

Sack Lunch Productions, Inc. and Subsidiaries

Annual Report

For the Years Ended December 31, 2016 and 2015

We previously were a shell company; therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction, pursuant to Rule 144.

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Part A: General Company Information

Item 1: Exact name of the issuer and its predecessor (if any).

Sack Lunch Productions, Inc., (FKA Nexia Holdings, Inc., April 15, 2015 name change effective) ("SAKL" or the "Company").

Item 2: The address of the issuer's principal executive offices.

59 West 100 South, Second Floor, Salt Lake City, Utah 84101
Office: 801-575-8073
Fax: 801-575-8092
Web: <http://www.sacklunchproductions.com>

Item 3: The jurisdiction(s) and date of the issuer's incorporation or organization.

SAKL was originally incorporated in 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. In 2009, SAKL changed its domicile to the State of Utah through a merger with a Utah corporation with the same name. Effective April 15, 2015 the name of the Company was changed to Sack Lunch Productions, Inc. SAKL's fiscal year end is December 31.

Part B: Share Structure

Item 4: The exact title and class of securities outstanding.

A. Common Stock -- The Company is authorized to issue 990,000,000 shares of \$0.0001 par value Common Stock. The Company's Common Stock is traded on the Pink Sheets Electronic Quotation Service under the symbol "SAKL" (CUSIP number 785765 10 8). As of April 13, 2017, 178,958,925 shares of the Company's Common Stock were outstanding.

B. Preferred Stock -- The Company is authorized to issue 50,000,000 shares of preferred stock with such rights and preferences and in such series as determined by the Board of Directors at the time of issuance, a portion of which is designated as Class A, B, C, or D.

As of April 13, 2017, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 613,750. The Series A Convertible Preferred Shares have voting rights which equate to 10 shares of common stock for every 1 Series A Preferred share and may be converted into \$10 worth of common stock. A total of 10,000,000 shares have been designated and authorized as Series A Convertible Preferred Shares. In May of 2016 the Company filed with the State of Utah an Amended Designation of the Rights and Preferences of Series A Preferred stock.

In March of 2016, the Company filed with the State of Utah a Certificate of Designation of the Rights and Preferences of Preferred Stock of Sack Lunch Productions, Inc. designated as Series C Preferred Stock. The designation of 5,000,000 shares as Series C Preferred Stock provides that the Series C shares will hold conversion rights into shares of common stock of the Company equal in value to \$5.00 per share and are subject to redemption by the Company upon a \$5.00 cash payment. The Series C Preferred Shares hold one vote per share.

In September of 2016, the Company filed with the State of Utah an Amended Certificate of Designation of the Rights and Preferences of Series B Preferred Stock. The designation of 20,000,000 shares as Series B Preferred stock provides that the Series B shares hold 100 votes per share. The B Preferred have no conversion rights into common stock.

In January of 2017, the Company filed with the State of Utah a Certificate of Designation of the Rights and Preferences of Preferred Stock of Sack Lunch Productions, Inc. designated as Series D Preferred Stock. The designation of 200,000 shares as Series D Preferred Stock provides that the Series D shares will hold conversion rights into shares of

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common stock of the Company equal in value to \$5.00 per share determined by the average of the three low trades during the ten trading days prior to the notice of conversion but in no event shall the conversion price per share be less than \$0.00001 and the shares are subject to redemption by the Company upon a \$5.00 cash payment. The Series D Preferred Shares hold one vote per share. As of April 13, 2017 Mammoth Corporation holds 54,100 shares of Series D Preferred Stock.

C. Dividends -- The Company has not declared a cash dividend for any of the classes of Preferred Stock during the fiscal years ended December 31, 2014, 2015, or 2016. Rights to dividends are granted to the Series A, B, C and D Convertible Preferred Stock, when, as, and if declared by the Directors of SAKL, to be paid in cash or in common stock.

Item 5: Par or Stated Value and description of the security.

A. Par Value

The Company's Common Stock has a par value of \$0.0001 and the Preferred Stock has a par value of \$0.001.

B. Common Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- One vote per share
3. Preemption Rights -- None
4. Other Material Rights -- None
5. Provisions in Charter or by-laws that would delay, defer, or prevent a change in control of the issuer -- None

C. Preferred Stock

Class A Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- 10 votes per share
3. Conversion Rights -- \$10.00 of common stock for one share
4. Liquidation Rights -- None
5. Other material Rights -- None

Class B Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- 100 votes per share
3. Conversion Rights -- 1 common share for 10 shares of B
4. Liquidation Rights -- None
5. Other Material Rights -- None

Class C Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- One vote per share
3. Conversion Rights -- \$5.00 of common stock for one share
4. Liquidation Rights -- None
5. Other Material Rights -- None

Class D Preferred Stock

1. Dividends Declared on Common Stock -- None
2. Voting Rights -- One vote per share
3. Conversion Rights -- \$5.00 of common stock for one share
4. Liquidation Rights -- None
5. Other Material Rights -- None

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Item 6: The number of shares or total amount of securities outstanding for each class or securities authorized
Shares outstanding

Common Stock		December 31, 2016	December 31, 2015	December 31, 2014
(i)	Number of shares authorized(1)	990,000,000	990,000,000	25,000,000,000
(ii)	Number of shares outstanding (2)	162,285,685	131,207,207	64,821,834
(iii)	Freely tradable shares (public float)	83,718,303	56,441,651	49,052,330
(iv)	Total number of beneficial shareholders (3)	3,200	3,100	3,100
(v)	Total number of shareholders of record	58	51	55

(1) Number of authorized shares reduced to 990 Million on October 15, 2015.

(2) The shares numbers all reflect the 1 for 2,000 reverse stock split effective February 23, 2010.

(3) Estimate of all holders in brokerage accounts.

Class A Preferred Stock		December 31, 2016	December 31, 2015	December 31, 2014
(i)	Number of shares authorized	10,000,000	10,000,000	10,000,000
(ii)	Number of shares outstanding	617,750	559,750	142,750
(iii)	Freely tradable shares (public float)	---	---	---
(iv)	Total number of beneficial shareholders	9	3	3
(v)	Total number of shareholders of record	9	3	3

Class B Preferred Stock		December 31, 2016	December 31, 2015	December 31, 2014
(i)	Number of shares authorized	20,000,000	20,000,000	20,000,000
(ii)	Number of shares outstanding	15,000,000	15,000,000	15,000,000
(iii)	Freely tradable shares (public float)	---	---	---
(iv)	Total number of beneficial shareholders	4	4	1
(v)	Total number of shareholders of record	4	4	1

Class C Preferred Stock		December 31, 2016	December 31, 2015	December 31, 2014
(i)	Number of shares authorized	5,000,000	5,000,000	5,000,000
(ii)	Number of shares outstanding	467,583	1,228,761	1,442,723
(iii)	Freely tradable shares (public float)	---	---	---
(iv)	Total number of beneficial shareholders	19	32	32
(v)	Total number of shareholders of record	19	32	32

Item 7: The name and address of the transfer agent.

Standard Registrar & Transfer Company
455 East 400 South, Suite 200
Salt Lake City, Utah 84111
(801) 571-8844

Standard is registered under the Exchange Act.
Its regulatory authority is the Securities and Exchange Commission.

Part C: Business Information

Item 8: The nature of the issuer's business

SAKL was originally incorporated in 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 at the time, effectively changing its state of domicile from Colorado to Nevada. In 2009, SAKL changed its domicile to the State of Utah through a merger with a Utah corporation with the same name at the time. The Company's name was changed to Sack Lunch Productions, Inc. effective as of April 15, 2015. SAKL's fiscal year end is December 31.

Forward-Looking Statement

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements pertaining to future financial and/or operating results, future events, or future developments involving Sack Lunch Productions may constitute forward-looking statements. The statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project," or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Sack Lunch Productions' management, of which many are beyond control. These are subject to a number of risks, uncertainties, and factors, including but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance, or achievements of Sack Lunch Productions may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Sack Lunch Productions neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Sack Lunch Productions net assets and financial positions or results of operations as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Overview

We are an action-oriented events and entertainment company providing immersive experiences that bring families, friends and communities together through corporate hosted and managed events across the U.S. and Canada. In addition, we operate globally through a proven franchise system. Sack Lunch Productions owns, operates, has exclusive rights for or has an equity interest in well-branded events including Slide The City®, Lantern Fest®, Color Me Rad®, The Dirty Dash®, and our newest event series, Trike Riot®.

In addition to our branded events, Sack Lunch Productions, Inc., has built a stable portfolio of diversified operations established in burgeoning markets that include segments in entertainment, health and beauty, and real estate.

We generate revenue primarily from selling admission to our unique community-building events and activities, franchise agreements, corporate sponsorship as well as the sale of health and beauty products and services.

Our principal executive offices are located at 59 West 100 South Salt Lake City, Utah 84101 (telephone: 801-575-8073 Ext.111). Our principal website is www.sacklunchproductions.com. Sack Lunch Productions is listed on the OTC Markets trading under the symbol "SAKL."

Legal Proceeding

1. Kimberly S. Livingood and Husband, Kevin Livingood v Slide the City, LLC, Sack Lunch Productions, Inc. d/b/a Slide the City, LLC and Ride the Slide, LLC, Case No 16C760 In the Circuit Court of Hamilton County, State of Tennessee. Filed June 17, 2016, amount of damages sought are not specified. This was an injury asserted to have been occurred at a franchised Slide the City event, insurance coverage for the event has been notified and is currently providing a defense for the named parties. Sack Lunch believes itself to be an improper party to the case and has filed an answer through counsel to that effect. Discovery related to the case is ongoing at this time.
2. Jennifer Kelly v. The Dirty Dash, LLC, n/k/a The Dirty Dash Productions, Inc. and unknown John Does, In the Superior Court of the State of Washington, in and For Thurston County, Case No. 16-2-04934-34. Complaint served on January 9, 2017. Copy of the complaint has been provided to the liability insurance carrier for Dirty Dash and Sack Lunch. Claim based upon personal injury to Ms. Kelly alleged to have occurred at a Dirty Dash event on June 25, 2016 in McCleary, Washington, the amount of damages are not specified. Counsel for insurance carrier obtained an extension to file a response and is currently working on the response to be filed by Dirty Dash. Discovery related to the case is also ongoing at this time.
3. Midland IRA Inc., FBO Arthur Wulf Roth IRA v Sack Lunch Productions Inc. and Richard Surber, Case No. 2017-L-003022 in the Circuit Court of Cook County, Illinois, filed March 23, 2017, seeking damages of \$217,559.68, plus additional interest, attorneys' fees and costs, arising from the December 1, 2015 Promissory Note from Sack Lunch to Plaintiff in the original amount of \$300,000. Sack Lunch has retained defense counsel to represent it in the matter and has removed the case to the U.S. District Court for the Northern District of Illinois.

Item 9: The nature of products or services offered

Taking full advantage of a thriving special events industry and bringing with it a sense of unity and community pride, our portfolio of branded events include:

Slide the City®

Slide the City is a family friendly slip-n-slide water party event created by our team. This event generates \$29 of average revenue per participant with an estimated 2,500+ participants per event. During 2016 this speedy 1000-foot slide, rolling out down city streets, held 44 events.

Color Me Rad®

Color Me Rad is a popular 5K run where participants complete an entertaining course teaming with color stations, eventually culminating in a polychromatic party with music and food. This event was acquired from Springbok Holdings in August of 2015. With the rapid expansion of corporate and franchised events that generate \$28 of average revenue per participant with an estimated 2,500+ participants per event, this event held 30 events during 2016.

Lantern Fest®

Lantern Fest organizes sky lantern events where participants light lanterns, endow them with hopes and wishes for the future, and in a grand-scale release them to the sky in an extraordinary communal display. This event was developed by our team in 2014. These glorious corporate events are conducted with over 4,000 estimated participants per site, with an average of \$25 of revenue per participant. A total of 32 events were held during 2016.

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The Dirty Dash®

The Dirty Dash is a fun run incorporating a muddy obstacle course that caters to a runner's inner child. This event was acquired from Springbok Holdings in August of 2015. Participants focus on fun and frivolity in a non-competitive way as they help contribute to an honorable charity. With \$29 average revenue per participant and an average of over 2,200 participants, this event held 10 events during 2016.

Trike Riot®

Our newest event, Trike Riot, is set to launch in 2017 and was created by our team. With an estimated \$90 in average revenue per participant and over 2,000 anticipated participants, this event is sure to evoke childhood memories and ignite interest in family fun. Trike Riot provides a unique experience in cities throughout the United States. We close down city streets and give participants the opportunity to cruise on three wheels around the city—going over obstacles or just cruising. All this fun culminates at the finish line where there are food trucks, live music, and people showing off their skills. We have partnered with Razor® to present the Trike Riot events and provide trikes for participants.

Green Endeavors, Inc.

Sack Lunch Productions currently holds 81.6% of the shares of common stock and voting control of 87.6% of the total outstanding votes for Green Endeavors, Inc., an operation in the health and beauty industry. Providing a stable revenue base for Sack Lunch, this segment operates two Aveda Lifestyle Salons and an Aveda retail store. Green Endeavors delivers a wide range of upmarket health and beauty products and services targeted at a high-end clientele. The Landis Lifestyle Salon brand, mission, and highly skilled staff bring quality and excellence to the Utah salon market. Consistently outperform other high-end boutique salons year after year, Green Endeavors generated \$3.38M of revenue in 2016. Going forward, revenue is expected to remain stable at approximately \$3M annually.

WG Production Company and Redline Entertainment, Inc.

Sack Lunch Productions owns a majority interest in WG Production Company and Redline Entertainment, Inc., through which it produces its own feature films, contributes to the production of other feature films, and acquires the rights to independent and third-party films for domestic and foreign distribution. Through its subsidiaries, Sack Lunch Productions has successfully produced and distributed 16 independent films to date, and is filling a gap that has huge potential for growth within a niche market by combining industry-leading quality and low cost production with promotion strategies that bring films to a worldwide marketplace.

During the first quarter of 2016 the Company reorganized its operations to simplify the corporate structure and tax reporting of the Company's subsidiaries. For Color Me Rad and Dirty Dash this resulted in the purchase of 100% of the assets of the LLC's by new corporations formed to operate these events. Lantern Fest and Slide the City events operational LLC's have been merged into new corporations that will continue the operations of these events. These actions have resulted in the elimination and consolidation of numerous LLC's into four wholly owned corporations and the resulting simplification of the organization and operation of these events and the reduction of tax and accounting reporting generated by the prior organization.

Slide the City Productions, Inc., a Utah corporation formed on February 2, 2016 has merged with Slide the City Franchising LLC, Slide the City Canada LLC and Slide the City LLC and will operate the Slide the City events of the Company going forward.

The Lantern Fest Productions, Inc. a Utah corporation, formed on February 3, 2016 has merged with Lantern Fest LLC and will operate the Lantern Fest events of the Company.

Color Me Rad Productions, Inc. a Utah corporation, was formed on January 28, 2016 and has purchased 100% of the assets of Color Me Rad, LLC and will operate Color Me Rad events and the Color Me Rad franchises for the Company.

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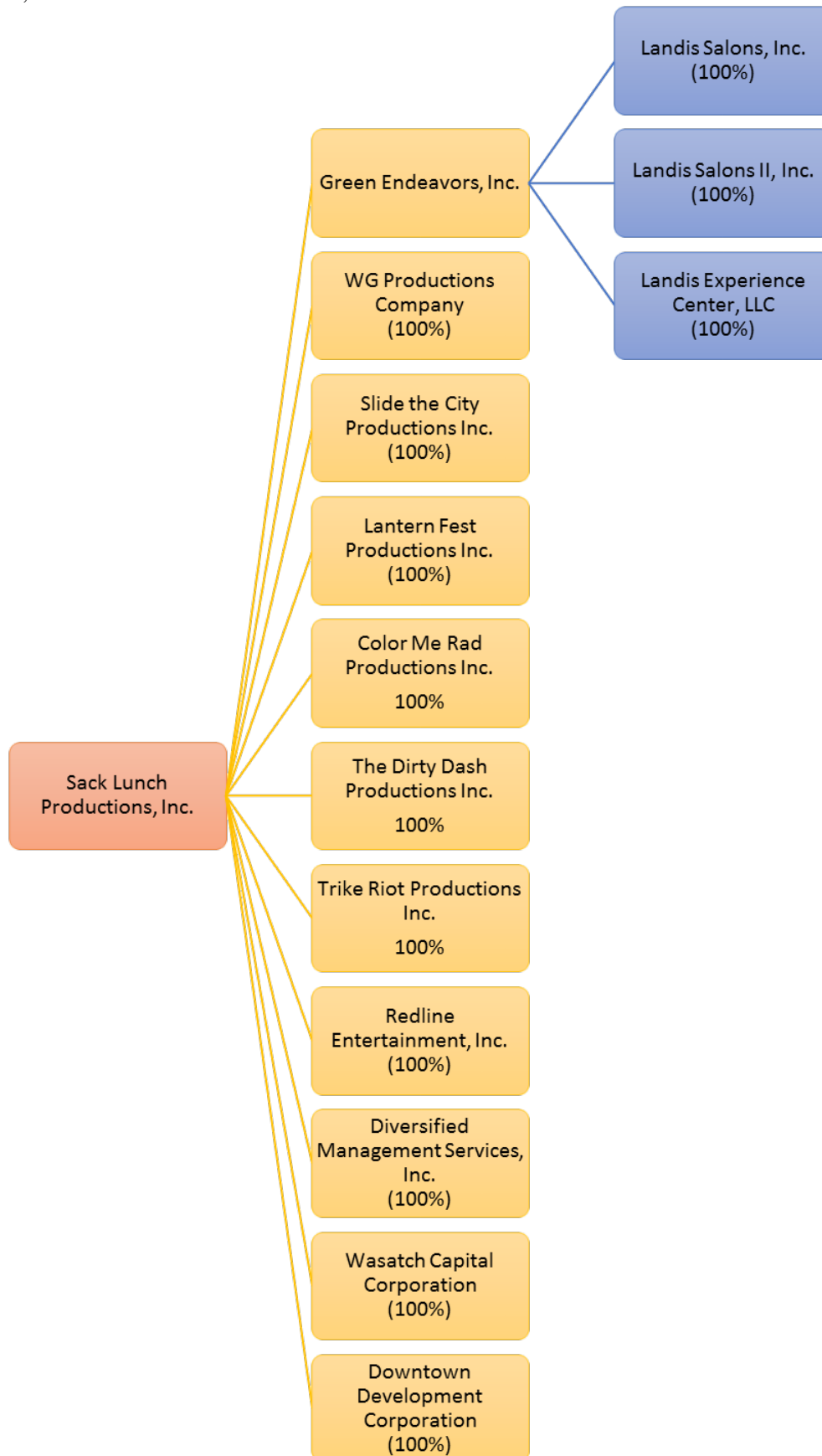
Trike Riot Productions Inc. a Utah corporation was formed on February 10, 2016 and will operate Trike Riot events for the Company.

The Dirty Dash Productions, Inc. a Utah corporation was formed on January 28, 2016 and has purchased 100% of the assets of Dirty Dash LLC and Springbok Franchising, LLC and will operate Dirty Dash events for the Company.

On March 29, 2016 the Company transferred the LLC Memberships it held in Springbok Holdings LLC, this LLC is the sole member of Springbok Management LLC, Springbok Franchising LLC and Springbok Slide the City LLC, these membership interests were transferred to Diversified Holdings X, Inc. for \$100 in cash and other good and valuable consideration. The Company agreed to indemnify DHX against any liability arising at the time the Company held the membership interests, including providing legal counsel and defense against any litigation brought against DHX. DHX is a corporation 100% owned by Richard Surber, the CEO of Sack Lunch Productions, Inc. The transaction was affected to streamline the operations of SAKL. All the transferred LLC's are expected to be dissolved within the next 12 months.

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The following chart reflects the current organization of Sack Lunch Productions, Inc. and its subsidiaries as of March 31, 2017



Our Products and Services

Admission Tickets

We generate revenue from selling admission to our events. For the year ended 2016, event admissions accounted for approximately 74% of our revenue. We maintain an online presence including social media to promote advanced sales and provide guests convenience and easy entry. Approximately 99% of our admission tickets sales are made online.

Franchise Agreements

We generate revenue through royalties and fees associated with our branded franchise systems for Slide the City® and Color Me Rad® events. In addition, franchisees purchase trademarked products, services, event assets, event supplies, event equipment, and promotional items.

Corporate Sponsorships and Strategic Alliances

We create and maintain long-term corporate sponsorship and strategic alliances with leading companies and brands. Utilizing a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our events, we add significant brand marketing value and drive mutual business gains. Past corporate sponsors include, among others, Sprite, Sony, Nestle, Nivea, CBS, Razer, GoPro, Uber, Aape, Vita Coco, and HongKong Airlines.

Health and Beauty Services and Products

Green Endeavors, Inc., provides a wide range of upmarket health and beauty services and Aveda products targeted at a high-end clientele. For the year ended December 31, 2016, the sale of health and beauty services and products accounted for 23% of our revenue.

Competitive Strengths

Driving dynamic innovation that capitalizes on the power of nostalgia, we believe our events tap into an intrinsic need to revisit the wonder and awe of childhood experiences and a desire to share these traditions with the next generation. We believe our competitive strengths to be our unique blend of entertainment and event promotion that targets an underserved millennial demographic. Utilizing both corporate managed events and a franchise model to garner a large market share, our scalable business model allows us to expand worldwide. With proven operating experience and an impressive list of corporate sponsors, our high-profile events effectively increase publicity through positive media coverage and generate revenue through admission sales and franchise agreements.

Our strategy is to grow and innovate through the initiatives listed below.

- Maintain and utilize a database of millions of potential participants.
- Increasing our brand offerings through acquisitions that contribute substantially to short and long-term growth.
- Expanding into new geographic markets.

We believe our focus on franchise growth and the continued acquisition of branded events will increase shareholder value as we continue to grow our revenue, earnings and cash flow. With over 115 corporate and franchise events worldwide in 2016 that optimize our cost structure, we believe we will continue to strengthen our core operations as we expand into additional global markets.

Each of these events incorporates quality vendors that provide live music, food and drinks to service the festivities and help make it a momentous, magical life event. These events, which are entertainment and not sporting events, attract a wide and diverse attendance from all age groups and especially appeal to families and young people. As of December 31, 2016, Sack Lunch has produced over 200 events in the US and Canada. In 2016 we attracted thousands of participants. Franchised all over the globe, attendance at each individual event may attract thousands of revelers united in unforgettable, community-centered spectacles. This unique blend of entertainment and event promotion has already created an online media sensation with an estimated 8 million views across multiple platforms in 2016.

Corporate Social Responsibility

SAKL believes in giving back to the communities that support us and improving the world we live in. In 2016, we gave over \$350,000 of cash and in kind donations, while providing valuable exposure for all of our charitable partners, some of which include: Boys & Girls Club of American, March of Dimes, YMCA, Rotary International, Canadian Cancer Society, Ronald McDonald House Charities, and USA Cares.

Our Guests and Customers

Our events attract a wide and diverse attendance from all age groups and especially appeal to families and young people. Our events are held in major cities with large population centers, and generate positive media coverage on local levels. We believe we maintain a large and growing fan base based on our online and social media presence.

Our History

Sack Lunch Productions has been a holding company over the last 10 years with diverse operations through its subsidiaries that have included salon services, financial consulting services, retail clothing and film production and distribution. The company discontinued its retail clothing, and film related services as of the time of this filing. In 2014, the Company entered the event management and production service sectors which is the company's primary focus on an ongoing basis.

Seasonality

Outdoor events are seasonal by nature, typically generating the highest revenues in the second and third quarters of each year. Our global franchise network, the diversity in type and venue of our events, and the consistency of our health and beauty operations not only drive revenue growth but also reduce the seasonality of our events segment.

The robust growth of our international franchise agreements in Europe, China, South America and Malaysia, where seasons and climate differ from that of our corporate operated events, generates cash flow throughout the entire year.

Our Industry

The party and event planning industry comprises independent companies and individuals that organize parties, corporate dinners and other social gatherings. Industry participants usually orchestrate a variety of details for such events including venue booking, music arrangement, food catering, photography, video recording and other services. The industry depends on the willingness of households and businesses to spend money on social gatherings, and is set to benefit from climbing corporate profit and per capita disposable income as the U. S. economy continues to grow. We believe the events industry to be a thriving sector. We believe the market is large, lucrative and awaiting expansion in diverse areas. In just a few years profit margins have more than doubled; we believe profits in this industry will continue to rise.

Competition

Our action-oriented events and entertainment offerings compete directly for discretionary spending with other local or regional events and indirectly with other types of recreational forms of entertainment including movies, home entertainment options, sports attractions, restaurants and vacation travel. Some potential competitors for events are Light Festival, Color Run, Rise, Ragnar Events, Red Frog Events, and Reebok Spartan Race.

We believe we compete effectively and our competitive position is protected due to strong brand recognition, unique event type and low operating cost. Operating globally through our franchise system and scalable business model, our highly differentiated products offer events that are innovative and provide authentic experiences for participants of an underserved millennial demographic. In addition, our family oriented offerings help advance healthy communities by supporting experiences that build memories through entertainment, events and playful activities.

Our main competitors at the local market level for sponsorships and advertising dollars include local sports teams, which often offer state of the art venues and strong local media packages, as well as festivals, theme parks and other local events. On the national level, our competitors include the major sports leagues that sell sponsorships combined with significant national media packages.

Insurance

We maintain insurance of the type and in the amounts that we believe to be commercially reasonable for businesses in our industry. We maintain employers' liability and all coverage required by law in the states in which we operate. Defense costs are included in the insurance coverage we obtain against losses in these areas. Based upon our historical experience of reported claims and an estimate for incurred-but-not-reported claims, we accrue a liability for our deductible/self-insured retention contingencies regarding general liability, automobile liability and workers compensation exposures. We maintain additional forms of special casualty coverage appropriate for businesses in our industry. We also maintain commercial property coverage against fire, natural perils, so-called "extended coverage" perils such as civil commotion, business interruption and terrorism exposures for protection of our real and personal properties (other than land). We generally renegotiate our insurance policies on an annual basis. We cannot predict the amounts of premium cost that we may be required to pay for future insurance coverage, the level of any deductibles/self-insured retentions we may retain applicable thereto, the level of aggregate excess coverage available or the availability of coverage for special or specific risks.

Regulation

We are subject to federal, state and local laws, both domestically and internationally, governing matters such as:

- Construction, renovation and operation of our events;
- Licensing, permitting and zoning, including noise ordinances;
- Human health, safety and sanitation requirements;
- The service of food and alcoholic beverages;
- Working conditions, labor minimum wage and hour, citizenship and employment laws;
- Compliance with the ADA and the DDA;
- Historic landmark rules;
- Compliance with United States Foreign Corrupt Practices Act and similar regulations in other countries;
- Hazardous and non-hazardous waste and other environmental protection laws;
- Sales and other taxes and withholdings of taxes;
- Privacy laws and protection of personally identifiable information;
- Marketing activities via the telephone and online; and
- Primary ticketing services.

We believe that we are in material compliance with these laws. The regulations relating to our food service in our venues are many and complex. A variety of regulations at various governmental levels relating to the handling, preparation and serving of food, the cleanliness of food production facilities and the hygiene of food-handling personnel are enforced primarily at the local public health department level.

We also must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is intoxicated or a minor. If we violate dram shop laws, we may be liable to third parties for the acts of the customer. Although we generally hire outside vendors to provide these services at our larger operated venues and regularly sponsor training programs designed to minimize the likelihood of such a situation, we cannot guarantee that intoxicated or minor customers will not be served or that liability for their acts will not be imposed on us.

We are also required to comply with the ADA, the DDA and certain state statutes and local ordinances that, among other things, require that places of public accommodation, including both existing and newly constructed venues, be accessible to customers with disabilities. The ADA and the DDA require that venues be constructed to permit persons with disabilities full use of a live entertainment venue. The ADA and the DDA may also require that certain modifications be made to existing venues to make them accessible to customers and employees who are disabled. In order to comply with the ADA, the DDA and other similar ordinances, we may face substantial capital expenditures in the future.

We are required to comply with the laws of the countries we operate in and also the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010 regarding anti-bribery regulations. These regulations make it illegal for us to pay, promise to pay or receive money or anything of value to, or from, any government or foreign public

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official for the purpose of directly or indirectly obtaining or retaining business. This ban on illegal payments and bribes also applies to agents or intermediaries who use funds for purposes prohibited by the statute.

We are required to comply with federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction.

From time to time, governmental bodies have proposed legislation that could have an effect on our business. For example, state and local regulations have been proposed to prohibit the release of sky lanterns in various locations, we work hard to explain our safety record and how we take action to minimize any fire risk from our Lantern Fest® events.

In addition, we and our venues are subject to extensive environmental laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non-hazardous substances, as well as zoning and noise level restrictions which may affect, among other things, the hours of operations of our events.

Employees

As of April 15, 2017, we employed approximately 50 full-time employees and approximately 60 part-time employees. None of our employees are covered by a collective bargaining agreement, and we consider our employee relations to be good. Full-time staff members consist of event directors, operations experts, and legal support including:

Richard Surber: CEO, Director and controlling shareholder

Richard Surber's experience includes over 20 years in the public markets. He was CEO and Director of Axia Group, Inc., which employed over 100 individuals and generated over \$20 million in revenues at its peak. He is a member of the California bar, and practices law on a limited basis specializing in complex corporate and securities law matters. He graduated from the University of Utah with a Bachelor of Science degree in Finance and a Juris Doctor with an emphasis in corporate law, including securities, taxation and bankruptcy.

Gerald Einhorn, Director

Mr. Einhorn previously served on the Board of Directors of SAKL and an officer of the company from 2002 through 2008. Mr. Einhorn is a member of the New York Bar and has also worked providing legal opinion and consulting with the company for the past few years.

Scott C. Coffman, Director

Mr. Coffman previously served the Company's subsidiary, Green Endeavors, Inc. as its CFO. Mr. Coffman graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Masters of Business Administration and later returned to the University of Utah for additional masters level accounting coursework.

The Company's SIC Code is 7999.

Prior to February of 2002, the Company's predecessor, Kelly's Coffee Group, Inc. reported no revenue and was classified by the SEC in its reports as a "blank check" company. Subsequent to February of 2002, and the name change to Nexia Holdings, Inc., the Company had revenues and operations. The Company was a fully reporting company with the SEC until April of 2009 when it ceased to be reporting and filed a Form 15 with the SEC. The Company is not currently a shell or "blank check" company and has had continuous revenue generating operations from February of 2002 until the present.

Item 10: The nature and extent of the issuer's facilities.

GREEN ENDEAVORS INC. LOCATIONS

Our Liberty Heights facility is located at 1298 South 900 East, Salt Lake City, Utah 84105. This lease is for a 4,000 square foot free standing commercial building with a preliminary term of ten years beginning on October 1, 2005 and the lease provides for one five year extended term.

Our Landis II facility is located at 600 North 300 West, Salt Lake City, Utah 84103. This lease is for a 3,000 square foot commercial building with a term of ten years beginning on September 15, 2010 and the lease provides for two, five year extended terms.

On March 10, 2012, we signed a lease through a newly formed subsidiary, Landis Experience Center, LLC to operate an Aveda™ experience center in the newly opened City Creek Mall located in downtown Salt Lake City, Utah. This 430 square foot store will focus on the sale of products only, no salon services will be provided. The lease is for a period of seven years beginning when the store opened in August 2012.

SACK LUNCH PRODUCTIONS, INC. LOCATION

SAKL and its subsidiaries corporate headquarters of approximately 3,000 square feet are located at 59 West 100 South, second floor, Salt Lake City, Utah 84101.

SAKL has a lease for warehouse space located at 4521 West 1980 South, Salt Lake City, Utah. The leased space is for 8,476 square feet of warehouse space for a two year term beginning January 1, 2017.

Part D Management Structure and Financial Information

Item 11: The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

The following persons are officers and directors of SAKL as of April 10, 2017:

Name	Age	Position(s) and Office(s)	Business address	Total Compensation	
				2016	2015
Richard D. Surber	44	President, CEO, CFO, and Director	59 West 100 South, 2nd Floor Salt Lake City, UT 84101	(1) \$ 137,000	(2) \$ 156,845
Scott Coffman	55	Director	59 West 100 South, 2nd Floor Salt Lake City, UT 84101	\$ 2,868	\$ -
Gerald Einhorn (3)	77	Director	59 West 100 South, 2nd Floor Salt Lake City, UT 84101	\$ -	\$ -

(1) Total Compensation includes \$52,000 from Landis Salons, Inc. for management services and \$45,500 from Landis Salons II, Inc. for management services.

(2) Total Compensation includes \$52,000 from Landis Salons, Inc. for management services and \$41,750 from Landis Salons II, Inc. for management services.

(3) Mr. Einhorn was appointed to the board in January of 2017.

Sack Lunch Productions
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Richard D. Surber, President, CEO, CFO and Director

Mr. Surber graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Juris Doctorate with an emphasis in corporate law, including securities, taxation, and bankruptcy. He has served as President and Director of the Company since May of 1999. He also served as an officer and director of the Company's former parent corporation, Axia Group, Inc. (president and director from 1992 until control transferred in 2004). He has been an officer and director of several public companies, including SAKL's majority owned subsidiary Green Endeavors, Inc.

Mr. Surber is licensed to practice law in the State of California and occasionally represents corporate clients on various corporate matters, to which he occasionally devotes a significant amount of time. Mr. Surber has disclosed the fact that he, on occasion, does act as counsel to several companies for which he receives fees for the legal or consulting services provided.

Scott C. Coffman, Director

Mr. Coffman has been appointed as a Director in 2016. Mr. Coffman previously served the Company's subsidiary, Green Endeavors, Inc. as its CFO and director. Mr. Coffman graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Masters of Business Administration and later returned to the University of Utah for additional master's level accounting coursework.

Gerald Einhorn, Director

Mr. Einhorn previously served on the Board of Directors of SAKL and an officer of the company from 2002 through 2008. Mr. Einhorn is a member of the New York Bar and has also worked providing legal opinion and consulting with the company for the past few years.

Directors are appointed for terms that expire upon a shareholders meeting being held at which an election of directors is held.

All executive officers are appointed by the board and hold office until the board appoints their successors or they resign.

The goal of this table 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 5% Ownership Persons. The following table provides the names of each of the issuer's executive officers, directors, general partners and persons that are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities, as of April 13, 2017.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Preferred Series "B" Stock(1)	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	14,250,000	95%
Preferred Series "A" Stock(2)	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Preferred Series "A" Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%

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Preferred Series “A” Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Preferred Series “A” Stock	Martin Malfatto Squared, Inc. 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Common Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	18,394,842	10.27%
Common Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	7.34%
Common Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101(1)	13,142,337	7.34%
Common Stock	John Malfatto 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	7.34%
Common Stock	Gerald Einhorn.-Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	5	Less than 0.1%
Preferred Series C Stock	Richard Surber 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	10,000	2.61%
Common Stock	All officers and directors as a group	18,394,847	10.28%
Preferred Series “A” Stock	All officers and directors as a group	139,000	22.65%
Preferred Series “B” Stock	All officers and directors as a group	14,250,000	95%
Preferred Series “C” Stock	All officers and directors as a group	10,000	2.61%
Preferred Series “D” Stock	Mammoth Corporation	54,100	100%

*The above listed Preferred Series C Stock shareholders are limited to conversion into less than 5% of the issued common stock at any point in time and hold only 1 vote per share of preferred stock and thus hold less than 0.01% of votes in any shareholder vote. None of the named C shareholders are control persons at this point in time.

- (1) Series “B” preferred stock has voting rights of 100 to 1 of the common stock.
- (2) Series “A” preferred stock has voting rights of 10 to 1 of the common stock.

B. Legal/Disciplinary History -- None

C. Disclosure of Family Relationships -- There is currently no family relationship between any Director or Executive Officer of the Company.

D. Disclosure of Related Party Transactions -- During the years ended December 31, 2016 and 2015, the Company has entered into the following related party transactions:

Over the years 2016 and 2015, the President of the Company has extended short-term, interest-free advances for the purchase of inventory and operational expenses. As of December 31, 2016, the outstanding balance was \$56,265.

On December 4, 2015 Settlement of \$1,051,387 of compensation owed to Richard D. Surber for 52,569,350 restricted shares.

On January 5, 2016 the Board of Directors of SAKL approved the execution of employment agreements with Richard Surber, John Malfatto, David Wulf and Taylor Gourley. The terms of the agreements begin on January 1, 2016 and expire on December 31, 2020. Base annual salary for each of the named persons is \$250,000 and cannot be reduced below \$1,500 for any single two week payroll period. The agreement include non-compete provisions for a period equal to three years or sale of all preferred securities held by the employee. Each of the named persons hold shares of Series B Preferred Stock that by agreement are not transferable without the prior approval of the Board of Directors of SAKL. Each of these same persons has signed a Lock-Up Agreement with the Company that limits the sale of securities by the named persons and the Company in exchange agreed to protect the four named individuals' securities from "corporate action, including any reverse stock split of the common stock exceeding a factor of two (2) or other restructuring of the Company." Each of the parties has agreed to waive unpaid compensation for the period ended December 31, 2016.

Landis Salons Inc., a subsidiary of the Company has as of August 2016 entered into an equipment lease with Diversified Holdings X, Inc., a corporation controlled by Richard Surber, for solar panel equipment to be used at the Liberty Heights Landis salon location in Salt Lake City Utah. The lease is for a term of five years, with monthly payments in the sum of \$1,422.00. The equipment has been installed and appears to be operating properly. Mr. Surber received tax credits and energy rebates totaling approximately \$40,000 as a result of the transaction.

Richard Surber, a related party, is providing his personal guaranty for several lines of credit and credit cards that are being utilized by the Company and its operating subsidiaries. In addition to the above, Mr. Surber is a personal guarantor to notes payable by the Company with remaining principal balances of approximately \$1.2 Million. Subsequent to December 31, 2016, Mr. Surber continues to provide his personal guaranty for several lines of credit, credit cards, and loans that are being utilized by the Company and its subsidiaries. The total amount of these credit obligations have exceeded \$1,000,000.

E. Disclosure of Conflicts of Interest – None

Item 12: Financial information for the issuer's most recent fiscal period.

Consolidated financial statements for the three months and nine months ended September 30, 2016 were filed separately as a Quarterly Report with the OTC Disclosure and News Service. These financial statements can be found at www.otcm Markets.com.

Item 13: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Consolidated financial statements for the years ended December 31, 2016 and 2015 are attached hereto.

Sack Lunch Productions, Inc.
Consolidated Balance Sheets

	December 31,	
	2016	2015
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 626,490	\$ 540,689
Restricted cash	262,996	429,832
Accounts receivable, net of allowance for doubtful accounts of \$355,475 and \$239,794, respectively	96,208	156,769
Inventory	1,222,563	1,630,641
Prepaid expenses	230,823	132,111
Total current assets	2,439,080	2,890,042
Note receivable, net of allowance of \$0 and \$11,622, respectively	184,295	179,032
Property and equipment, net of accumulated depreciation of \$1,864,966 and \$1,515,698, respectively	2,048,343	2,225,673
Goodwill	139,755	139,755
Intangible assets, net of accumulated amortization of \$157,707 and \$46,075	847,496	959,128
Other assets	113,212	20,914
Total assets	\$ 5,772,181	\$ 6,414,544
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 1,980,623	\$ 2,127,398
Accounts payable related party	81,265	232,348
Deferred revenue	289,466	153,717
Accrued expenses	1,628,418	1,291,531
Current portion of notes payable	1,065,774	508,142
Current portion of capital leases	26,134	22,911
Derivative liability	595,270	2,113,172
Convertible notes payable, net of debt discount of \$95,143 and \$1,500,532	2,084,158	376,314
Convertible notes payable, related party	59,394	60,282
Current portion of notes payable related party	34,309	40,740
Total current liabilities	7,844,811	6,926,555
Long-term liabilities		
Notes payable	566,212	703,359
Notes payable, related party	-	14,389
Convertible notes payable, net of debt discount of \$0 and \$30,390 respectively	-	8,110
Capital leases	57,469	21,295
Total long-term liabilities	623,681	747,153
Total liabilities	8,468,492	7,673,708
Commitments and contingencies	-	-
Stockholders' deficit		
Series A preferred stock, par value \$0.001; 10,000,000 shares authorized; 617,750 and 559,750 shares issued and outstanding respectively	618	560
Series B preferred stock, par value \$0.001; 20,000,000 shares authorized; 15,000,000 and 15,000,000 shares issued and outstanding shares respectively	15,000	15,000
Series C preferred stock, par value \$0.001; 5,000,000 shares authorized; 467,583 and 1,228,761 shares issued and outstanding, respectively	467	1,229
Series D preferred stock, par value \$0.001; 200,000 shares authorized; 0 and 0 shares issued and outstanding, respectively	-	-
Common stock, par value \$0.0001; 990,000,000 shares authorized; 163,535,737 and 135,999,942 shares issued and outstanding, respectively	16,352	13,599
Additional paid-in capital	44,438,617	45,761,616
Accumulated deficit	(47,046,539)	(45,166,282)
Accumulated other comprehensive income	(760)	(760)
Total Sack Lunch Productions, Inc. and subsidiaries stockholders' deficit	(2,576,245)	624,962
Non-controlling interest	(120,066)	(1,884,126)
Total stockholders' deficit	(2,696,311)	(1,259,164)
Total liabilities and stockholders' deficit	\$ 5,772,181	\$ 6,414,544

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

Sack Lunch Productions, Inc.
Consolidated Statements of Operations

	Year Ended December 31,	
	2016	2015
Revenue	(Unaudited)	
Services	\$ 12,960,812	\$ 8,031,936
Products	762,071	829,692
Rental	38,121	39,680
Franchise Fees and Royalties	616,092	795,702
Other	407,815	775,844
Total revenue	14,784,911	10,472,854
Costs and Expenses		
Cost of services	7,487,050	4,130,345
Cost of products	460,954	1,335,431
Cost of other revenues	181,294	222,324
Depreciation and amortization	500,485	359,205
Salaries and wages	2,890,903	1,766,405
General and administrative	4,641,153	3,561,785
Total operating expenses	16,161,839	11,375,495
Loss from operations	(1,376,928)	(902,641)
Other Income (Expense)		
Interest income	3,688	11,354
Interest expense	(2,973,134)	(679,968)
Interest expense, related parties	(771)	(8,834)
Gain on derivative activity	2,267,513	55,363
Loss on settlement of debt	(40,883)	(45,268)
Gain on disposal of assets	3,523	-
Other income (expense)	69,316	(4,079)
Total other income (expenses), net	(670,748)	(671,432)
Net income (loss) before income taxes	(2,047,676)	(1,574,073)
Income taxes	-	-
Net loss before non-controlling interest	(2,047,676)	(1,574,073)
Net loss attributable to non-controlling interest	(139,878)	(459,486)
Net loss attributable to stockholders	\$ (1,907,798)	\$ (1,114,587)
Loss per common share		
Basic	\$ (0.01)	\$ (0.02)
Diluted	\$ (0.01)	\$ (0.02)
Loss related to non-controlling interest		
Basic	\$ (0.00)	\$ (0.01)
Diluted	\$ (0.00)	\$ (0.01)
Weighted average shares used to compute earnings per share		
Basic	151,474,730	70,522,542
Diluted	151,474,730	70,522,542

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

Sack Lunch Productions Inc.
Consolidated Statements of Stockholders' Deficit

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Non- controlling interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balances at December 31, 2014	142,750	\$ 143	15,000,000	\$15,000	1,442,723	\$ 1,443	64,821,834	\$ 6,482	\$ 43,583,505	\$ (44,024,154)	\$ (760)	\$ (1,356,660)	\$ (1,775,002)
Options exercise of subsidiary stock	-	-	-	-	-	-	-	-	428,004	-	-	-	428,004
Derivative liability conversion to APIC	-	-	-	-	-	-	-	-	24,561	-	-	-	24,561
Stock issuance for investment in subsidiary	417,000	417	-	-	-	-	-	-	20,059	-	-	-	20,476
Preferred C shares issued for cash	-	-	-	-	5,200	5	-	-	12,995	-	-	-	13,000
Preferred C shares converted to common stock	-	-	-	-	(25,766)	(26)	11,186,416	1,118	(1,092)	-	-	-	-
Preferred C shares issued for services	-	-	-	-	85,000	85	-	-	424,915	-	-	-	425,000
Preferred C shares cancelled	-	-	-	-	(278,396)	(278)	-	-	278	-	-	-	-
Common shares issued with debt	-	-	-	-	-	-	1,416,667	142	23,858	-	-	-	24,000
Common shares issued for conversion of note payable	-	-	-	-	-	-	2,105,625	210	69,613	-	-	-	69,823
Common shares issued for accrued payroll	-	-	-	-	-	-	52,569,400	5,257	1,046,130	-	-	-	1,051,387
Common shares issued for cash	-	-	-	-	-	-	3,000,000	300	44,700	-	-	-	45,000
Common shares issued for services	-	-	-	-	-	-	900,000	90	16,110	-	-	-	16,200
Decrease NCI for ownership change in subsidiary	-	-	-	-	-	-	-	-	67,980	-	-	(67,980)	-
Net loss	-	-	-	-	-	-	-	-	-	(1,114,587)	-	(459,486)	(1,574,073)
Balances at December 31, 2015	559,750	\$ 560	15,000,000	\$15,000	1,228,761	\$ 1,229	135,999,942	\$13,599	\$ 45,761,616	\$ (45,138,741)	\$ (760)	\$ (1,884,126)	\$ (1,231,624)
Subsidiary transactions	-	-	-	-	-	-	-	-	296,727	-	-	-	296,727
Preferred A shares issued for cash	61,000	61	-	-	-	-	-	-	304,939	-	-	-	305,000
Preferred A and C shares converted to common shares	(3,000)	(3)	-	-	(169,600)	(170)	6,753,843	675	(502)	-	-	-	-
Preferred C shares issued for cash	-	-	-	-	40,000	40	-	-	99,960	-	-	-	100,000
Preferred C shares converted to common shares	-	-	-	-	(209,862)	(210)	19,595,902	1,960	(1,750)	-	-	-	-
Preferred C shares cancelled for debt	-	-	-	-	(85,000)	(85)	-	-	(424,915)	-	-	-	(425,000)
Preferred C shares cancelled	-	-	-	-	(336,716)	(337)	-	-	337	-	-	-	-
Common shares issued for services	-	-	-	-	-	-	4,433,333	443	191,167	-	-	-	191,610
Common shares issued for conversion of note payable	-	-	-	-	-	-	847,018	85	114,567	-	-	-	114,652
Common shares cancelled	-	-	-	-	-	-	(4,094,301)	(409)	409	-	-	-	-
Decrease NCI for ownership change in acquired subsidiary	-	-	-	-	-	-	-	-	(1,903,938)	-	-	1,903,938	-
Net loss	-	-	-	-	-	-	-	-	-	(1,907,798)	-	(139,878)	(2,047,676)
Balances at December 31, 2016	617,750	\$ 618	15,000,000	\$15,000	467,583	\$ 467	163,535,737	\$16,353	\$ 44,438,617	\$ (47,046,539)	\$ (760)	\$ (120,066)	\$ (2,696,311)

(Unaudited)

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

Sack Lunch Productions Inc.
Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2016	2015
Cash flows from operating activities	(Unaudited)	
Net loss	\$ (2,047,676)	\$ (1,574,073)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	476,285	359,205
Amortization of debt issuance costs	1,755,733	405,987
Bad debt expense	120,621	-
(Gain) loss on derivative liability fair value adjustment	(2,317,511)	(205,488)
(Gain) loss on forgiveness of non-related party convertible debt	-	45,268
(Gain) on disposition of assets, net	(3,523)	-
Stock issued for services	191,610	16,200
Stock option expense	-	292,389
Initial derivative expense	575,649	177,303
Changes in assets and liabilities:		
Restricted cash	166,836	(108,139)
Certificate of deposit	-	28,660
Accounts receivable	(60,060)	(37,483)
Inventories	408,078	(267,898)
Prepaid expenses	(98,712)	49,637
Other assets	(8,333)	-
Accounts payable and accrued liabilities	593,463	1,081,025
Accounts payable, related party	(151,083)	24,373
Deferred revenue	135,749	(1,879,538)
Deferred rent expense	-	(16,356)
Net cash used in operating activities	(262,874)	(1,608,928)
Cash flows from investing activities		
Purchases of property, plant, & equipment	(140,885)	(397,930)
Sale of fixed asset	10,000	-
Investment in capitalized intangible assets	-	(16,313)
Net cash used in investing activities	(130,885)	(414,243)
Cash flows from financing activities		
Payments made on capital leases	(26,084)	(21,980)
Payments made on notes payable	(1,034,596)	(922,149)
Payments made on convertible notes	(865,393)	(21,915)
Payments made on notes payable, related parties	-	(7,202)
Issuance of Preferred A shares in acquisition	-	20,477
Proceeds from issuance of convertible notes payable	655,700	1,802,150
Proceeds from issuance of common stock	-	45,000
Proceeds from issuance of Preferred A shares	305,000	-
Proceeds from issuance of Preferred C shares	100,000	13,000
Proceeds from issuance of notes payable	1,344,933	1,212,880
Proceeds from issuance of notes payable to related parties	-	35,082
Proceeds from issuance of convertible notes payable	-	-
Net cash provided by financing activities	479,560	2,155,343
Net increase in cash	85,801	132,172
Cash at beginning of period	540,689	408,517
Cash at end of period	\$ 626,490	\$ 540,689
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 89,844	\$ 201,527

Sack Lunch Productions Inc.
Consolidated Statements of Cash Flows

Noncash investing and financing activities:

Issuance of shares of a subsidiary to settle a note payable	\$ -	\$ 35,805
Equipment purchased for note payable	65,481	-
Stock issued in exchange for investment in a subsidiary	-	24,561
Stock issued in exchange for accrued payroll to an officer	-	1,072,133
Conversions of convertible notes and accrued interest to common stock	114,652	34,019
Common shares issued in exchange for debt discount	-	15,000
Deferred financing costs	104,800	-
Original issue discount	16,800	-
Subsidiary convertible debt converted to common stock of the subsidiary	23,433	141,102
Preferred shares cancelled	(337)	(278)
Preferred shares converted to common	675	-
Options issued and exercised in exchange for notes payable	-	124,732
Loss on disposal of asset	3,783	-
Fixed assets acquired in acquisition	-	484,000
Other assets acquired in acquisition	-	2,481,000
Accounts payable, accrued expenses and other current liabilities assumed in acquisition	-	1,348,000
Deferred revenue assumed in acquisition	\$ -	\$ 1,525,000

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

Note 1 – Organization and Basis of Financial Statement Presentation
Business Description

Sack Lunch Productions, Inc. (“Sack Lunch”, “SAKL”, “it”, “we”, “us”, “our”, the “Company”) conducts operations in three lines of business:

- Events – We produce branded events under our own trademarked names including Color Me Rad, The Dirty Dash, Lantern Fest, Slide the City, and Trike Riot. We also franchise our branded events to third parties under agreements with various franchisees.
- Salons - the operation of Landis Lifestyle Salons through SAKL’s controlling ownership interest in Green Endeavors, Inc. (“GRNE”)
- Other - film distribution, assisting with the development and production of film products, and the acquisition, leasing and selling of real estate.

SAKL was originally incorporated in 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. In February 2002 SAKL changed its name to Nexia Holdings, Inc. In 2009, SAKL changed its domicile to the State of Utah through a merger with a Utah corporation with the same name. The Company’s name was changed to Sack Lunch Productions, Inc. effective April 15, 2015.

During the first quarter of 2016 the Company has reorganized its operations to simplify the corporate structure and tax reporting of the Company’s subsidiaries. For Color Me Rad and Dirty Dash this resulted in the purchase of 100% of the assets of the LLC’s by new corporations formed to operate these events. Lantern Fest and Slide the City events operational LLC’s have been merged into new corporations that will continue the operations of these events. These actions have resulted in the elimination and consolidation of numerous LLC’s into four wholly owned corporations and the resulting simplification of the organization and operation of these events and the reduction of tax and accounting reporting generated by the prior organization.

Slide the City Productions, Inc., a Utah corporation formed on February 2, 2016 has merged with Slide the City Franchising LLC, Slide the City Canada LLC and Slide the City LLC and will operate the Slide the City events of the Company going forward.

The Lantern Fest Productions, Inc. a Utah corporation, formed on February 3, 2016 has merged with Lantern Fest LLC and will operate the Lantern Fest events of the Company.

Color Me Rad Productions, Inc. a Utah corporation, was formed on January 28, 2016 and has purchased 100% of the assets of Color Me Rad, LLC and will operate Color Me Rad events and the Color Me Rad franchises for the Company.

Trike Riot Productions Inc. a Utah corporation was formed on February 10, 2016 and will operate Trike Riot events for the Company.

The Dirty Dash Productions, Inc. a Utah corporation was formed on January 28, 2016 and has purchased 100% of the assets of Dirty Dash LLC and Springbok Franchising, LLC and will operate Dirty Dash events for the Company.

On March 29, 2016 the Company transferred the LLC Memberships it held in Springbok Holdings LLC. This LLC is the sole member of Springbok Management LLC, Springbok Franchising LLC and Springbok Slide the City LLC. These membership interests were transferred to Diversified Holdings X, Inc. for \$100 in cash and other good and valuable consideration. The Company agreed to indemnify DHX against any liability arising at the time the Company held the membership interests, including providing legal counsel and defense against any litigation brought against DHX. DHX is

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100% owned by Richard Surber, the CEO of Sack Lunch Productions, Inc. The transaction was affected to streamline the operations of SAKL. All the transferred LLC's are expected to be dissolved by the end of 2017.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation / Principles of Consolidation

The consolidated financial statements include the accounts of Sack Lunch Productions, Inc. and its wholly-owned and majority-owned subsidiaries, Slide the City Productions, Inc., Lantern Fest Productions, Inc., Color Me Rad Productions, Inc., The Dirty Dash Productions, Inc., Trike Riot Productions, Inc., WG Productions Company, Redline Entertainment, Inc., Diversified Management Services, Inc., Wasatch Capital Corporation, Downtown Development Corporation, Green Endeavors, Inc., Landis Salons, Inc., Landis Salons II, Inc., and Landis Experience Center. LLC. All intercompany transactions and balances have been eliminated in consolidation.

The 2015 balances presented are audited. The 2016 balances presented are unaudited.

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.

Cash and Cash Equivalents

Investments with original maturities of three months or less at the time of purchase are considered cash equivalents. As of December 31, 2016 and 2015, SAKL had no cash equivalents.

Concentration of Credit Risk

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company occasionally maintains amounts on deposit with a financial institution that are in excess of the federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Company has incurred no losses related to this risk.

Accounts Receivable

Accounts receivable consist of amounts earned and receivables for film production, rents receivable in our real estate assets, balances owed to us by franchisees for merchandise, equipment, franchise fees and royalties, and vendor rebate receivables in our salons. The Company periodically reviews its accounts receivable balances for collectability and realizable value. An allowance is provided where collectability is considered impaired and balances are written off when considered uncollectable.

Inventory

SAKL's inventory consists of goods used in our event operations and for resale at our events, and hair care products in our salon operations. Cost is determined using the average cost 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. Markdowns are used to clear merchandise.

Prepaid expenses

Prepaid expenses principally consist of prepaid financing expenses, event costs incurred in advance of an event taking place including deposits on sites, equipment and vendors, and prepaid salon operating expenses.

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Property, Plant, and Equipment

Property and equipment is 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:

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

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.

Long-Lived Assets

SAKL's long-lived assets consist of property, plant, and equipment, and intangible assets and goodwill related to the acquisition of Springbok Holdings, LLC. SAKL recognizes impairment losses for property, plant and equipment 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. Intangible assets are amortized over their estimated useful lives and tested regularly for impairment. Goodwill is evaluated periodically to determine if the fair value of the assets and liabilities acquired from Springbok have been impaired. There was no impairment expense of long-lived assets during the years ended December 31, 2016 and 2015.

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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 event ticket sales in advance of the event date, 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, and gift certificates.

As of December 31, 2016 and December 31, 2015 the classes of deferred revenue consisted of the following:

	December 31,	
	2016	2015
Event Ticket Sales	\$ 203,243	\$ 87,669
Gift Cards	86,223	66,048
Total Deferred Revenue	<u>\$ 289,466</u>	<u>\$ 153,717</u>

Revenue Recognition

SAKL recognizes revenue from services, products, rentals, franchise fees and royalties and other.

Services

Our service revenue includes participant ticket sales to events and salon stylist services. SAKL follows the general policy of SAB 104 and recognizes service revenue when the following conditions are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred or services have been rendered;
- Our price to the buyer is fixed or determinable; and
- Collectability is reasonably assured.

Event revenue is recognized at the time the events occur or the product is delivered. Ticket sales are recorded in the period in which the event takes place less refunds. Salon revenue is generally recognized at the time the service is provided in the salon.

Products

Our product revenue includes event merchandise sales and product sales at the salons. We recognize revenue generally at the point of sale and according to Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition" which supports the SEC's view that it is not appropriate to recognize revenue until all of the following criteria are met:

- Persuasive evidence that an arrangement exists
- Delivery has occurred or services have been rendered
- Our price to the buyer is fixed or determinable
- Collectability is reasonably assured

Rental

SAKL owns one commercial building and two residential homes which it leases to tenants. The Company recognizes revenue from rent once all of the following criteria are met in accordance with SAB 104:

- The agreement has been fully executed and delivered;
- Services have been rendered;
- The amount is fixed or determinable; and
- The collectability of the amount is reasonably assured.

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.

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Franchise Fees and Royalties

We recognize franchise fee and royalty income from certain events and record revenue according to agreements and recognize revenue when the following conditions are met:

- We have no remaining obligation or intent to refund any cash received or forgive unpaid notes to the franchisee
- Substantially all of the initial services have been performed
- No other material conditions or obligations related to the determination of substantial performance exist

Other

The Company recognizes film revenue from the production and distribution of films and related products in accordance with ASC 926.

ASC 926 states that all of the following criteria must be met in order to recognize revenue:

- Persuasive evidence of a sale or licensing agreement with a customer exists.
- The film is complete and, in accordance with the terms of the agreement, has been delivered or is available for immediate and unconditional delivery.
- The license period of the arrangement has begun and the customer can begin its exploitation, exhibition, or sale.
- The agreement fee is fixed or determinable.
- Collection of the arrangement fee is reasonably assured.

Cost of Revenues

SAKL recognizes costs related to the revenue from services, products, rentals, franchise fees and royalties and other.

Services

Event costs include all costs relating to the production of an event for which the participant has paid including site expenses, event crew labor, entertainment, and transportation of equipment, goods and crew to and from the event site, and are expensed upon completion of the event. Salon costs include all operating costs of the salons including labor and facility costs and are expensed as the services are provided.

Products

Event product costs include merchandise sales at the event and online, and items included in the participant bag (“swag”). Salon product costs include those products used by the stylist and products sold retail.

Rental

Real estate properties and improvements are carried at historical cost. Depreciation is computed on the straight-line method over estimated useful lives.

Franchise fees and royalties

The costs associated with franchise fees and royalties are expensed as incurred.

Other

Film production costs are subject to regular recoverability assessments, which compare the estimated fair values with the unamortized costs. Film production costs are expensed based on the ratio of the current period’s gross revenues to estimated total gross revenues. If actual demand or market conditions are less favorable than our projections, film cost write-downs may be required.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense was \$1,326,386 and \$621,067 for the years ended 2016 and 2015, respectively.

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General and administrative expenses

General and administrative expenses include marketing and advertising for all of our businesses, plus management, executive, human resources, legal, accounting, professional and other corporate expenses. These costs are generally expensed as incurred.

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 fair 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. Because the employee is expected to and has historically received shares of common stock on or about the date of the employee stock option grant date as part of the exercise process, the fair value of each stock issuance is determined using the fair value of SAKL's common stock on the grant date.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

As of December 31, 2016 and 2015, SAKL's deferred tax assets, which are solely related to net operating losses, have been fully offset by a valuation allowance.

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. Such potentially dilutive shares are excluded when the effect would be to reduce net loss per share. For the year ended December 31, 2016, 231,787,475 shares were not included in the diluted net loss per share calculation as their effect would be anti-dilutive.

Recent Accounting Pronouncements

Management believes the impact of 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.

In February 2016, the FASB issued an ASU amending the accounting for leases. The new guidance requires the recognition of lease assets and liabilities for operating leases with terms of more than 12 months, in addition to those currently recorded, on our consolidated balance sheets. Presentation of leases within the consolidated statements of operations and consolidated statements of cash flows will be generally consistent with the current lease accounting guidance. The ASU is effective for reporting periods beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the impact and expect the ASU will not have a material impact on our consolidated financial statements.

In March 2016, The FASB issued an ASU amending the accounting for prepaid stored-value products. This new guidance modifies the method to derecognize the financial and non-financial liabilities of these prepaid stored-value products when the likelihood of the product holder exercising its remaining rights becomes remote. The ASU is effective for reporting periods beginning after December 15, 2017 and interim periods for that fiscal year. We are currently evaluating the effects of this change and do not expect it to materially affect our financial statements.

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In March 2016, the FASB issued an ASU amending the accounting for stock-based compensation and requiring excess tax benefits and deficiencies to be recognized as a component of income tax expense rather than equity. This guidance also requires excess tax benefits and deficiencies to be presented as an operating activity on the statement of cash flows and allows an entity to make an accounting policy election to either estimate expected forfeitures or to account for them as they occur. The ASU is effective for reporting periods beginning after December 15, 2016, with early adoption permitted. We will adopt this ASU in the first quarter of 2017 by incorporating it into our stock-based compensation plan. As we do not currently have any outstanding potential forfeitures this change will not retroactively affect our financial statements.

In October 2016, the FASB issued an ASU amending the accounting for income taxes. The new guidance requires the recognition of the income tax consequences of an intercompany asset transfer, other than transfers of inventory, when the transfer occurs. For intercompany transfers of inventory, the income tax effects will continue to be deferred until the inventory has been sold to a third party. The ASU is effective for reporting periods beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the impact and expect the ASU will not have a material impact on our consolidated financial statements.

In January 2017 the FASB issued an ASU amending the test for goodwill impairment. The new guidance simplifies the procedures for testing impairment of goodwill for publicly traded entities. The new guidance modifies the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. The ASU is effective for reporting periods beginning after December 15, 2020 with early adoption permitted. We are currently evaluating the impact and expect the ASU will not have a material impact on our consolidated financial statements.

Note 3 – Inventory

SAKL's event inventories consist of finished goods that include apparel and other branded merchandise which are sold to participants as part of their participation ticket price, as well as are sold as individual items. Inventory is carried at the lower of cost or market. SAKL's salon inventories consist of finished good products that are held for resale at all locations or that are used for the services provided by the two salons. Inventory is carried at the lower of cost or market. As of December 31, 2016 and 2015 inventory by segment consisted of the following:

	December 31,	
	2016	2015
Event Inventory	\$ 1,069,773	\$ 1,491,713
Salon Inventory	152,790	138,928
Total Inventory	<u>\$ 1,222,563</u>	<u>\$ 1,630,641</u>

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Note 4 – Property, Plant, and Equipment

The following is a summary of SAKL's property, plant, and equipment by major category as of December 31, 2016:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Computer equipment and related software	\$ 130,870	\$ 108,059	\$ 22,811
Construction in process	-	-	-
Leasehold improvements	732,691	530,039	202,652
Furniture and fixtures	258,060	119,190	138,870
Leased equipment	76,298	69,321	6,977
Equipment	1,187,527	584,029	603,498
Vehicle	160,868	103,956	56,912
Building and Improvements	839,032	334,160	504,872
Land	502,809	-	502,809
Signage	25,154	16,212	8,942
Total	<u>\$ 3,913,309</u>	<u>\$ 1,864,966</u>	<u>\$ 2,048,343</u>

The following is a summary of SAKL's property, plant, and equipment by major category as of December 31, 2015:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Computer equipment and related software	\$ 113,383	\$ 92,011	\$ 21,372
Construction in process	22,147	-	22,147
Leasehold improvements	639,253	476,654	162,599
Furniture and fixtures	151,282	79,866	71,416
Leased equipment	85,933	54,543	31,390
Equipment	1,143,280	391,626	751,654
Vehicle	229,245	101,529	127,716
Building and Improvements	828,885	305,667	523,218
Land	502,809	-	502,809
Signage	25,154	13,802	11,352
Total	<u>\$ 3,741,371</u>	<u>\$ 1,515,698</u>	<u>\$ 2,225,673</u>

Depreciation expense is \$388,853 and \$313,130 for the years ended 2016 and 2015, respectively.

Note 5 – Intangible Assets

The following is the weighted average amortization period for our intangibles assets:

	<u>Amortization (Years)</u>
Trade Names	10
Customer Contracts	5
Patents	10

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The following tables provides a summary of the carrying amount of intangible assets that will continue to be amortized;

As of December 31,			
2016			
	Gross Amount	Accumulated Amortization	Net Amount
Trade Names	\$ 858,891	\$ 119,000	\$ 739,891
Customer Contracts	120,000	33,600	86,400
Patents	26,312	5,107	21,205
	<u>\$ 1,005,203</u>	<u>\$ 157,707</u>	<u>\$ 847,496</u>

As of December 31,			
2015			
	Gross Amount	Accumulated Amortization	Net Amount
Trade Names	\$ 858,891	\$ 34,000	\$ 824,891
Customer contracts	120,000	9,600	110,400
Patents	26,312	2,475	23,837
	<u>\$ 1,005,203</u>	<u>\$ 46,075</u>	<u>\$ 959,128</u>

The expected future 5 year amortization related to intangible assets is provided in the table below:

Year	Amortization
2017	\$ 112,520
2018	112,520
2019	112,520
2020	102,920
2021	78,920
Thereafter	328,095
Total Amortization	<u>\$ 847,496</u>

Amortization expense was \$111,632 and \$46,075 for the years 2016 and 2015 respectively.

Note 6 – Notes Receivable

SAKL has one note receivable from an LLC. It bears 5% interest and matures on 11/10/2018. The balance of principle and interest on December 31, 2016 and 2015 was \$184,295 and \$179,032 respectively.

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Notes to the Consolidated Financial Statements

Note 7 – Notes Payable

A summary of notes payable as of December 31, 2016 and 2015 is as follows:

	Interest Rate	Maturity Date	December 31,	
			2016	2015
To an Individual (a)	11.00%	2/27/2016	\$ -	\$ 14,844
To an Individual (b)	12.00%	3/31/2016	199,638	300,000
To an Individual (c)	8.00%	10/1/2016	-	40,000
To a Bank (d)	6.00%	3/1/2017	14,317	-
To a Bank (e)	5.00%	6/5/2017	15,224	-
To a Bank (f)	8.00%	8/19/2017	24,646	-
To a Corporation (g)	5.00%	9/1/2017	-	18,935
To a Corporation (h)	24.33%	10/25/2017	83,333	-
To a Bank (i)	5.00%	11/11/2017	356,157	-
To a Bank (j)	12.00%	11/19/2017	-	261,806
To a Bank (k)	6.00%	12/11/2017	322,927	-
To a Bank (l)		2/9/2019	-	17,054
To a Partnership (m)	8.00%	3/3/2019	6,206	8,532
To a Bank (n)	6.50%	5/23/2021	551,229	564,790
To a Bank (o)	5.99%	6/17/2021	58,309	-
Less Debt Discount			-	(14,461)
Total Notes Payable			1,631,985	1,211,501
Less Current portion			1,065,774	508,142
Long Term Notes Payable			<u>\$ 566,212</u>	<u>\$ 703,359</u>

- (a) On February 27, 2012, The Company issued an 11% note payable in the amount of \$50,000 to an individual in exchange for a cash payment of the same amount. The note provides for monthly payments in the amount of \$1,292 of principal and interest. As of December 31, 2016 the full balance of the note and accrued interest was paid off.
- (b) On December 1, 2015 The Company issued a note payable in the amount of \$300,000 to an individual for cash payment of the same amount. The note provides for a single payment at the due date. As of December 31, 2016 there was \$199,638 of principle remaining unpaid.
- (c) On October 3, 2014 The Company issued an 8% note payable to an individual in the amount of \$40,000 in exchange for cash payment of the same amount. The note provided for monthly payments of principle and interest beginning 90 days after the execution of the note, to be made equally over the remaining term of the note. As of December 31, 2016 the full balance of the note and accrued interest was paid off.
- (d) On March 1, 2016, The Company entered into a loan agreement with a bank in the amount of \$62,000. The note provides for daily payments of \$263. In addition to the merchant account receivables, collateral for the loan includes all receivables, financial instruments, equipment assets, inventories, intangibles, deposits, and other assets as applicable. The loan requires a prepaid interest charge that is 6% (\$3,720) of the \$62,000 loan amount. These financing costs are being amortized monthly to interest expense during the one year term of the loan. The total amount due at the inception date is \$65,720.
- (e) On September 18, 2016 The Company issued a 5% note payable to a bank in the amount of \$32,651 in exchange for cash payment. The note provides for monthly payments of \$2538. The loan requires a prepaid interest charge that is 5% (\$1,634) of the \$32,351 loan amount. These financing costs are being amortized monthly to interest expense during the two year term of the loan. The total amount due at the inception date was \$34,285.

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- (f) On August 19, 2016, the Company entered into a loan agreement with a bank in the amount of \$35,000. The note is a merchant account financing arrangement wherein Lantern Fest repays the loan at the rate of \$151 of the American Express credit card sales receipts that are collected each business day. In addition to the merchant account receivables, collateral for the loan includes all receivables, financial instruments, equipment assets, inventories, intangibles, deposits, and other assets as applicable. The loan requires a prepaid interest charge that is 8% (\$2,800) of the \$35,000 loan amount. These financing costs are being amortized monthly to interest expense during the two year term of the loan. The total amount due at the inception date is \$37,800.
- (g) On August 20, 2012, the Board of Directors approved The Company enter into a loan agreement with a Corporation in the amount of \$50,000. Pursuant to the board approval, a note in the amount of \$50,000 was issued on August 21, 2012. The note bears interest at 5% per annum and requires 60 monthly installments of \$944 commencing October 1, 2012. As of December 31, 2016 the full balance of the note and accrued interest was paid off.
- (h) On October 17, 2016 The Company issued a 24.33%, 12 month note in the amount of \$100,000 to a corporation in exchange for cash of the same amount. The note provides for 6 monthly payments of \$10,833 of principal and interest and then 6 monthly payments of \$9,333 of principal and interest for the remainder of the note.
- (i) On November 11, 2016, the Company entered into a loan agreement with a bank in the amount of \$390,000 at a rate of 5%. The note is a merchant account financing arrangement wherein Lantern Fest repays the loan at the rate of \$1,612 each business day. In addition to the merchant account receivables, collateral for the loan includes all receivables, financial instruments, equipment assets, inventories, intangibles, deposits, and other assets as applicable.
- (j) On November 20, 2015, the Company entered into a loan agreement with a bank in the amount of \$250,000. The note is a merchant account financing arrangement wherein Landis repays the loan at the rate of 31% of the American Express credit card sales receipts that are collected each month. In addition to the merchant account receivables, collateral for the loan includes all receivables, financial instruments, equipment assets, inventories, intangibles, deposits, and other assets as applicable. The loan requires a prepaid interest charge that is 12% (\$30,000) of the \$250,000 loan amount. These financing costs are being amortized monthly to interest expense during the two year term of the loan. The total amount due at the inception date is \$280,000.
- (k) On November 5, 2016, the Company entered into a loan agreement with a bank in the amount of \$346,000. The note is a merchant account financing arrangement wherein Landis repays the loan at the rate of 75% of the American Express credit card sales receipts that are collected each month. In addition to the merchant account receivables, collateral for the loan includes all receivables, financial instruments, equipment assets, inventories, intangibles, deposits, and other assets as applicable. The loan requires a prepaid interest charge that is 6% (\$20,760) of the \$346,000 loan amount. These financing costs are being amortized monthly to interest expense during the one year term of the loan. The total amount due at the inception date is \$366,760.
- (l) On January 23, 2014 The Company issued a note payable in the amount of \$26,928 for the purchase of fixed assets. The note provides for monthly payments of \$449. As of December 31, 2016 the entire balance of the note was paid in full.
- (m) On March 3, 2014, The Company entered into a loan agreement with a partnership in the amount of \$12,021 for the financing of professional laundry equipment. The note calls for 60 monthly payments of \$244 commencing when the equipment is delivered for installment. In addition to corporate guarantees, Richard Surber, President, CEO, and Director of SAKL is a personal guarantor and the note is secured by the equipment.
- (n) On June 23, 2011 The Company entered into a mortgage note payable in the amount of \$615,262 at a rate of 6.5%. The note provides for monthly payments of \$4,158.
- (o) On August 17, 2016, The Company entered into a loan agreement with a bank in the principal amount of \$69,495 with an interest rate of 24%. The loan agreement requires 60 monthly payments of principal and interest in the amount of \$1,242. The maturity date is June 17, 2021.

During 2016 and 2015 the Company negotiated settlement agreements for several notes. As a result SAKL recorded a losses of (\$40,883) and (\$45,268) respectively.

Sack Lunch Productions Inc.
Notes to the Consolidated Financial Statements

Note 8 – Convertible Notes Payable

	Interest Rate	Maturity Date	December 31,	
			2016	2015
To a Corporation (a)	8.00%	7/21/2012	\$ -	\$ 26,863
To a Corporation (b)	8.00%	8/17/2014	35,000	35,000
To a Corporation (c)	8.00%	10/28/2015		14,983
To a Corporation (d)	12.00%	6/13/2017	1,904,301	1,800,000
To a Corporation (e)	12.00%	7/30/2017	-	38,500
To a Corporation (f)	7.00%	8/3/2017	240,000	-
Less Debt Discount			(95,143)	(1,530,922)
Total Convertible Notes Payable			2,084,158	384,424
Less Current portion			2,084,158	376,314
Long Term Convertible Notes Payable			\$ -	\$ 8,110

- (a) On July 21, 2009, The Company issued a \$60,000 convertible promissory note to a corporation The Company converted \$60,000 of accounts payable to the corporation to the note. The transaction has been handled as a private sale exempt from registration under Rule 506 of the Securities Act of 1933. The note bears interest at a rate of 8% per annum. The note can be convertible into SAKL's common shares at the conversion rate of 65% (a 35% discount) of the market price of the closing price on the date of notice. As of December 31, 2016, the balance of the note had either been paid or converted into shares of common stock.
- (b) On August 17, 2012, The Company issued a \$35,000 convertible promissory note to a corporation The Company converted \$15,000 of accounts payable to the corporation to the note and also received \$20,000 in cash for the loan. The transaction has been handled as a private sale exempt from registration under Rule 506 of the Securities Act of 1933. The note matures on August 17, 2014 and bear interest at a rate of 8% per annum. After one year from issuance, the note can be convertible into Green's common shares at the conversion rate of 54% of the market price of the lowest price of Green's common shares during the ten-day period ending one trading day prior to the date of the conversion. As of December 31, 2016, none of the note had been converted into shares of common stock.
- (c) On March 25, 2015, Green issued a \$34,000 Convertible Promissory Note to LG Capital Funding, LLC ("LGCF Note") that matured March 26, 2016. The LGCF Note bears interest at a rate of 8% per annum and can be convertible into Green's common shares, at the holder's option, at the conversion rate of 58% of the market price (a 42% discount) of an average of the three lowest trading price of Green's common shares during the eighteen-day period ending on the date of the conversion. Green analyzed the conversion feature of the agreement for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to "reset" provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. The Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. On March 29, 2016 Green settled the LGCF note for a payment of the remaining balance of principle and interest owed.
- (d) On October 1, 2015 The Company issued a convertible note payable in the amount of \$1,800,000 for cash received in the same amount. The note bears interest at a rate of 12% per annum. In July 2016 The Company increased this note by \$440,000 for cash received in the same amount. The note is convertible into SAKL's common shares at the holder's option, after an event of default, at the conversion rate of 85% (a 15% discount) of the lowest of the daily volume weighted average price of SAKL's common shares during the five business days

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prior to the conversion date. As of December 31, 2016 none of the note had been converted in shares of common stock.

- (e) On July 30, 2015, Green issued a \$38,500 Convertible Promissory Note to JMJ. The JMJ Note can be convertible into Green's common shares, at the holder's option, at the conversion rate of 60% of the market price (a 40% discount) of an average of the three lowest trading price of Green's common shares during the eighteen-day period ending on the date of the conversion. Green analyzed the conversion feature of the agreement for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to "reset" provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. The Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. On March 24, 2016 Green settled the JMJ Note for a payment of the remaining balance of principle and interest owed.
- (f) On August 3, 2016 The Company issued a \$240,000 convertible note payable to a corporation. The note bears guaranteed interest of 7% of the principle amount. The note is convertible into shares of SAKL common stock at the holder's option. The conversion rate is 70% of the market price (a 30% discount) of the lowest market price during the 10 consecutive trading days prior to conversion. In the event of default the rate of conversion would be 60% of the market rate (a 40% discount). As of December 31, 2016 none of the note had been converted to shares of common stock.

Note 9 - Related Party Notes

Convertible Related Party Notes Payable

	Interest Rate	Maturity Date	December 31,	
			2016	2015
Convertible Note Payable to Richard Surber, President and CEO of SAKL (a)	24.00%	11/20/2011	\$ 59,394	\$ 60,282
			<u>\$ 59,394</u>	<u>\$ 60,282</u>

- (a) On July 13, 2011 the Company issued a note payable, in the amount of \$250,000, to Richard Surber, President and CEO of SAKL, in exchange for common shares of Green Endeavors Inc. The note is convertible into Sack's common shares, at the holder's option, at the conversion rate of 90% (a 10% discount) of the average market price of Sack's common shares as reported from the date of notice to the date of conversion.

Related Party Notes Payable

	Interest Rate	Maturity Date	December 31,	
			2016	2015
Note Payable to a Corporation (a)	18.00%	5/6/2016	\$ 9,309	\$ 9,309
Note Payable to Richard Surber. President and CEO of SAKL (b)	20.00%	11/6/2017	25,000	25,000
Note Payable to Richard Surber. President and CEO of SAKL (c)	18.00%	3/12/2018	-	20,820
Total Related Party Notes			34,309	55,130
Less Current portion			34,309	40,740
Long Term Related Party Notes			<u>\$ -</u>	<u>\$ 14,389</u>

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- (a) On May 6, 2015 Landis salons Inc. entered into a promissory note with Diversified Holdings X Inc. for the sum of \$10,000. The interest rate on this loan is 18% per annum. There was to be a lump sum payment made 12 months after the origination date. The note is still outstanding.
- (b) On November 6, 2012, Landis Salons II, Inc. entered into a promissory note with Richard Surber, President, CEO, and Director of Green, for the sum of \$25,000 for funds loaned. The note bears interest at the rate of 20% per annum, with a term of five years and monthly payments of \$662 and a demand feature by which the note can be called upon the demand of Mr. Surber. As security for the note, Landis Salons II pledged all of its assets, stock in trade, inventory, furniture, fixtures, supplies, any intangible property and all tangible personal property of Landis Salons II and all and any other assets to which Landis Salons II holds title or claims ownership or that is hereafter acquired by Landis Salons II, subject only to purchase money liens held by sellers or grantors.
- (c) On March 24, 2015, Landis Salons, Inc. entered into a promissory note with Richard Surber, President, CEO, and Director of Green, for the sum of \$25,082 for funds loaned. The note bears interest at the rate of 18% per annum, with a term of five years and monthly payments of \$806 and a demand feature by which the note can be called upon the demand of Mr. Surber. As security for the note, Landis Salons pledged all of its assets, stock in trade, inventory, furniture, fixtures, supplies, any intangible property and all tangible personal property of Landis Salons and all and any other assets to which Landis Salons holds title or claims ownership or that is hereafter acquired by Landis Salons, subject only to purchase money liens held by sellers or grantors. During 2016 the debt was settled by paying the remainder of the principle and interest of the note.

Note 10 – Derivative Liability

As of December 31, 2016 and 2015, the Company, has a \$595,270 and \$2,113,172 derivative liability respectively, related to convertible notes payable. For the years ended December 31, 2016 and 2015, the Company recorded gains of \$2,267,513 and \$55,363 from derivative liability fair value adjustments respectively. The derivative liability activity arises from discount conversion features on convertible notes payable.

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Note 11 – Income Taxes

The Company follows ASC 740, under which deferred income taxes reflect the net effect of (a) temporary differences between carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carry-forwards. No net provision for refundable Federal income tax has been made in the accompanying statement of loss because no recoverable taxes were paid previously. Similarly, no deferred tax asset attributable to the net operating loss carry-forward has been recognized, as it is not deemed likely to be realized. The cumulative net operating loss and the cumulative tax effect at the expected composite rate of 39 percent of our net deferred tax amount is as follows:

	December 31,	
	2016	2015
Income (Loss) per books	(2,047,676)	(1,574,073)
M-1 Differences:		
Derivative adjustment	(1,589,236)	120,362
Interest - debt discount	1,716,111	
Contributions - carry forward	345,583	161,340
Accrued expenses to controlling shareholder	24,724	39,007
Other non-deductible expenses	42,156	39,644
Other adjustments to tax returns	110,882	31,476
Taxable income (loss)	(1,397,456)	(1,182,244)
 Prior year NOL	 (18,783,065)	 (17,600,821)
Cumulative NOL	(20,180,521)	(18,783,065)
 Cumulative NOL	 \$ (20,180,521)	 \$ (18,783,065)
Deferred Tax Assets:		
(34% Federal, 5% Avg. Corp. Rate)	(7,870,403)	(7,325,395)
Valuation allowance	7,870,403	7,325,395
Total	\$ -	\$ -
 Deferred tax asset for current year at combined statutory rates (39%)	 \$ (545,008)	 \$ (461,075)
Change in valuation allowance	545,008	461,075
Total	\$ -	\$ -

Note 12 – Related Party Transactions

Accounts payable, related party, includes accounts payable and interest payable to Richard Surber, CEO, and entities or companies controlled by Mr. Surber.

Mr. Surber, a related party, is providing his personal guaranty for several lines of credit and credit cards that are being utilized by the Company and its operating subsidiaries. In addition to the above, Mr. Surber is a personal guarantor to notes payable by the Company with remaining principal balances of approximately \$1,200,000. Subsequent to December 31, 2016, Mr. Surber continues to provide his personal guaranty for several lines of credit, credit cards, and loans that are being utilized by the Company and its subsidiaries. The total amount of these credit obligations could exceed the amount of \$300,000 from time to time.

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Note 13 – Lease Commitments

Operating Leases

Salon facilities are leased under operating leases expiring at various dates through 2020. Certain of these leases contain renewal options. Rent expense for the years ended December 31, 2016 and 2015 was \$225,252 and \$189,059 respectively.

As of December 31, 2016 future minimum lease payments under non-cancelable operating leases were as follows.

For the year ended December 31,	Operating Leases
2017	\$ 220,292
2018	230,129
2019	206,732
2020	128,525
Total operating lease payments	<u>\$ 785,678</u>

Capital Leases

The company has entered into lease agreements that it has evaluated under the guidance of ASC 840. The Company has classified these leases as capital leases for equipment.

	Interest Rate	Maturity Date	Monthly Payment	December 31,	
				2016	2015
Capitalized lease for equipment	3.62%	11/12/2021	\$ 389	\$ 21,294	\$ 25,110
Capitalized lease for equipment	10.07%	8/19/2020	205	7,469	9,058
Capitalized lease for equipment	14.32%	5/6/2019	2,248	54,840	-
Capitalized lease for equipment	16.96%	4/23/2016	1,535	-	5,929
Capitalized lease for equipment	17.75%	9/5/2016	485	-	4,110
Total Capital Leases Payable			\$ 4,862	83,603	44,206
Less Current portion				26,134	22,911
Long Term Capital Leases Payable				<u>\$ 57,469</u>	<u>\$ 21,295</u>

These leases have been capitalized and included with the company's equipment and is amortized as such. This amortization is included with depreciation expense for financial statement presentation. The book value of these assets is as follows:

	December 31,	
	2016	2015
Carrying Amount	\$ 76,298	\$ 85,933
Accumulated Amortization	69,321	54,543
Net Book Value	<u>\$ 6,977</u>	<u>\$ 31,390</u>

As of December 31, 2016, future minimum lease payments under non-cancelable capital leases were as follows:

	December 31, 2016
Total, net	\$ 83,603
Less current portion	26,134
Long-term portion	<u>\$ 57,469</u>

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Future minimum capital lease payments for the next 5 years:

<u>Payments for the year ended December 31,</u>	<u>Capital Lease Payments</u>
2017	\$ 34,100
2018	34,100
2019	18,363
2020	6,508
2021	4,532
Total operating lease payments	97,602
Less interest for the terms	13,999
Total, net	<u>\$ 83,603</u>

**Note 14 – 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 December 31, 2016 and 2015, the number of shares of Series A Convertible Preferred Stock issued and outstanding was 617,750 and 559,750. The Series A Preferred shares have voting rights equal to 10 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 December 31, 2016 and 2015, the number of shares of Series B Convertible Preferred Stock issued and outstanding was 15,000,000. The shares have conversion rights into shares of common stock of one (1) share of common stock for each 10 (ten) shares of Series B Preferred. A total of 20,000,000 shares have been designated and authorized as Series B Preferred Stock pursuant to a filing on August 31, 2016. On August 23, 2016 an amendment to the designation of the Series B shares was filed with the State of Utah, voting rights were amended to be 100 votes per share.

As of December 31, 2016 and 2015, the number of shares of Series C Preferred Stock issued and outstanding was 467,583 and 1,228,761 shares, respectively. The Series C Preferred shares may be converted into \$5.00 worth of common stock and are subject to redemption by SAKL in the amount of \$5.00 per share, payable in cash or common stock of the Company. 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 May 19, 2016 the Board of Directors approved the conversion of 3,000 shares of Series A Preferred shares into 230,796 shares of Common Stock. The shares were converted at \$0.13 based on the conversion provisions of the Convertible Series A Preferred Stock designation.

On May 20, 2016 the Board of Directors approved the issuance of 10,000 shares of Series A Preferred Stock in exchange for a cash payment in the sum of \$50,000.

On June 3, 2016, the Board of Directors approved the issuance of 3,000 shares of Series A Preferred Stock in exchange for a cash payment in the sum of \$15,000.

On July 5, 2016, the Board of Directors approved the issuance of 4,000 shares of Series A Preferred Stock in exchange for a cash payment in the sum of \$20,000.

On July 5, 2016 the Board of Directors approved the issuance of 20,000 shares of Series A Preferred Stock in exchange for a cash payment in the sum of \$100,000.

On July 6, 2016, the Board of Directors approved the issuance of 4,000 shares of Series A Preferred Stock in exchange for a cash payment in the sum of \$20,000.

On October 17, 2016 the Board of Directors authorized the issuance of 20,000 restricted shares of Series A Preferred Stock pursuant to a Stock Purchase Agreement for cash consideration of \$100,000.

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.

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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 October 15, 2015 the Board of Directors approved the issuance of 85,000 shares of Series C Preferred stock advisory services valued at \$425,000.

On October 30, 2015 the Board of Directors approved the conversion of 11,776 shares of Series C Preferred shares into 3,542,720 shares of Common Stock. The shares were converted at \$0.0166 based on the conversion provisions of the Convertible Series C Preferred Stock designation.

On December 7, 2015 the Board of Directors approved the conversion of 3,552 shares of Series C Preferred shares into 1,110,000 shares of common stock. The shares were converted at \$0.016 based on the conversion provisions of the Convertible Series C Preferred Stock designation.

During 2015 the Board of Directors cancelled or redeemed 278,396 shares of its Series C Preferred shares. The Board cancelled 193,636 Series C shares that the Company had held in its possession for in excess of 5 years based upon the non-performance of certain agreements. The Board approved 84,760 shares that were bought back pursuant to certain Stock Purchase Agreements.

On January 21, 2016 the Board of Directors approved conversion of 41,565 shares of Series C Preferred for the issuance of 4,618,333 shares of common stock. The shares were converted at \$0.045 based on the conversion provisions for the Convertible Series C Preferred Stock designation.

On March 8, 2016 a conversion earlier approved by the Board of Directors was carried out whereby 11,776 shares of Series C Preferred Stock were converted into 3,542,720 shares of Common Stock.

On April 22, 2016 the Board of Directors approved the issuance of 1,595,474 shares of restricted common stock from the conversion of 25,133 shares of Series C Preferred Stock. The shares were converted at \$0.07694 based on the conversion provisions for the Convertible Series C Preferred Stock designation.

The Company has signed an agreement on April 26, 2016 with TCA to redeem 85,000 shares of its Series C preferred stock with a face value of \$425,000. The agreement calls for monthly payments of \$25,000 until January 2017 when the balance owing will be due. At the conclusion of the agreement, the shares will be returned to the treasury as unissued and authorized.

On May 19, 2016 the Board of Directors approved the conversion of 169,600 shares of Series C Preferred shares into 6,523,074 shares of Common Stock. The shares were converted at \$0.13 based on the conversion provisions of the Convertible Series C Preferred Stock designation.

On July 20, 2016 the Board of Directors approved the conversion of 32,616 shares of Series C Preferred Stock into 2,232,364 shares of Common Stock. The shares were converted at \$0.07428 based on the conversion provisions of the Series C Preferred Stock.

On July 27, 2016 the Board of Directors approved the conversion of 50,000 shares of Series C Preferred Stock into 3,733,015 shares of Common Stock. The shares were converted at \$0.06626 based on the conversion provisions of the Series C Preferred Stock.

On August 5, 2016 the Board of Directors approved the issuance of 40,000 shares of Series C Preferred Stock in exchange for a cash payment in the sum of \$100,000.

On October 27, 2016 the Board of Directors approved the conversion of 10,000 shares of Series C Preferred Stock into 1,592,357 shares of Common Stock. The shares were converted at \$0.03414 based on the conversion provisions of the Series C Preferred Stock.

Common Stock

As of December 2016, SAKL was authorized to issue 990,000,000 shares of common stock with a par value of \$0.0001 per share. As of December 31, 2016 and 2015, the number of common shares issued and outstanding was 163,535,737 and 135,999,942, respectively. The common stock holds voting rights of one vote per share. It has no dividend or preemptive rights.

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On February 8, 2016 the Board of Directors approved the issuance of 2.4 million shares of common stock to satisfy an obligation under a May 11, 2015 fee agreement with Meyers Associates L.P.

On February 17, 2016 the Board of Directors approved the issuance of 600,000 restricted shares of Common Stock to John E. Fry, Jr. as compensation for his services as a director of the Company.

On February 19, 2016, 900,000 shares of Common Stock were issued in satisfaction of Red Chip Companies, Inc. contract entered into on November 3, 2015.

On March 4, 2016 the Board of Directors approved the issuance of 750,000 restricted shares of Common Stock as provided for by the terms of a Promissory Note in the amount of \$300,000 and which shares were provided as partial compensation for the granting of the loan that created the note.

On May 12, 2016 the Board of Directors approved the return to treasury of 3,800,000 shares of Common Stock held in the name of Richard Surber.

On August 3, 2016, SAKL issued a \$550,000 Convertible Promissory Note, with initial consideration of \$240,000, to Tangiers Global, LLC ("Tangiers Note") that matures August 3, 2017. The Tangiers Note bears interest at a rate of 7% per annum and can be convertible into SAKL's common shares, at the holder's option, at the conversion rate of 70% of the market price (a 30% discount) of the lowest closing price of SAKL's common shares during the ten days prior to the date of the conversion.

On October 23, 2015, the Company issued 2,105,65 shares of its common stock to an individual in satisfaction of a promissory note dated June 28, 2011 in the amount of \$33,690.

On November 3, 2015, the Company issued 900,000 shares of common stock to a corporation for investor relations services.

On December 4, 2015, the Company issued 52,569,350 shares of common stock to Richard Surber in satisfaction of debt owed to Mr. Surber as compensation.

On December 7, 2015 the Company sold 3,000,000 shares of common stock for \$45,000.

Note 15 – Litigation

From time to time, we are involved in various disputes and litigation that arise in the ordinary course of business. If the potential loss from any claim or legal proceeding is considered probable and the amount or the range of loss can be estimated, we accrue a liability for the estimated loss. Legal proceedings are subject to uncertainties, and the outcomes are difficult to predict. Because of such uncertainties, accruals are based only on the best information available at the time. As additional information becomes available, we reassess the potential liability related to pending claims and litigation matters and may revise estimates.

While the outcome of disputes and litigation matters cannot be predicted with any certainty, management does not believe that the outcome of any current matters will have a material adverse effect on our consolidated financial position, liquidity or results of operations. The following are claims and litigation of which the Company has received notification;

1. Kimberly S. Livingood and Husband, Kevin Livingood v Slide the City, LLC, Sack Lunch Productions, Inc. d/b/a Slide the City, LLC and Ride the Slide, LLC, Case No 16C760 In the Circuit Court of Hamilton County, State of Tennessee. Filed June 17, 2016, amount of damages sought are not specified. This was an injury asserted to have been occurred at a franchised Slide the City event, insurance coverage for the event has been notified and is currently providing a defense for the named parties. Sack Lunch believes itself to be an improper party to the case and has filed an answer through counsel to that effect. Discovery related to the case is ongoing at this time.
2. Jennifer Kelly v. Sack Lunch Productions, Inc. d/b/a The Dirty Dash, unknown John Does, In the Superior Court of the State of Washington, in and For Thurston County, complaint served on Sack Lunch on January 9, 2017, suit has not yet been filed with the court. Copy of the complaint has been provided to the liability insurance carrier for Dirty Dash and Sack Lunch. Claim based upon personal injury to Ms. Kelly alleged to have occurred at a Dirty Dash event on June 25, 2016 in McCleary, Washington, the amount of damages are not specified. Counsel for insurance carrier has obtained an extension to file a response until February 28, 2017 and Plaintiffs have agreed to name only Dirty Dash Productions as a defendant.

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3. Midland IRA Inc., FBO Arthur Wulf Roth IRA v Sack Lunch Productions Inc. and Richard Surber, Case No. 2017-L-003022 in the Circuit Court of Cook County, Illinois, filed March 23, 2017, seeking damages of \$217,559.68, plus additional interest, attorneys' fees and costs, arising from the December 1, 2015 Promissory Note from Sack Lunch to Plaintiff in the original amount of \$300,000. Sack Lunch has retained defense counsel to represent it in the matter and has removed the case to the U.S. District Court for the Northern District of Illinois.

Potential Causes of Action:

4. Wolfpack Event Services vs Slide the City, demand letter dated October 15, 2015 for \$21,054.57 for breach of contract, agreement alleged for events during 2015 the company responded denying liability. No court action has been filed or subsequent demands for payment received.
5. Ashely Davis v Sack Lunch Productions Inc. A personal injury claim arising out of an injury alleged to have been suffered at a Lantern Fest event held on April 23, 2016 at the Colorado National Speedway when a sound tower provided by Electifying Events, a subcontractor of The Lantern Fest Productions, Inc. fell and struck the named person. The claim has been referred to the liability insurance carrier for the event. The amount of damages and potential resolution of the claim are undetermined at this point in time.
6. Melodee Marcelle Stadler v Sack Lunch Productions, Inc. is a claim asserting injuries on June 4, 2016 at the franchised Slide the City event that took place in Davie, Florida on that date. The amount or extents of injuries and/or damages are not yet specified. The event was covered by a liability insurance policy which the franchisee had for the event. Counsel for the franchisee is expected to reply and investigate the nature of the claim and provide a defense for all parties against whom liability are alleged.
7. Dorset Realty Group Canada v. City of Surrey and Color Me Rad. Claim for the clean-up of a building located on the route of a Color Me Rad run that took place on May 23, 2015 in the City of Surrey, British Columbia, Canada. Claim for \$36,230.04 for costs to remove color that reached the building during or immediately following the event and is alleged to be the cost of removal. Liability insurance coverage for the event has been notified of the claim and is still investigating and reviewing the claim at this time.
8. Polly Crookston v. Slide the City c/o Sack Lunch Productions, notice of claim for personal injury accident on July 19, 2014 Slide the City event in Salt Lake City. Insurance carrier has been notified, no pending litigation, no details on jury claims or amount.
9. Eric Kirshenman v. Sack Lunch dba Dirty Dash LLC, notice of claim for personal injury accident June 25, 2016 at a Dirty Dash event. Insurance carrier has been notified, no pending litigation, no details on jury claims or amount.
10. Kathy Jo Pannkuk v Dirty Dash, notice of claim for personal injury accident June 25, 2016 at Dirty Dash event in McCleary, Washington. . Insurance carrier has been notified, no pending litigation, no details on injury claims or amount.
11. TCA Global Credit Master Fund, LP v Sack Lunch Productions Inc. On November 23, 2016 TCA gave Sack Lunch a Notice of Default that Sack Lunch is in default for 3 months payments that were due in accordance with the terms and provisions of the Senior Secured Credit Facility Agreement effective between the parties as of October 31, 2015. Discussions to resolve the default are ongoing and the parties have agreed to forbear enforcement of the default until March 31, 2017.

At the current time there are no other material pending legal proceedings to which SAKL or its subsidiaries are parties.

Note 16 – Concentration of Risk

Supplier Concentrations

As of December 31, 2016, the Company purchases a significant portion, approximately 95%, of its event merchandise from one supplier; Prodigy Promotions. In addition, the Company purchases approximately 99% of its salon product and merchandise from Aveda Services.

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Revenue Concentrations

The Company's salon revenue is derived from three separate retail locations located within a 5 mile radius of each other in Salt Lake City, Utah.

Note 17 – 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 December 31, 2016, SAKL had negative working capital of \$5,405,731 and an accumulated deficit of \$47,046,539.

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;
- Increase retail sales of Landis Salons, Inc.;
- Open new salon locations;
- 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 18 – Segment Reporting

The Company has three significant operating segments, action-oriented events (Events), health and beauty salons (Salons), film distribution, film production assistance and real estate rentals (Other). The Events segment is comprised of the branded events Slide the City, Color Me Rad, Lantern Fest, The Dirty Dash, and Trike Riot. The Salons segment is comprised of two Aveda Lifestyle salons and an Aveda retail store.

The following table identifies assets and profit/loss for the significant operating segments.

2016	Events	Salons	Other	Total
Total Assets	\$ 2,003,615	\$ 1,179,652	\$ 2,588,914	\$ 5,772,181
Revenue	\$ 10,945,902	\$ 3,389,810	\$ 449,199	\$ 14,784,911
Cost of Sales	(6,002,090)	(1,945,914)	(181,294)	(8,129,298)
General Costs and Depreciation	(5,581,902)	(1,482,431)	(968,208)	(8,032,541)
Other income and Expense	(2,533)	(259,925)	(408,290)	(670,748)
Segment Net income	<u>\$ (640,623)</u>	<u>\$ (298,460)</u>	<u>\$ (1,108,593)</u>	<u>\$ (2,047,676)</u>
2015	Events	Salons	Other	Total
Total Assets	\$ 3,656,455	\$ 654,409	\$ 2,103,680	\$ 6,414,544
Revenue	\$ 7,159,716	\$ 3,028,006	\$ 285,132	\$ 10,472,854
Cost of Sales	(3,810,557)	(1,655,219)	(222,324)	(5,688,100)
General Costs and Depreciation	(2,901,095)	(1,445,323)	(1,340,977)	(5,687,395)
Other income and Expense	(30,683)	(530,448)	(110,301)	(671,432)
Segment Net income	<u>\$ 417,381</u>	<u>\$ (602,984)</u>	<u>\$ (1,388,470)</u>	<u>\$ (1,574,073)</u>

Sack Lunch Productions Inc.
Notes to the Consolidated Financial Statements

Note 19 – Subsequent Events

SAKL has evaluated subsequent events through the date the financial statements were available to be issued.

On April 14, 2017 the Company entered into a Settlement Agreement and Release with John Malfatto and Martin Malfatto Squared Inc. wherein the parties agreed to terms that will end Malfatto's current employment agreement with the Company and provide for the terms under which he will continue to provide services through the end of 2017. Malfatto and Malfatto Squared will deliver to the Company 250,000 shares of Series B Preferred stock and 139,000 shares of Series A Preferred stock and return 13,142,337 shares of common stock to Richard Surber and Taylor Gourley.

Issuance of Securities

In the above stock transactions, the Board of Directors relied upon Rule 506 of the Securities Act of 1933 in originally issuing the convertible notes or preferred stock and in the subsequent issuances resulting from conversions of the notes and preferred securities into common stock were done pursuant to Rule 4(2) of the Securities Act of 1933.

Item 14: Beneficial Owners

The following table sets forth certain information concerning the ownership of the Company's common stock as of April 13, 2017, with respect to: (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's common stock; (ii) all directors; and (iii) directors and executive officers of the Company as a group. The notes accompanying the information in the table below are necessary for a complete understanding of the figures provided below. As of April 13 2017, there were 178,958,925 shares of common stock issued and outstanding.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT & NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Preferred Series "B" Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	14,250,000	95%
Preferred Series "A" Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Preferred Series "A" Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Preferred Series "A" Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Preferred Series "A" Stock	Martin Malfatto Squared, Inc. 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	139,000	22.65%
Common Stock	Richard Surber, President and Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	18,394,842	10.27%
Common Stock	David Wulf 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	7.34%
Common Stock	Taylor R. Gourley 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101(1)	13,142,337	7.34%
Common Stock	John Malfatto 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	13,142,337	7.34%
Common Stock	Gerald Einhorn.-Director 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101r	5	Less than 0.1%
Preferred Series C Stock	Richard Surber 59 West 100 South, 2 nd Floor Salt Lake City, Utah 84101	10,000	2.61%
Preferred Series "D" Stock	Mammoth Corporation	54,100	100%

Sack Lunch Productions Inc.

Common Stock	All officers and directors as a group	18,394,847	10.28%
Preferred Series "A" Stock	All officers and directors as a group	139,000	22.65%
Preferred Series "B" Stock	All officers and directors as a group	14,250,000	95%
Preferred Series "C" Stock	All officers and directors as a group	10,000	2.61%

Series "B" preferred stock has voting rights of 100 to 1 of the common stock; these shares give Mr. Surber 1,425,000,000 votes in any shareholder vote and his personal vote of these shares may not always be exercised in the best interest of the balance of the common stock shareholders.

Series "A" preferred stock has voting rights of 10 to 1 of the common stock; these shares give Mr. Surber 1,390,000 votes in any shareholder votes and his personal vote of these shares may not always be exercised in the best interest of the balance of the common stock shareholders.

Item15: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure.

1. Investment Banker: None
2. Promoters: None
3. Counsel:
 - Name: Michael Golightly
 - Address: 59 West 100 South, 2nd Floor
 - Address: Salt Lake City, UT 84101
 - Phone: 801-575-8073
 - Email: mikelegal@sacklunchproductions.com
4. Accountant or Auditor:
 - a. Management: Management is responsible for the preparation of these financial statements.
 - b. Auditor: Sadler Gibb & Associates LLC
 - Address: 2455 E. Parley's Way, Suite 320
 - Address: Salt Lake City, Utah 84109
 - Phone: 801-783-2950
 - Email: csadler@sadlergibb.com
 - c. Tax accountant: Richard Smith, CPA
 - Address: 1336 East Millbrook Way, Bountiful Utah 84010.
 - Telephone: 801-292-7613
 - Services: Richard Smith, CPA provides all income tax preparation services.
5. Public Relations Consultant: None
6. Investor Relations Consultant:
 - Name: RedChip Companies, Inc.
 - Address: 1017 Maitland Center Commons Blvd
 - Address: Maitland, Florida 32751
 - Email: bruce@redchip.com
 - Phone: 407-644-4256
7. Any other advisor: None

Item 16: 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

The current operations of Sack Lunch Productions, Inc. ("SAKL" or the "Company") consist of Four principal areas: (1) the entertainment events operated under the Slide the City™ Color Me Rad™, Dirty Dash™ and LanternFest™ divisions of the Company (2) assisting with the development and production of film products, and (3) the operation of Landis Lifestyle Salons through SAKL's ownership interest in Green Endeavors, Inc. ("GRNE"). The following discussion examines SAKL's financial condition as a result of operations for the years ended December 31, 2016 and 2015.

Results of Operations

The following discussion examines our results of operations and financial condition based on our consolidated financial statements for the years ended December 31, 2016 and 2015.

Revenue

Years ended December 31, 2016 and 2015

Gross revenues for the years ended December 31, 2016, were \$14,784,911 as compared to \$10,472,854 for the same period in 2015. The increase in revenue for the year ended December 31, 2016 compared with the same period in 2015 was \$4,312,057, or 41.17%, is primarily due to an increase of \$4,499,451 in event revenue and an increase of \$429,425 in salon services and offset by a decrease in franchise and royalty revenue of \$179,610.

	Years Ended December 31,		
	2016	2015	Change
Services	\$ 12,960,812	\$ 8,031,936	\$ 4,928,876
Product	762,071	829,692	(67,621)
Rent	38,121	39,680	(1,559)
Franchise Fees and			
Royalties	616,092	795,702	(179,610)
Other	407,815	775,844	(368,029)
Total revenue	<u>\$ 14,784,911</u>	<u>\$ 10,472,854</u>	<u>\$ 4,312,057</u>

Costs and Expenses

Years ended December 31, 2016 and 2015

Costs of revenue for the year ended December 31, 2016, increased to \$16,161,839 from \$11,375,495 for the year ended December 31, 2015 an increase of \$4,786,344 or 42.08%. This increase over the comparable annual periods is primarily attributable to an increase in the number of Events held.

The following table shows general and administrative expense for the years ended December 31, 2016 and 2015:

	2016	2015	Change
Rent	225,252	189,059	36,193
Advertising and Promotion	1,326,386	621,067	705,319
Credit Card Merchant Fees	443,426	269,973	173,453
Insurance	220,633	181,276	39,357
Utilities and Telephone	115,864	75,242	40,622
Professional Services	1,145,252	1,058,418	86,834
Repairs and maintenance	63,754	59,139	4,615
Dues and Subscriptions	43,070	39,857	3,213
Office Expense	451,055	324,483	126,572
Travel	171,655	398,429	(226,774)
Investor Relations and Company promotions	70,108	144,958	(74,850)
Charitable Contributions	352,909	15,178	337,731
Other	11,789	184,706	(172,917)
	<u>\$ 4,641,153</u>	<u>\$ 3,561,785</u>	<u>\$ 1,079,368</u>

The increase in general and administrative expenses over the comparable annual periods is primarily due to increases in advertising and promotion and charitable contributions, offset by decreases in travel and other expenses.

Depreciation and amortization expense for the year ended December 31, 2016, increased to \$500,485 from \$359,205 for the year ended December 31, 2015.

Other Expenses, net

Years ended December 31, 2016 and 2015

Other income (expenses), net for the year ended December 31, 2016, resulted in an expense of \$670,748 compared to an expense of \$671,432 for the year ended December 31, 2015, an increase of \$684 or 0.01%. This decrease over the comparable annual periods is primarily due to \$2,973,134 of interest expense, offset by a \$1,691,864 gain on derivative activity in 2016.

Net Income (Losses)

Years ended December 31, 2016 and 2015

Net losses for the year ended December 31, 2016, was \$2,047,676 compared to a loss of \$1,574,073 for the year ended December 31, 2015, an increase loss of \$473,603 or 30.09%. This increase is primarily due to an increase of \$3,356,705 in event expenses, an increase of \$1,079,368 in general and administrative expenses, offset by a decrease in cost of products of \$874,477.

Liquidity and Capital Resources

As of December 31, 2016

We had a working capital deficit of \$5,405,731 as of December 31, 2016. Our current assets were \$2,439,080, which consisted of \$889,486 in cash, \$96,208 in accounts receivable net of allowance for doubtful accounts, \$230,823 in prepaid expenses, and \$1,222,563 in inventory. Our total assets were \$5,772,181, which included \$2,048,343 in property and equipment (net), \$184,295 in notes receivable, \$113,212 in other assets, \$847,496 in trademarks, tradenames and customer intangibles and \$139,755 in Goodwill. Our current liabilities were \$7,844,811, including \$3,690,306 in accounts payable and accrued liabilities, \$289,466 in deferred revenue, \$1,065,774 in current portion of notes payable, \$34,309 in current portion of notes payable, related party, \$26,134 in current portion of lease obligation, \$2,084,158 in convertible notes, net, \$595,270 in derivative liabilities, and \$59,394 in convertible related party notes. Our long-term liabilities were \$623,681 which included \$566,212 in long-term portion of notes payable, and \$57,469 in long-term portion of lease obligations. Our total stockholders' deficit at December 31, 2016, was \$47,090,108.

Cash Flows from Operating Activities

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

Years ended December 31, 2016 and 2015

Net cash used by operating activities for the year ended December 31, 2016, was \$262,874 as compared to \$1,608,928 for the year ended December 31, 2015. The decrease in cash provided by operating activities over the comparable periods is primarily due to change in derivative fair value adjustment.

We expect to increase cash provided by operating activities over the next twelve months by executing the individual business strategies of our subsidiaries which are outlined in note 17.

Cash Flows from Investing Activities

Years ended December 31, 2016 and 2015

Cash flow used in investing activities for the year ended December 31, 2016, was \$130,885 as compared to \$414,243 for the year ended December 31, 2015. The decrease in cash flows used in investing activities is primarily due to a decrease in the purchases of property, plant, and equipment.

We expect to continue our investing activities, including purchasing both property and equipment for an additional salon location and making both short and long-term equity investments.

Cash Flows from Financing Activities

Years ended December 31, 2016 and 2015

Cash flows provided in financing activities for the year ended December 31, 2016, was \$479,560 as compared to \$2,155,343 for the year ended December 31, 2015. The decrease in cash provided by financing activities is primarily due to an increase in payments on notes issued in prior periods. We expect to make payments on these notes for the duration of their lives as outlined in notes 7, 8, 9 and 13.

Other Factors Affecting Liquidity and Capital Resources

We have insufficient current assets to meet our current liabilities due to negative working capital of \$5,405,731 as of December 31, 2016. 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.

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.

Known Trends, Events, or Uncertainties

Part E: Issuance History

Item 17: List of securities offerings and shares issued for services in the past two years.

There were no common stock issuances or grants of stock options during the years ended December 31, 2016 and 2015:

Part F: Exhibits

Item 18: Material Contracts.

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 July 13, 2016 the Company entered into an agreement with TCA Global Credit Master Fund LP for an additional draw of \$440,000 under its existing Credit Agreement and \$375,000 to satisfy the Company’s obligation under

Sack Lunch Productions Inc.

its Stock Repurchase Agreement with TCA. After fees and costs the Company received the return of 85,000 shares of restricted Series C Preferred shares held in the name of TCA worth a total of 450,000.

Acquisition Agreement dated August 7, 2015 between Sack Lunch Productions, Inc. and Springbok Holdings, LLC and its controlling members 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 SAKL subsidiary and The Dirty Dash™ and Color Me Rad™. Two events over which Springbok held exclusive control.

Subsequent Events

On April 14, 2017 the Company entered into a Settlement Agreement and Release with John Malfatto and Martin Malfatto Squared Inc. wherein the parties agreed to terms that will end Malfatto's current employment agreement with the Company and provide for the terms under which he will continue to provide services through the end of 2017. Malfatto and Malfatto Squared will deliver to the Company 250,000 shares of Series B Preferred stock and 139,000 shares of Series A Preferred stock and return 13,142,337 shares of common stock to Richard Surber and Taylor Gourley.

Effective as of March 31, 2017 SAKL entered into a Stock Purchase Agreement with David Wulf to sell and transfer 100% of the issued and outstanding shares of stock SAKL held of Redline Entertainment, Inc. and WG Productions, Inc. in exchange for 50,000 shares of Series A Preferred Stock held by Mr. Wulf. The transfer will divest SAKL of its interest in film production and distribution as of March 31, 2017.

Item 19: 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 20: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None

Item 21: Issuer's Certifications

I, Richard D. Surber, certify that:

1. I have reviewed this disclosure statement for the years ended December 31, 2016 and 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: May 1, 2017

/s/ Richard D. Surber

Richard D. Surber

President, CEO, CFO and Director