

OTC MARKETS DISCLOSURE

Material Information – Change of Control

Labor Smart, Inc.
OTC Pink: LTNC

Date of Disclosure: January 21, 2026

Effective Date of Change of Control: January 15, 2026

Labor Smart, Inc. (the “Company”) hereby reports a **Change of Control** pursuant to OTC Markets disclosure requirements.

Description of Transaction Resulting in Change of Control

Effective as of **January 15, 2026**, a change of control of the Company occurred as a result of the transfer of **Series A Preferred Shares**, which carry voting control.

- **17 of the 51 issued Series A Preferred Shares** were transferred from **Luis Sequeira** to **Mike Araghi**
- **34 of the 51 issued Series A Preferred Shares** were transferred from **Tom Zarro** to **Mike Araghi**

As a result of these transactions, **Mike Araghi acquired beneficial ownership and voting control of a majority of the Company’s Series A Preferred Shares**, representing a controlling interest in the Company.

Former and New Control Persons

- **Former control persons:**
 - Tom Zarro
 - Luis Sequeira
- **New control person:**
 - **Mike Araghi**

Following completion of the above transfers, **Mike Araghi holds 51 of 51 Series A Preferred Shares**, representing **100% of the issued Series A Preferred Shares** and corresponding voting control of the Company.

Nature of Control

Control was obtained through the **transfer of voting securities (Series A Preferred Shares)**. No merger, asset sale, or reverse merger was involved.

Changes in Board and Executive Management

In connection with the change of control, the following changes to the Company's Board of Directors and executive management were effected:

- **Tom Zarro** resigned as **Chairman of the Board**
- **Scott Darnell** was appointed **Chairman of the Board** and continues to serve as:
 - Secretary
 - Chief Strategy Officer (CSO)
 - Interim Chief Financial Officer (CFO)
- **Brent Albin** was appointed **Chief Operating Officer (COO)**

No other officer or director changes are being reported at this time.

Additional Information

The transactions described above were approved in accordance with applicable corporate governance requirements.

The Company intends to file any additional disclosures required in connection with related material events as appropriate.

Forward-Looking Statements

This disclosure may contain forward-looking statements within the meaning of applicable securities laws. Actual results may differ materially from those anticipated due to various risks and uncertainties.