

OTC Pink Basic Disclosure Guidelines

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.

Stack-it Storage, Inc. (effective 7/17/15)
Caprock Oil, Inc. (effective 3/17/14)
Stratum Holdings, Inc. (effective 3/08/07)

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 11011 Richmond Avenue
Address 2: Suite 525
Address 3: Houston, TX 77042
Phone: (713) 479-7050
Email: hwatler@stackitstorage.com
Website(s): www.stackitstorage.com

IR Contact

Address 1: _____
Address 2: _____
Address 3: _____
Phone: _____
Email: _____
Website(s): _____

3) Security Information

Trading Symbol: STAK
Exact title and class of securities outstanding: Common Stock
CUSIP: 85235G102
Par or Stated Value: \$0.01
Total shares authorized: 200,000,000 as of: 9/30/15
Total shares outstanding: 19,898,015 as of: 9/30/15

Additional class of securities (if necessary):

Trading Symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or Stated Value: _____
Total shares authorized: _____ as of: _____
Total shares outstanding: _____ as of: _____

Transfer Agent

Name: First American Stock Transfer, Inc.
Address 1: 4747 N. 7th Street
Address 2: Suite 170
Address 3: Phoenix, AZ 85014
Phone: (602) 485-1346

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:

Effective 7/17/15, we changed our name (see item 1. above) and effected a 1-for-10 reverse stock split.

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:

See our Form 10-K for the year ended 12/31/14 filed with the SEC on 3/27/15, at link indicated below:
http://www.sec.gov/Archives/edgar/data/1277998/000135448815001369/roko_10k.htm

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

See 2014 Form 10-K referenced above.

B. Any jurisdictions where the offering was registered or qualified;

None, all shares were unregistered.

C. The number of shares offered;

See 2014 Form 10-K referenced above.

D. The number of shares sold;

See 2014 Form 10-K referenced above.

E. The price at which the shares were offered, and the amount actually paid to the issuer;

See 2014 Form 10-K referenced above.

F. The trading status of the shares; and

None, all shares were unregistered.

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

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.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

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.

See Pdf attachment with our consolidated financial statements for the third quarter of 2015.

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;

We are engaged in the acquisition and operation of existing self-storage facilities within the continental US. We utilize professional management and financial practices to enhance the value of our self-storage facilities. We retain a small presence in the oil and gas business but expect to eventually exit from that business.

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

September 3, 2003 in the State of Nevada

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

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- D. the issuer's fiscal year end date;

December 31

- E. principal products or services, and their markets;

Rental of self-storage units

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.

Effective 10/30/15, we closed the acquisition of our initial operating facility in the self-storage business. In this transaction, we acquired a fully operational self-storage facility with approximately 22,000 net rentable square feet located in Huffman, Texas, for a purchase price of \$1,500,000. The seller was a private company. The facility is owned by a newly-formed subsidiary of the Company and is now operated under the brand name of "Stack-It Storage." The acquired facility is located in close proximity to Lake Houston, a major water reservoir and aquatic recreational area, and presently consists of 202 non-climate controlled self-storage units situated on approximately 2.57 acres of land. It was originally constructed in stages from 1996 to 2004 and current occupancy of the self-storage units is approximately 95%.

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.

See attached Beneficial Ownership Table as of 9/30/15.

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;

None

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.

None

- 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.

See attached Beneficial Ownership Table as of 9/30/15

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

Name: Cavas S. Pavri
Firm: Schiff Hardin LLP
Address 1: 100 North 18th Street, Suite 300
Address 2: Philadelphia, PA 19103
Phone: (202) 724-6847
Email: cpavri@schiffhardin.com

Accountant or Auditor

Name: George Qin
Firm: Malone Bailey LLP
Address 1: 9801 Westheimer Road, Suite 1100
Address 2: Houston TX 77042
Phone: (713) 343-4267
Email: gqin@malone-bailey.com

Investor Relations Consultant

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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, D. Hughes Watler, Jr., certify that:

1. I have reviewed this quarterly disclosure statement of Stack-it Storage, 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.

November 10, 2015

/s/ Steven H. Mikel
CEO

/s/ D. Hughes Watler, Jr.
CFO

STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)

CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)
Consolidated Balance Sheets
(Unaudited)

	September 30,	December 31,
	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 320,636	\$ 80,025
Accounts receivable (net of allowance for doubtful accounts of \$228,574)	91,680	270,132
Prepaid expenses and other	31,837	49,586
Total current assets	<u>444,153</u>	<u>399,743</u>
Property and equipment:		
Oil and gas properties, evaluated (full cost method)	7,497,197	16,046,178
Oil and gas properties, unevaluated (full cost method)	214,974	1,005,603
Other property and equipment	40,978	40,978
Total property and equipment	<u>7,753,149</u>	<u>17,092,759</u>
Less: Accumulated depreciation, depletion, amortization and impairment	<u>(7,513,174)</u>	<u>(10,536,660)</u>
Net property and equipment	<u>239,975</u>	<u>6,556,099</u>
Other assets:		
Other noncurrent assets	<u>26,526</u>	<u>5,238</u>
Total other assets	<u>26,526</u>	<u>5,238</u>
Total assets	<u>\$ 710,654</u>	<u>\$ 6,961,080</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Current portion of long-term debt	\$ 30,901	\$ 2,052,040
Accounts payable - related party	-	217,724
Accounts payable - other	285,054	931,088
Accrued liabilities	<u>746,337</u>	<u>1,575,144</u>
Total current liabilities	<u>1,062,292</u>	<u>4,775,996</u>
Deferred income taxes	-	803,800
Asset retirement obligations	<u>107,960</u>	<u>479,165</u>
Total liabilities	<u>1,170,252</u>	<u>6,058,961</u>
Stockholders' equity (deficit):		
Preferred stock, \$.01 par value per share, 1,000,000 shares authorized, None issued	-	-
Common stock, \$.01 par value per share, 200,000,000 shares authorized, 19,898,015 shares and 5,180,828 shares, issued and outstanding	198,980	51,808
Additional paid in capital	16,049,512	15,484,703
Accumulated deficit	<u>(16,708,090)</u>	<u>(14,634,392)</u>
Total stockholders' equity (deficit)	<u>(459,598)</u>	<u>902,119</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 710,654</u>	<u>\$ 6,961,080</u>

See accompanying notes to unaudited consolidated financial statements.

STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,	
	2015	2014
Revenues:		
Oil and gas sales	\$ 48,378	\$ 639,830
Total revenues	<u>48,378</u>	<u>639,830</u>
Operating expenses:		
Lease operating expense	54,444	356,246
Depreciation, depletion and amortization	20,341	116,625
Impairment expense	303,880	-
Accretion expense	2,380	10,260
Workover expense	5,091	123,092
Selling, general and administrative	414,268	420,185
Gain on creditor settlements	(21,269)	-
Total operating expenses	<u>779,135</u>	<u>1,026,408</u>
Operating loss	(730,757)	(386,578)
Other income (expense):		
Interest income	129	119
Interest expense	(83)	(20,139)
Loss before income taxes	(730,711)	(406,598)
Benefit for income taxes:		
Current	-	-
Deferred	155,000	79,200
Net loss	<u>\$ (575,711)</u>	<u>\$ (327,398)</u>
Net loss per share, basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.06)</u>
Weighted average shares outstanding, basic and diluted	<u>14,331,167</u>	<u>5,178,002</u>

See accompanying notes to unaudited consolidated financial statements.

STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)
Consolidated Statements of Operations
(Unaudited)

	<u>Nine Months Ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Oil and gas sales	\$ 321,002	\$ 1,789,023
Total revenues	<u>321,002</u>	<u>1,789,023</u>
Operating expenses:		
Lease operating expense	486,019	1,111,293
Depreciation, depletion and amortization	168,139	294,856
Impairment expense	1,699,104	-
Accretion expense	15,425	30,100
Workover expense	73,276	894,410
Selling, general and administrative	1,195,492	1,184,113
Gain on creditor settlements	(545,084)	-
Total operating expenses	<u>3,092,371</u>	<u>3,514,772</u>
Operating loss	(2,771,369)	(1,725,749)
Other income (expense):		
Interest income	216	434
Interest expense	(167,837)	(63,445)
Loss before income taxes	(2,938,990)	(1,788,760)
Benefit for income taxes:		
Current	61,492	-
Deferred	803,800	423,100
Net loss	<u>\$ (2,073,698)</u>	<u>\$ (1,365,660)</u>
Net loss per share, basic and diluted	<u>\$ (0.25)</u>	<u>\$ (0.27)</u>
Weighted average shares outstanding, basic and diluted	<u>8,264,720</u>	<u>5,090,842</u>

See accompanying notes to unaudited consolidated financial statements.

STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2015	2014
Cash flows from operating activities:		
Net loss	\$ (2,073,698)	\$ (1,365,660)
Adjustments to reconcile net loss to net cash provided by (used in) operations		
Depreciation, depletion and amortization	168,139	294,856
Impairment expense	1,699,104	-
Benefit for income taxes (deferred)	(803,800)	(423,100)
Accretion expense	15,425	30,100
Stock based compensation	475,996	544,230
Gain on creditor settlements	(545,085)	-
Changes in current assets and liabilities	(56,675)	517,368
Other changes, net	3,485	-
Net cash flows from operating activities	(1,117,109)	(402,206)
Cash flows from investing activities:		
Purchase of property and equipment	(146,188)	(356,769)
Sale of property and equipment	2,030,046	-
Net cash flows from investing activities	1,883,858	(356,769)
Cash flows from financing activities:		
Proceeds of long term debt - related parties	220,000	-
Proceeds of private equity offering - related parties	125,000	250,000
Proceeds of private equity offering - others	107,500	350,000
Payments of long term debt - related parties	(220,000)	-
Payments of long term debt - others	(758,638)	(516,826)
Net cash flows from financing activities	(526,138)	83,174
Net increase (decrease) in cash and cash equivalents	240,611	(675,801)
Cash and cash equivalents at beginning of period	80,025	877,525
Cash and cash equivalents at end of period	\$ 320,636	\$ 201,724
Supplemental cash flow data:		
Cash paid for interest	\$ 165,520	\$ 63,227
Supplemental non-cash financing/investing activity:		
Notes payable paid upon sale of property	1,286,000	-
Accounts payable paid upon sale of property	239,063	-
Asset retirement obligations reduced upon sale of property	383,895	-
Accrued liabilities reduced upon sale of property	653,330	-
Accounts payable incurred for oil and gas properties	-	249,969
Common Stock issued for oil and gas properties	-	86,000
Non-cash additions to Notes Payable	23,499	49,264

See accompanying notes to unaudited consolidated financial statements.

STACK-IT STORAGE, INC.
(formerly, Caprock Oil, Inc.)
Notes to Consolidated Financial Statements
(Unaudited)

(1) Basis of Presentation

Interim Financial Information – The accompanying consolidated financial statements have been prepared by Stack-it Storage, Inc., formerly, Caprock Oil, Inc. (“we”, “our” or the “Company”), without audit, in accordance with accounting principles generally accepted in the United States of America for interim financial information. In the opinion of management, these consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position of the Company as of September 30, 2015, the results of its operations for the three month and nine month periods ended September 30, 2015 and 2014, and cash flows for the nine month periods ended September 30, 2015 and 2014. Certain prior year amounts have been reclassified to conform with the current year presentation. These financial statements should be read in conjunction with our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2014.

Name Change and Reverse Stock Split – Effective July 17, 2015, the Company changed its name from Caprock Oil, Inc. to Stack-it Storage, Inc. and completed a 1-for-10 reverse split of its Common Stock. Accordingly, all Common Stock share and per share amounts in the consolidated financial statements have been retroactively adjusted to reflect the reverse stock split. Following the sale of a substantial portion of the Company’s oil and gas properties to another company in May 2015 (see Note 2), the Company expects to continue to maintain ownership of its remaining oil and gas properties for the foreseeable future while it also plans to seek new business opportunities as an owner and operator of self-storage facilities (see Note 13).

Recently Issued Accounting Pronouncements – In the nine months ended September 30, 2015, the Financial Accounting Standards Board issued several new Accounting Standards Updates which the Company believes will have little or no applicability to the Company.

(2) Sales of Oil & Gas Properties

In May 2015, the Company sold all of its working interests in three operated oil and gas fields in Texas to another oil and gas company. The cash sales price received at closing was \$3,100,000, which is subject to a post-closing adjustment for the net revenues and expenditures attributable to the properties in the period from the effective date, January 1, 2015, to the closing date. In July 2015, the amount of the post-closing adjustment was determined by mutual agreement of both parties to be less than \$5,000. The net proceeds of this sale were largely used to pay off the Company’s long term debt (see Note 7). Asset retirement obligations of \$383,895 were assumed by the buyer and other liabilities in the amount of \$653,330 were reduced in this sale. No gain or loss was recognized on this sale.

In January 2015, the Company sold its non-operated working interest in a producing oil field in Texas to the company which is the operator of the field (see Note 11). The cash sales price was \$500,000, subject to adjustments for unpaid revenues and expenditures incurred through the effective date, January 1, 2015. After taking such adjustments into account, the Company received net cash proceeds from the sale in the amount of approximately \$261,000. No gain or loss was recognized on this sale.

(3) Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has reported net losses from operations in the last two years and has a substantial working capital deficit as of September 30, 2015. These factors, among others, indicate that the Company may be unable to continue as a going concern for a reasonable period of time. The consolidated financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

(4) Acquisition of Cinco NRG, LLC

On March 17, 2014, the Company completed the acquisition of Cinco NRG, LLC (“Cinco”), a private oil and gas company, which was under common control by its majority shareholder. The Company acquired Cinco through the issuance of a total of 4,694,254 shares of its Common Stock. As a result of this transaction, the members of Cinco owned approximately 95% of the Company’s total shares of Common Stock outstanding at the date of the acquisition. In conjunction with this transaction, the Company also issued 125,000 shares of its Common Stock to an officer of the Company (see Note 11). Cinco was formed in April 2013 to acquire working interests in specific oil and gas properties in the States of Texas and Alabama. At the time of the acquisition, Cinco had a small working interest in a producing oil field in Texas and working interests in several exploratory prospects in Alabama. Cinco is now a wholly-owned subsidiary of the Company.

As noted above, the Company and Cinco were both under common control by a majority shareholder prior to this transaction. Under the accounting rules for entities under common control, the Company has accounted for Cinco’s operations on a retrospective basis in the Company’s consolidated financial statements from the inception of Cinco in April 2013.

(5) Oil & Gas Properties

In the nine months ended September 30, 2015, the Company recorded a total non-cash impairment allowance to the carrying value of its oil and gas properties in the amount of \$1,699,104 (of this amount, \$303,880 was recorded in the three months ended September 30, 2015, while the remaining \$1,395,224 was recorded in the six months ended June 30, 2015). Such adjustments resulted from applying the quarterly “ceiling test” limitations under the full cost accounting rules during a period of rapidly declining oil prices. These rules limit the capitalized costs of evaluated properties to the aggregate of the “estimated present value,” discounted at a 10-percent interest rate, of future net revenues from proved reserves, based on current economic and operating conditions.

As of September 30, 2015, the Company has exploratory projects with capitalized costs of \$214,974 that were reflected in unevaluated properties (such amount excludes the costs of exploratory projects of \$923,115 which were transferred to evaluated properties in the nine months ended September 30, 2015). Capitalized costs of the remaining projects have not been evaluated, therefore, no related depreciation, depletion and amortization expense was recorded as of September 30, 2015. An evaluation of these projects is largely expected to be completed by December 31, 2015.

(6) **Creditor Settlements**

Beginning in June 2015, the Company reached agreements with various unsecured creditors to settle outstanding payable balances at substantially discounted amounts from the recorded liabilities in exchange for immediate payments of the discounted amounts. In accordance with such agreements, the Company settled total liabilities at recorded amounts of \$959,858 for a total discount of \$545,084. Accordingly, the Company recognized a gain on the creditor settlements in the amount of \$545,084 in the nine months ended September 30, 2015.

(7) **Long Term Debt**

As of September 30, 2015 and December 31, 2014, the Company had the following long-term debt obligations:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
\$25,000,000 line of credit with a bank, maturing on January 1, 2015, default interest rate at 5.0% above prime, payable monthly, secured by first lien on CYMRI, LLC's oil and gas properties	\$ -	\$ 1,286,000
Bridge loans from individuals, due in October 2015, interest at 15% per annum, with second position security interest on oil and gas properties pledged to bank and first position on other oil and gas properties	-	700,000
Unsecured notes payable assumed in acquisition of Cinco NRG, LLC	-	25,000
Other short term notes for equipment and insurance financing, interest rates at 6% to 8%	30,901	41,040
	<u>30,901</u>	<u>2,052,040</u>
Current portion of long term debt	<u>(30,901)</u>	<u>(2,052,040)</u>
Long term debt, net of current portion	<u>\$ -</u>	<u>\$ -</u>

Borrowings under the bank credit agreement secured by the oil and gas properties of our legacy subsidiaries, CYMRI, LLC ("CYMRI") and Triumph Energy, Inc. ("Triumph"), were subject to a borrowing base, dependent on oil and gas reserves. On January 1, 2015, the credit agreement expired and the outstanding borrowings of \$1,286,000 became due and payable, however, the Company did not make such payment at that time and was in default of the credit agreement. The Company continued to make monthly interest payments on the outstanding borrowings at the default rate of interest in the first quarter of 2015 and fully repaid all outstanding borrowings under the credit agreement upon closing of the sale of CYMRI's producing oil and gas properties on May 20, 2015 (see Note 2).

In October 2014, the Company implemented a "bridge loan" program whereby it made short term borrowings from a group of individual lenders. By May 2015, such borrowings had reached \$820,000, of which \$220,000 was from related parties (see Note 11). Amounts advanced under the bridge loan program accrued interest at the rate of 15% per annum, with the principal due in one year and a prepayment penalty due in the event of early payment (payable in cash or stock). The bridge lenders were granted a subordinated security interest in the Company's assets. Upon closing of the sale of a small producing property in January 2015 (see Note 2), the Company made a partial payment to the bridge lenders in the principal amount of \$100,000 and also paid prepayment penalties consisting of cash of \$9,273 and 520 shares of Common Stock. Upon closing of the sale of CYMRI's producing oil and gas properties on May 20, 2015 (see Note 2), the Company fully repaid all then outstanding bridge loans in the principal amount of \$820,000 and paid cash prepayment penalties in the amount of \$88,061.

(8) Income Tax Refund

In June 2015, the Company received a refund from the Internal Revenue Service (“IRS”) for overpayment of income taxes on its 2008 consolidated federal income tax return in the amount of \$61,492. This refund resulted from the settlement of an IRS audit of the Company’s 2008 consolidated federal income tax return. The Company had not previously recorded a tax benefit for such a refund. Accordingly, the Company recognized a current income tax benefit for the amount of this income tax refund in the nine months ended September 30, 2015.

(9) Stockholders’ Equity

In order to fund near term capital needs for the self-storage business, the Company obtained an equity investment of \$125,000 from an entity affiliated with a major shareholder in July 2015 in exchange for the issuance of 10,416,667 shares of the Company’s restricted Common Stock (this investment was made via the conversion of a convertible note payable originally issued in June 2015). The Company also received equity investments totaling \$107,500 from three accredited investors in the third quarter of 2015 in exchange for the issuance of a total of 4,300,000 shares of the Company’s restricted Common Stock. In the prior year, the Company closed a private equity offering with three accredited investors in July 2014 for the sale of 25,000 Units with each Unit comprised of two shares of Common Stock and a Warrant to purchase one share of Common Stock, resulting in gross proceeds of \$500,000.

Basic income or loss per common share is computed by dividing the net income or loss by the weighted average number of shares of common stock outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of shares of common stock outstanding during the period and potentially dilutive common share equivalents, consisting of stock options and warrants, under the Treasury Stock Method. The effects of potential common stock equivalents are not included in computations when their effect is anti-dilutive. In the three month and nine month periods ended September 30, 2015 and 2014, there were no dilutive common stock equivalents reflected in the determination of net loss per share as the effect would have been anti-dilutive.

(10) Stock-Based Compensation

Effective July 17, 2015, the Company adopted a new stock-based compensation plan under which a maximum of 2,000,000 shares may be awarded to directors, employees and consultants in the form of stock related grants with underlying registration rights (subject to certain annual and per person limitations). The new plan replaced a previous plan, which was originally approved in October 2005, and provided for a maximum of 24,000 shares for such awards.

Pursuant to the terms of the October 2005 stock-based compensation plan, the Company made a grant of 24,000 freely tradable shares of Common Stock in March 2014 to a consultant who performed certain services for the Company. Based on quoted prices for the Company’s stock, the Company calculated the value of such issued shares at \$132,000 and recorded an expense of that amount in the nine months ended September 30, 2014.

In conjunction with the acquisition of Cinco, the Company issued 125,000 shares of restricted Common Stock to an officer of the Company in March 2014 (see Note 4). The restricted shares will vest over a three year period. Based on quoted prices for the Company’s stock, the Company calculated the value of such issued shares at \$687,500 and will amortize that total amount of expense over a three year period. During the nine months ended September 30, 2015 and 2014, the Company recorded amortized expense in the amounts of \$171,875 and \$133,680, respectively, for this grant.

In May 2014, the Company engaged a new Chief Executive Officer and granted him non-registered options to acquire 200,000 shares of Common Stock at an exercise price of \$6.50 per share, which was equal to the quoted price of its Common Stock on the date of the grant. Of these options, 20,000 shares vested immediately and the remaining 180,000 shares will vest ratably over a three year period. The estimated fair value of the option was calculated using a Black Scholes option pricing model based on the following assumptions: (a) Computed volatility – 187%; (b) Expected risk free interest rate – 1.6%; (c) Expected dividend yield – zero; (d) Expected option term – 4.4 years, calculated pursuant to ASC 718-10; and (e) Forfeitures – 0%, subject to adjustment for actual experience. On the basis of these assumptions, the Company calculated the value of such options at \$1,238,000 and will amortize that total amount of expense over a three year period. During the nine month periods ended September 30, 2015 and 2014, the Company recorded amortized expense in the amount of \$278,550 for this grant.

In August 2015, the Company made the initial grant of awards under the new stock compensation plan adopted in July 2015. Pursuant to this grant, options to acquire a total of 800,000 shares were awarded to two officers and options to acquire a total of 200,000 shares were awarded to two directors, all at a current exercise price of \$1.00 per share. These options will vest ratably over a three year period. The estimated fair value of the options was calculated using a Black Scholes option pricing model based on an update of the same assumptions indicated in the paragraph above. On the basis of these assumptions, the Company calculated the value of such options at \$800,000 and will amortize that total amount of expense over a three year period. During the three months ended September 30, 2015, the Company recorded amortized expense in the amount of \$25,570 for this grant.

For the grants summarized above, the Company recorded aggregate stock compensation expense in the amounts of \$475,996 and \$544,230, respectively, in the nine month periods ended September 30, 2015 and 2014. As of September 30, 2015, the Company has total future unrecognized compensation expense in the amount of approximately \$1,563,000.

(11) Related Party Transactions

A member of the Company's Board of Directors is the president of a private oil and gas company which has a substantial number of oil and gas properties in Texas and Louisiana. Cinco owned a 10% working interest in a producing field in Texas operated by this company (through January 2015) and also participated for a 5% working interest in the drilling of an unsuccessful well operated by this company in Louisiana in July 2014. In both instances, this company billed Cinco for its share of the capital and operating costs of the properties under a standard industry joint operating agreement. Cinco's resulting accounts payable balance with this company in the amount of \$217,724 at December 31, 2014, was repaid in conjunction with the sale transaction in January 2015 (see Note 2).

Through May 20, 2015, the Company received short-term bridge loans from entities affiliated with a major shareholder in the amount of \$220,000, which were repaid on that date (see Note 7). In June 2015, the Company re-borrowed \$125,000 from one of these entities with such amount subsequently being converted into equity in July 2015 (see Note 9).

(12) Contingencies

From time to time the Company may become involved in litigation in the ordinary course of business. At the present time, other than the Company's disclosures below, the Company's management is not aware of any such litigation or other legal proceedings that could have a material adverse effect on its results of operations, cash flows or financial condition.

Triumph Energy, Inc., a current subsidiary, and a former subsidiary which was sold in 2008, were named as joint defendants in several lawsuits involving professional liability and other matters arising in the normal course of business in the State of Louisiana, most of which were settled at no net cost to Triumph. At present, there is only one such remaining case which was recently settled at no net cost to Triumph. Accordingly, the Company has recorded no loss provision as of September 30, 2015.

In October 2008, an insurer for the Company's inactive Construction Staffing subsidiary filed a lawsuit against the subsidiary alleging default on a premium finance obligation in the amount of approximately \$200,000, plus interest and attorney's fees. The Company believes that its inactive Construction Staffing subsidiary has a meritorious position in this matter and has not engaged legal counsel to defend this case. A default judgment was rendered in favor of the plaintiff in January 2011. Notwithstanding the judgment, the Company received a premium refund from the insurer of approximately \$98,000 in the third quarter of 2015 and has reflected it in accrued liabilities pending further review. Based on such booking of the refund and the Company's previously recorded loss provision, the Company has reserved a total accrual for the subsidiary's estimated loss exposure of approximately \$200,000 as of September 30, 2015.

The Company, as a lessee and operator of oil and gas properties, is subject to various federal, state and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. The Company maintains insurance coverage, which it believes is customary in the industry, although the Company is not fully insured against all environmental risks. The Company is not aware of any environmental claims existing as of September 30, 2015, which have not been provided for, covered by insurance or otherwise have a material impact on its financial position or results of operations. There can be no assurance, however, that current regulatory requirements will not change, or past noncompliance with environmental laws will not be discovered on the Company's properties.

(13) Subsequent Events

On October 30, 2015, the Company completed the acquisition of its initial operating facility in the self-storage business. In this transaction, the Company acquired a fully operational self-storage facility with approximately 22,000 net rentable square feet located in Huffman, Texas, for a cash purchase price of \$1,500,000. The Company financed this transaction with a combination of (i) a new secured bank term loan in the principal amount of \$800,000, (ii) new convertible debentures issued to shareholders and other investors in the principal amount of \$630,000, and (iii) available cash resources.

**STACK-IT STORAGE, INC.
BENEFICIAL OWNERSHIP TABLE
SEPTEMBER 30, 2015**

<u>Name</u>	<u>Common Stock</u>	<u>Common Stock Derivatives</u>			<u>Numerator</u>		<u>Denominator</u>		<u>%-age</u>
		<u>Vested Warrants</u>	<u>Vested Options</u>	<u>Total</u>	<u>Total</u>	<u>Com Stk</u>	<u>Derivatives</u>	<u>Total</u>	
<i>Directors & Officers</i>									
Steven H. Mikel	300,000	-	80,000	80,000	380,000	19,898,015	80,000	19,978,015	0.019
D. Hughes Watler, Jr.	125,200	-	-	-	125,200	19,898,015	-	19,898,015	0.006
Robert G. Wonish	470,000	-	-	-	470,000	19,898,015	-	19,898,015	0.024
Christopher T. George	-	-	-	-	-	-	-	-	-
D&O's as a Group	895,200	-	80,000	80,000	975,200	19,898,015	80,000	19,978,015	0.049
<i>Other 5% Beneficial Owners</i>									
Pioneer Group, LLC	13,942,597	-	-	-	13,942,597	19,898,015	-	19,898,015	0.701
Vanguard Financial Trust	2,014,706	-	-	-	2,014,706	19,898,015	-	19,898,015	0.101
Green Car, LLC	2,000,000	-	-	-	2,000,000	19,898,015	-	19,898,015	0.101
	17,957,303	-	-	-	17,957,303	19,898,015	-	19,898,015	0.902
	18,852,503	-	80,000	80,000	18,932,503	19,898,015	80,000	19,978,015	0.948

Addresses for 10% Beneficial Owners

Pioneer Group, LLC
201 S. Phillips Avenue, Suite 200
Sioux Falls, SD 57104

Vanguard Financial Trust
3736 Bee Caves Road, Suite 1-105
Austin, TX 78746

Green Car, LLC
3883 Howard Hughes Pkwy., Ste. 790
Las Vegas, NV 89169