount of \$33,690.

On November 3, 2015, the Company retained RedChip Companies, Inc. for a six month term for the purposed of investor relations, research and media. The agreements call for the payment of a monthly cash fee that ranges from \$5,000 to \$10,000 and issuance of 1,800,000 restricted shares of common stock over the term of the agreement. 900,000 shares were issued as of the time of this filing.

SAKL has evaluated subsequent events through November 25, 2015, which is the date the financial statements were issued.

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

Cautionary Statement Regarding Forward-Looking Statements

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

General

Sack Lunch Productions, Inc. (“SAKL” or the “Company”) is an entertainment holding company whose subsidiaries have operations in event management, film production and distribution. SAKL also holds a majority interest in Green Endeavors, Inc. (GRNE) which the operate Aveda licensed salons and an Aveda retail. On August 7, 2015, SAKL acquired a 100% interest in Springbok Holdings, LLC (“Springbok”). Springbok’s major holdings consists of a 100% interest in The Dirty Dash LLC, Color Me Rad, LLC and Springbok Slide the City, LLC. SAKL through its subsidiaries now holds the following national or international event brands: Slide the City, Color Me Rad, The Dirty Dash and The Lantern Fest. Both Slide the City and Color Me Rad have been franchised both nationally and internationally in addition to the events that are held and operated corporately. The Dirty Dash operates fun mud runs, Color Me Rad holds fun runs complete with color stations, Slide the City operates giant slide events on city streets, and Lantern Fest organizes sky lantern events.

The following discussion examines SAKL's financial condition as a result of operations for the three and nine months ended September 30, 2015 and 2014.

Results of Operations

The following discussion examines our results of operations and financial condition based on our consolidated financial statements for the three and nine months ended September 30, 2015 and 2014.

Revenue

Nine months ended September 30, 2015 and 2014

Gross revenues for the nine months ended September 30, 2015 were \$8,418,390 as compared to \$3,428,588 for the same period in 2014. The increase in revenue for the nine months ended September 30, 2015 compared with the same period in 2014 was \$4,989,802 or 145%, is due to an increase in event ticket sales and franchise fee.

Three months ended September 30, 2015 and 2014

Gross revenues for the three months ended September 30, 2015 were \$6,020,335 as compared to \$1,105,068 for the same period in 2014. The increase in revenues for the three months ended September 30, 2015 compared with the same period in 2014 was \$4,915,267 or 445%, is due primarily to the acquisition of Springbok Holdings, LLC and an increase in event ticket sales and franchise fees.

Costs and Expenses

Nine months ended September 30, 2015 and 2014

Total operating expenses for the nine months ended September 30, 2015, increased to \$8,488,390 from \$3,712,318 for the nine months ended September 30, 2014 an increase of \$4,776,072 or 129%. The increase over the nine month period is primarily attributable to the acquisition of Springbok Holdings, LLC as well as an increase in the advertising expenses,

legal, accounting, marketing, and the comparable production staff along with an increase in the staff required to operate Slide the City™ and The Lantern Fest™ events.

Depreciation and amortization expense for the nine months ended September 30, 2015, increased to \$193,206 from \$125,816 for the nine months ended September 30, 2014.

Three months ended September 30, 2015 and 2014

Total operating expenses for the three months ended September 30, 2015, increased to \$5,265,486 from \$1,419,908 for the three months ended September 30, 2014 an increase of \$3,845,578 or 271%. The increase over the comparable quarterly period is primarily attributable to the acquisition of Springbok Holdings, LLC as well as an increase in the advertising expenses, accounting, marketing, and production staff along with an increase in the staff required to operate Slide the City™ and The Lantern Fest™ events.

Depreciation and amortization expense for the three months ended September 30, 2015, increased to \$79,607 from \$44,725 for the three months ended September 30, 2014.

Other Income, net

Nine months ended September 30, 2015 and 2014

Other income, net, for the nine months ended September 30, 2015, was \$359,647 compared to other income, net, of \$1,009,563 for the nine months ended September 30, 2014, a decrease of \$649,916 or 64%. The net decrease in other income over the comparable nine months is primarily due to a one time gain on sale of securities of \$1,001,000 that occurred in the comparable period in 2014. We redeemed \$1,000,000 of our Series C Preferred shares for securities that we wrote off to \$0.

Three months ended September 30, 2015 and 2014

Other expense, for the three months ended September 30, 2015, was \$66,004 compared to other expense of \$64,496 for the three months ended September 30, 2014, an increase of \$1,508 or 2%, is minor.

Net Income (loss)

Nine months ended September 30, 2015 and 2014

Our net income for the nine months ended September 30, 2015, was \$755,261 compared to net income of \$717,416 for the nine months ended September 30, 2014. The increase of \$37,845, or 5%, The increase in net income is primarily due to an increase in event gross margin offset by a decrease in salon gross margin as well as a decrease in other income of \$649,916 based upon a onetime gain on the sale of securities of \$1,001,000 that occurring in the comparable period in 2014.

Three months ended September 30, 2015 and 2014

Net income for the three months ended September 30, 2015, was \$717,928 compared to net loss of \$379,336 for the three months ended September 30, 2014. The increase in net income is primarily due to an increase in event revenues margin.

Liquidity and Capital Resources

As of September 30, 2015 and December 31, 2014

We had a working capital deficit of \$3,463,655 as of September 30, 2015. Our current assets were \$3,138,936 which consisted of \$765,876 in cash, \$1,907 in available-for-sale securities, \$478,954 in accounts receivable net of allowance for doubtful accounts, \$1,639,624 in inventory, and \$48,866 in prepaid expenses. Our total assets were \$6,982,713 which included \$2,046,659 in property and equipment (net), \$223,428 in notes receivable, and \$345,761 in film costs, net of

amortization, \$282,370 in other assets, long term investments of \$19,963 and \$925,596 in goodwill. Our current liabilities were \$6,602,591 including \$4,159,996 in accounts payable and accrued expenses, \$905,554 in deferred revenue (see Note 2 under Deferred Revenue), \$92,716 in deferred rent, \$234,420 due to related parties, \$223,441 in the derivative liability, \$745,745 in current portion of notes payable, \$100,742 in current portion of notes payable, related party, \$15,491 in current portion of capital lease obligations, and \$124,486 in current portion of convertible notes payable, net of debt discount. Our long-term liabilities were \$685,614 and our total liabilities were \$7,285,205. Our total stockholders' deficit at September 30, 2015, was \$302,492.

Cash Flows from Operating Activities

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

Nine months ended September 30, 2015 and 2014

Net cash used in operating activities for the nine months ended September 30, 2015, was \$245,789 as compared to \$411,688 provided by operations for the nine months ended September 30, 2014.

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

Cash Flows from Investing Activities

Nine months ended September 30, 2015 and 2014

Cash flow used in investing activities for the nine months ended September 30, 2015, was \$382,901 as compared to \$127,930 for the nine months ended September 30, 2014. The increase in cash flows used in investing activities is primarily due to an increase in the purchases of property, plant, and equipment of \$381,626.

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

Cash Flows from Financing Activities

Nine months ended September 30, 2015 and 2014

Cash flows provided by financing activities for the nine months ended September 30, 2015, was \$664,448 as compared to \$283,401 for the nine months ended September 30, 2014. The increase in cash flows provided by financing activities over the comparable period is due to an increase in proceeds from the issuance of notes payable.

Other Factors Affecting Liquidity and Capital Resources

We have insufficient current assets to meet our current liabilities due to negative working capital of \$3,463,655 as of September 30, 2015. By December 31, 2015, we expect to fully realize \$905,554 in deferred revenues. Recognition of these revenues will improve our working capital by the same amount. Historically, we have funded our cash needs from a combination of revenues, carried payables, sales of equity, and debt transactions. Since we are not currently realizing net cash flows from our business, we may need to seek financing to continue our operations. Prospective sources of funding could include shareholder loans, equity sales or loans from other sources though no assurance can be given that such sources would be available or that any commitment of support is forthcoming to date.

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

We expect to purchase property or equipment for an additional salon locations. We are currently seeking and analyzing equipment loans and capital leasing options to fund a significant portion of the equipment needed. We expect to purchase fixed assets as need for our event companies.

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

We expect to continue to expand the event operations of Slide the City, The Lantern Fest, Color Me Rad, and The Dirty Dash. We also expect to improve our cash flows from the sale of additional international franchise systems of Slide the City and Color Me Rad. Cash flows from operations are expected to improve liquidity due to such activities.

Going Concern

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

- Acquiring and creating new events for our event operations;
- Increasing the number of films produced for our own account and third parties;
- Generating additional revenues through increasing the number films we distribute for third parties;
- Producing higher quality films specifically tailored to sell in specific markets;
- Increase retail sales through our Landis Lifestyle Salons;
- Open new salon locations;
- Increasing revenues from rental properties by implementing new marketing programs;
- Reduce expenses through consolidating or disposing of certain subsidiary companies;

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

Impact of Inflation

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

Off Balance Sheet Arrangements

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

Item V: Defaults upon senior securities

None.

Item VI: Other information

On August 7, 2015 SAKL signed an agreement with the Members of Springbok Holdings, LLC by which SAKL acquired 100% ownership and control of Springbok Holdings LLC. This acquisition included control of numerous Slide the City™ franchise events previously granted to Springbok by a SAKL subsidiary and events known as The Dirty Dash™ and Color Me Rad,™ two events over which Springbok held exclusive control. These added events are in line with SAKL's move to operate entertainment events as its primary area of operations. The purchase price is up to \$150,000 of certain future net profits, if any, generated by Springbok Holdings, LLC. The agreement also contemplates that new management will ensure the payment of certain liabilities which not exceed \$2,000,000.

Item VII: Exhibits

Acquisition Agreement dated August 7, 2015, between Sack Lunch Productions, Inc. and Springbok Holdings, LLC and its controlling members

Senior Secured Credit Facility Agreement effective October 16, 2015 between Sack Lunch Productions, Inc. and its subsidiaries and TCA Global Master Fund, LP.

Material Contracts

Acquisition Agreement dated August 7, 2015 between Sack Lunch Productions, Inc. and Springbok Holdings, LLC and its controlling members

Senior Secured Credit Facility Agreement effective October 16, 2015, between Sack Lunch Productions, Inc. and its subsidiaries and TCA Global Master Fund, LP.

Subsequent Events

Effective October 15, 2015, the Company reduced its authorized shares from 25 Billion to 990 Million. The action was approved by a majority vote of shareholders and the board of directors.

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

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

On October 13, 2015, the Company signed a retention agreement with Sadler, Gibb & Associates, LLC for the audit of the Company’s balance sheet and related financial statements for the periods ending December 31, 2015 and 2014. An initial payment of \$75,000 was tendered upon signing the agreement with an additional \$75,000 being held in escrow to be released upon completion of the audited financial statements.

On October 23, 2015, the Company issued 2,105,625 shares of its common stock at the market price of \$.016 per shares to Joseph Corso in full satisfaction of a Promissory Note dated June 28, 2011 in the amount of \$33,690.

On November 3, 2015, the Company retained RedChip Companies, Inc. for a six month term for the purposed of investor relations, research and media. The agreements call for the payment of a monthly cash fee that ranges from \$5,000 to \$10,000 and issuance of 1,800,000 restricted shares of common stock over the term of the agreement. 900,000 shares were issued as of the time of this filing.

Articles of Incorporation

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

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

Item VIII: Certifications.

I, Richard D. Surber, certify that:

1. I have reviewed this disclosure statement for the quarter ended September 30, 2015 of Sack Lunch Productions, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: November 25, 2015

/s/ Richard D Surber

Richard D. Surber

President, CEO, CFO and Director