

Lot78, Inc.

Annual Report For Period Ending December 31, 2019

CURRENT INFORMATION REGARDING

Lot78, Inc. A Wyoming Corporation

The following information is furnished to assist with "due diligence" compliance. The information is furnished pursuant to Rule 15c2-11 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The items and attachments generally follow the format set forth in Rule 15c2-11.

1. Exact name of Company and its predecessor (If any)

The exact name of the issuer is Lot78, Inc. (herein sometimes called the "Company" or the "Issuer").

The Company was incorporated in the State of Nevada on June 27, 2008 under the name "Global Club, Inc." The original business plan of the Company was to develop a wide range of loyalty programs based on a system of "Global Club points" awarded for purchases made in associated establishments. The Company was not successful in implementing its Global Club points business model on a large-scale basis, and pursued alternative business opportunities and potential acquisition partners. On March 14, 2011, the Company filed a Certificate of Amendment with the Secretary of State of Nevada changing the name of the Company to "Bold Energy, Inc."

On November 12, 2012, the Company, then under the name Bold Energy, Inc., entered into a Share Exchange Agreement with Anio Limited a limited liability company established under the laws of the United Kingdom ("Anio Ltd."), which conducts its primary line of business under the name Lot78, Inc., the shareholders of Anio Ltd., and the controlling stockholders of the Company. Pursuant to the Share Exchange Agreement, the Company acquired 11,510 (100%) shares of common stock of Anio Ltd. from the Anio Ltd. Shareholders and in exchange issued 31,909,654 pre-split (54.26%) restricted shares of its common stock to the Anio Ltd. Shareholders. The Share Exchange Agreement contains customary representations, warranties and conditions to closing. The closing of the Share Exchange Agreement occurred on February 4, 2013. As a result of the Share Exchange Agreement, Anio Ltd. became a wholly-owned subsidiary of the Company and the Company now carries on the business of Anio Ltd. as its primary business. Effective May 14, 2013, the Company changed its fiscal year end from July 31st to September 30th to align its fiscal year end with that of Anio Ltd. The company changed names to Lot78, Inc. on January 31, 2013. Anio Ltd. subsequently changed its name to Lot78 UK Ltd. on March 28, 2013.

On July 15, 2016, the Company entered into a Letter of Intent to merge with Compound Holdings, LLC, a Connecticut limited liability company. Subsequently, on July 18, 2016, the Company and Compound Holdings LLC entered into a definitive Agreement and Plan of Merger. Pursuant to the plan of merger, the Company intends to change its name to Compound Holdings, Inc.

2. Address of its principal executive offices

A. Company Headquarters

18375 Ventura Blvd. #303	Phone: 818-712-0092
Tarzana, CA 91356	Email: financialcatalyst@gmail.com
Website: www.juicebar.com	

3. Security Information

A. The Company's Amended Articles of Incorporation authorize it to issue up to One Billion (1,000,000,000) shares of common stock, par value \$0.001 per share. The Company's Amended Articles of Incorporation also provide for the issuance of up to Ten Million (10,000,000) shares of preferred stock, no par value.

Trading Symbol:	LOTE
Exact Title & Class of Securities Outstanding:	Common
CUSIP:	54567W200
Par or Stated Value:	\$0.001 per Share
Total Shares Authorized (as of Dec. 31,2019)	1,000,000,000
Total Shares Outstanding (as of Dec. 31,2019)	178,502,619

Trading Symbol:	None
Exact Title & Class of Securities Outstanding:	Preferred
CUSIP:	None
Par or Stated Value:	None
Total Shares Authorized (as of Dec. 31,2019)	10,000,000
Total Shares Outstanding (as of Dec. 31,2019)	-0-

B. Transfer Agent

VStock Transfer LLC
 18 Lafayette Place
 Woodmere, NY 11598
 (212) 828-8436

The transfer agent is registered under the Exchange Act.

C. List Any Restrictions on the Transfer of the Securities None.

D. Describe Any Trading Suspension Orders Issued by the SEC in the Past 12 Months None.

E. List Any Stock Split, Stock Dividend, Recapitalization, Merger, Acquisition, Spin-Off or Reorganization either Currently Anticipated or that Occurred within the Past 12 Months.

On February 17, 2016 Barton Hollow, LLC, a Nevada limited liability company, and stockholder of the Issuer, filed an Application for Appointment of Custodian pursuant to Section 78.347 of the Act in the District Court for Clark County, Nevada. Barton Hollow was subsequently appointed custodian of the Issuer by Order of the Court on April 4, 2016 (the "Order"). In accordance with the provisions of the Order, Barton Hollow thereafter moved to: (a) reinstate the Issuer with the State of Nevada; (b) provide for the election of interim officers and directors; and (c) call and hold a stockholder meeting.

On July 15, 2016, Barton Hollow, together with the newly-elected director of the Issuer, caused the Issuer to enter into a Letter of Intent to merge with Compound Holdings, LLC, a Connecticut limited liability company. Pursuant to the Letter of Intent, the parties thereto would endeavor to arrive at, and enter into, a definitive merger agreement providing for the Merger. As an inducement to the members of Compound Holdings LLC to enter into the Letter of Intent and thereafter transact, the Issuer caused to be issued to the members 500,000,000 (Five Hundred Million) shares of its common stock.

Subsequently, on July 18, 2016, the Issuer and Compound Holdings LLC entered into a definitive Agreement and Plan of Merger (the "Merger Agreement"). Concomitant therewith, the stockholders of the Issuer elected David Schmid, the President of Compound Holdings LLC, Chief Executive Officer of the Issuer, who, along with Barton Hollow, ratified and approved the Merger Agreement and Merger.

The Merger closed in the 4th quarter of 2016. The Merger was designed as a reverse subsidiary merger pursuant to Section 368(a)(2)(E) of the Internal Revenue Code. That is, upon closing, Compound Holdings LLC would merge into a newly created subsidiary of the Issuer with the members of Compound Holdings LLC receiving shares of the common stock of the Issuer as consideration therefore. Upon closing of the Merger, Compound Holdings LLC would be the surviving corporation in its merger with the wholly-owned subsidiary of the Issuer, therefore has become the wholly-owned operating subsidiary of the Issuer.

On July 6, 2018 Schmid entered into an agreement to resign as President of Lot 78, Inc.

WHEREAS, Schmid as Assignor is the holder of one hundred percent (100%) of the Membership Interests (the "Membership Interests") in the COMPOUND HOLDINGS, LLC, a Connecticut limited liability company (the "Company"); and

WHEREAS, Assignor desires to transfer, convey and assign to Assignee all right, title and interest of the Assignor in and to the Membership Interests as of the Effective Date; and

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements made herein, and intending to be legally bound, the parties hereby agree as follows:

Assignment of Membership Interests. Assignor does hereby sell, assign, and transfer to Assignee all of Assignor's right, title, and interest in and to the Membership Interests, which membership interests entitle the Assignee to an interest in the capital, profits and losses of the Company.

Consideration. As consideration for the foregoing transfer of Membership Interests to Assignee, Assignee shall immediately surrender his 56,818,181 shares in Lot78, Inc. Ten percent of these shares (equal to 5,681,818 Company shares) will be transferred to Lot78, Inc. into treasury. The remaining ninety percent of these shares (equal to 51,136,363 shares) will be donated to Phoenix Rising Miracle Foundation, a not-for-profit foundation.

- (a) Schmid resigns as the sole officer and director of Lot78, Lot78 accepts Schmid's resignation and simultaneously appoints Lisa Gordon as the Company's sole officer and director.
- (b) Lot78 will transfer, convey and assign all of its membership interests in Compound (the "Membership Interests") to Schmid and/or his assigns.
- (c) The Parties agree that Lot78's 2.5% membership interest in Juice Bar, LLC will remain the property of Lot78 Inc.

4. Issuance History.

As of the date of this Information Statement, there are 178,502,619 shares of the Company's common stock issued and outstanding.

During the preceding two (2) years, the Company has issued the following securities:

On July 15, 2016, we issued 500,000,000 (Five Hundred Million) shares of our common stock to David Schmid, our Chief Executive Officer, pursuant to the Letter of Intent dated July 15, 2016.

On November 21, 2016 we issued 55,000,000 (Fifty Five Million) shares of our common to stock to David Schmid, our Chief Executive Officer.

On December 1, 2016, we issued 95,000,000 (Ninety Five Million) shares of or common stock to Wentworth Hightower Opportunity Fund. The control person is Lisa Gordon.

5. Financial Statements

See Exhibits.

6. Describe the Issuer's Business, Products and Services

A. Description of the Issuer's Business Operations

Lot78, Inc. (hereinafter "Lot78" or the "Company") is a business development company based in Wyoming. The Company plans to invest and help grow companies it believes are either under-performing or would be helped by the business experience of the Company.

The Company targeted a 20% holding in an electric vehicle charging Station Company, Garage Juice Bar, LLC but was unable to raise funds necessary to complete the full targeted 20% acquisition. The Company did acquire a 2.5% stake of Garage Juice Bar, LLC in the 4th quarter of 2017.

The Company will not restrict its investment opportunities to any specific market.

B. Date and State (or Jurisdiction) of Incorporation

The Company was incorporated in the State of Nevada on June 27, 2008 under the name "Global Club, Inc."

C. The Issuer's Primary SIC Code:

Primary: 6719

D. The Issuers Fiscal Year End

December 31st

E. The Issuer's Principal Products or Services, and Their Markets.

The Company is a business development company whose principal service involves the facilitation of growth of those companies it invests in. The Company will not restrict its investment opportunities to any specific markets.

7. Describe the Issuer's Facilities.

The Company currently maintain office space as an executive suite at 18375 Ventura Blvd. #303 Tarzana, CA 91356. The lease is \$1,200.00 per month.

8. Officers, Directors and Control Persons.

A. Names of Officers, Directors and Control Persons

The following table sets forth certain information furnished by the following persons, or their representatives, regarding the ownership of the Common Shares of the Company as of the date of this report, by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each of the Company's executive officers and directors, and (iii) all of the Company's executive officers and directors as a group. Unless otherwise indicated, the named person is deemed to be the sole beneficial owner of the shares.

Name of Beneficial Owner

	Number of Shares	Percent
Phoenix Raising Miracle Foundation*	51,136,363	34.751%
Wentworth Opp. Fund*	95,000,000	58.103%

*The control person for Wentworth Opportunity Fund is Lisa Gordon.

*The control person for Phoenix Raising Miracle Foundation is Lisa Gordon.

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.

<u>Name</u>	<u>Address</u>	<u>No. of Shares</u>	<u>%</u>
Phoenix Rising Miracle Foundation	18375 Ventura Blvd #303 Tarzana, CA 91356	51,136,363	34.751%
Wentworth Opp Fund*	18375 Ventura Blvd #303 Tarzana, CA 91356	95,000,000	58.103%

*The control person for Wentworth Opportunity Fund is Lisa Gordon.

*The control person for Phoenix Raising Miracle Foundation is Lisa Gordon

9. **Third Party Providers**

A. Legal Counsel

B. Accountant or Auditor

C. Investor Relations Consultant

D. Other Advisor

10. Issuer Certification

I, Lisa Gordon, certify that:

- I. I have reviewed this Information Statement of Lot78, 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.

LOT78, INC.

A handwritten signature in black ink, appearing to read 'Lisa Gordon', written over a horizontal line.

Date: 12/31/2019

Lisa Gordon; President and Chief Executive Officer

EXHIBITS

The following documents are attached hereto as exhibits and are incorporated herein.

<u>ATTACHMENT</u>	<u>DESCRIPTION</u>
A.	Financial Statements for the Period ending December 31, 2019

LOT 78, Inc.
Balance Sheet
As of 12/31/2019

	12/31/2019
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo	15,000
Total Checking/Savings	15,000
Accounts Receivable	
Accounts Receivable	na
Total Accounts Receivable	-00-
Other Current Assets	
2.5% Ownership Garage Juice Bar	249,490.00
Total Other Current Assets	249,490.00
Total Current Assets	249,490.00
Fixed Assets	
	na
Total Fixed Assets	-00-
Other Assets	
Furniture and Equipment	10,000.00
Total Other Assets	10,000.00
TOTAL ASSETS	274,490.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	na
Total Accounts Payable	-00-
Other Current Liabilities	
Payroll Liabilities	na
Prepayments	na
Security Deposit	na
Total Other Current Liabilities	-00-
Total Current Liabilities	-00-
Long Term Liabilities	
Convertible Note	-549,490.00
Repayment Loan-David Schmid	-300,000.00
Total Long Term Liabilities	-549,490.00

6:00 PM
12/31/19
Accrual Basis

LOT78, Inc.
Balance Sheet
As of 12/31/2019

	<u>12/31/2019</u>
Total Liabilities	-00-
Equity	
Members Equity	1,191.05
Opening Balance Equity	8,734.32
Retained Earnings	--00-
Net Income	-28,873.25
Total Equity	<u>-301,765.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>-293,741.24</u></u>

LOT78, Inc.
Profit & Loss
October through
12/31/2019

	Oct-Dec 19
Ordinary Income/Expense	
Rent-Office	6,000.00
Last Month Rent	-450.00
Late Fees Income	-179.80
Pad Rent	-3,000.00
Rent	-9,907.00
	-3,179.00
Total Income	-17,915.80
Gross Profit	-17,915.80
Expense	
Automobile	-169.05
Bank Service Charge	-20.80
Bookkeeping	-300.00
Dues and Subscriptions	-108.00
Insurance	-2,124.13
Licenses and Fees	-275.00
Management Fees	-1,844.00
Mortgage	-9,281.91
Payroll	-220.00
Payroll Expense	-495.00
Postage and Delivery	-64.20
Professional Fees	-1,800.00
Real Estate Tax	-14,570.46
Repairs and Maintenance	-2,230.83
Rubbish Removal	-313.26
Utility Expenses	
Electricity Expense	-327.57
Water Expense	-4,851.48
Total Utility Expenses	-5,179.05
Total Expense	-103,144.95
Net Ordinary Income	-22,105.19
Net Income	-125,250.14

LOT78, Inc.
Statement of Cash Flows
Oct through Dec2019

	<u>Oct-Dec 19</u>
OPERATING ACTIVITIES	
Net Income	-125,250.14
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-1,548.44
Accounts Payable	-24,309.18
Due To(From) David Schmid	-250.00
Prepayments	1.64
Net cash provided by Operating Activities	<u>-151,356.12</u>
INVESTING ACTIVITIES	
NOTE due from M.E.	-250.00
Net cash provided by Investing Activities	<u>-250.00</u>
Net cash increase for period	-151,606.12
Cash at beginning of period	1,798.69
Cash at end of period	<u><u>15,000.00</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization, History and Business

Lot78, Inc (“the Company”) was incorporated in Nevada on June 27, 2008.

Lot78, Inc (“the Company”) changed its incorporation to a Wyoming corporation on August 1, 2018.

Note 2. Summary of Significant Accounting Policies

Revenue Recognition

Revenue is derived from contracts with our consumers. Revenue is recognized in accordance with ASC 605. As such, the Company identifies performance obligations and recognizes revenue over the period through which the Company satisfies these obligations. Any contracts that by nature cannot be broken down by specific performance criteria will recognize revenue on a straight line basis over the contractual term of period of the contract.

Accounts Receivable

Accounts receivable is reported at the customers’ outstanding balances, less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

Allowance for Doubtful Accounts

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired.

Stock Based Compensation

When applicable, the Company will account for stock-based payments to employees in accordance with ASC 718, “Stock Compensation” (“ASC 718”). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, “Equity-Based Payments to Non-Employees.” Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term “forfeitures” is distinct from “cancellations” or “expirations” and represents only the unvested portion of the surrendered stock option or warrant. The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized on a straight- line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

Loss per Share

The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since there are no dilutive securities.

Cash and Cash Equivalents

For purpose of the statements of cash flows, the Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

Concentration of Credit Risk

The Company primarily transacts its business with one financial institution. The amount on deposit in that one institution may from time to time exceed the federally-insured limit.

Depreciation

Equipment is stated at cost less accumulated depreciation. Major improvements are capitalized while minor replacements, maintenance and repairs are charged to current operations. Depreciation is computed by applying the straight-line method over the estimated useful lives, which are generally three to five years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business segments

ASC 280, "*Segment Reporting*" requires use of the "*management approach*" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has one operating segment as of December 31, 2019.

Income Taxes

The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

Note 3. Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The effective tax rate on the net loss before income taxes differs from the U.S. statutory rate as follows:

12/31/2019

U.S statutory rate	34.00%
Less valuation allowance	-34.00%
Effective tax rate	0.00%

The significant components of deferred tax assets and liabilities are as follows:

12/31/2019

Deferred tax assets		
Net operating losses	\$	(-151,606.12)
Deferred tax liability		
Net deferred tax assets		(-151,606.12)
Less valuation allowance		- 151,606.12
Deferred tax asset - net valuation allowance	\$	0

On an interim basis, the Company has a net operating loss carryover of approximately **-\$151,606.12** available to offset future income for income tax reporting purposes, which will expire in various years through 2032, if not previously utilized. However, the Company's ability to use the carryover net operating loss may be substantially limited or eliminated pursuant to Internal Revenue Code Section 382.

The Company adopted the provisions of ASC 740-10-50, formerly FIN 48, and "Accounting for Uncertainty in Income Taxes". The Company had no material unrecognized income tax assets or liabilities as of December 31, 2019.

The Company's policy regarding income tax interest and penalties is to expense those items as general and administrative expense but to identify them for tax purposes. During the period ending December 31, 2019 there were no income tax, or related interest and penalty items in the income statement, or liabilities on the balance sheet. The Company files income tax returns in the U.S. federal jurisdiction and Nevada state jurisdiction. We are not currently involved in any income tax examinations.

Note 4. Related Party Transactions

None.

Note 5. Stockholders' Equity

Common Stock

The holders of the Company's common stock are entitled to one vote per share of common stock held.

As of September 30, 2019 the Company 178,502,619 shares issued and outstanding.

Note 6. Commitments and Contingencies

Commitments:

The Company signed a \$5,000,000.00 convertible promissory note with Ambrose & Keith Investment Group. Through June 30, 2018 a total of \$549,490.00 of principal has been advanced / funded. It is agreed by Ambrose & Keith to re-write the note to the actual amount Lot 78, Inc. received to the amount of \$549,490.00

There is an expectation that no additional funds will be advanced / funded against this note and none has been advanced in this period. The note matures June 5, 2027. The note carries a 4% annual interest rate and interest payments are due August 1st of each year beginning in 2018. Subject to requirements and limitations set forth in any applicable securities laws, interest and / or principal payments may be made by issuance of Common Stock.

**The Company used \$249,490 of the principal funded from the above commitment to purchase 2.5% of Garage Juice Bar, LLC in the 4th quarter of 2017 pursuant to its stated goal of acquiring up to 20% of Garage Juice Bar, LLC.

**The Company issued \$300,000.00 of the \$549,490.00 to pay loan to David Schmid.

LJG Enterprises, LLC paid expenses for Lot 78, Inc. since the management takeover August 1, 2018. There is a Promissory from Lot 78, Inc. to LJG Enterprises, LLC in the amount of \$65,998.96. This note holds a annual interest of ten percent. Once Lot 78, Inc. has generating income this note shall be due and paid in full to LJG Enterprises, LLC.

Contingencies:

None as of our balance sheet date.

Note 7 – Net Income (Loss) Per Share

The following table sets forth the information used to compute basic and diluted net income per share attributable to Lot78, Inc. for the period ending December 31,2019.

	12/31/2019
Net Income (Loss)	(-\$151,606.12)
Weighted-average common shares outstanding basic:	
Weighted-average common Stock	178,502,619
Equivalents	
Stock options	0
Warrants	0
Convertible Notes	0
Weighted-average common shares	
outstanding-Diluted	<u>178,502,619</u>

Note 8. Notes Payable

Notes payable consist of the following for the periods ended;		<u>12/31/2019</u>
working capital notes with no stated interest rate. Note is payable on demand .	\$	-00-
Total Notes Payable		-00-
Less Current Portion		(--00)
Long Term Notes Payable	\$	<u>0</u>

Note 9. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Currently, the Company has no operating history and has incurred operating losses, and as of the period ending December 30,2019 the Company had a working capital deficit and an accumulated deficit.

These factors raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company's capital requirements will depend on many factors including the success of the Company's development efforts and its efforts to raise capital. Management also believes the Company needs to raise additional capital for working capital purposes. There is no assurance that such financing will be available in the future. The conditions described above raise substantial doubt about our ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 10. Subsequent Events

None

