

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **January 31, 2018**

Commission File Number **333-205310**

SHARING SERVICES, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization) **30-0869786** (I.R.S. Employer Identification No.)

1700 Coit Rd., Suite 100, Plano, Texas 75075
(Address of principal executive offices)(Zip Code)

(714) 203-6717
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(X) Yes () No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). () yes (X) No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

[] Large accelerated filer [] Accelerated filer
[] Non-accelerated filer (Do not check if a smaller reporting company)
[X] Smaller reporting company [X] Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). () Yes (X) No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of March 23, 2018, there were 54,860,000 shares of class A common stock issued and outstanding and 10,000,000 shares of class B common stock issued and outstanding .

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

SHARING SERVICES, INC.

Index to the Unaudited Interim Consolidated Financial Statements

For the Period from May 5, 2017 (Inception) to January 31, 2018

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SHARING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	January 31, 2018
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 175,451
Accounts receivable	366,269
Inventory	91,755
Prepaid expenses and deposits	297,358
Total Current Assets	930,833
Property and equipment, net	46,173
Investments	2,382,188
TOTAL ASSETS	\$ 3,359,194
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accounts payable and accrued expenses	\$ 377,807
Accrued interest - related parties	2,942
Advance from customers	128,851
Due to related parties	5,648
Investment payable	75,000
Convertible notes payable, net of unamortized debt discount of \$443,522	71,478
Convertible notes payable - related party, net of unamortized debt discount of \$39,178	10,822
Notes payable	35,000
Notes payable - related parties	16,500
Derivative liabilities	5,265,314
Total Current Liabilities	5,989,362
TOTAL LIABILITIES	5,989,362
Stockholders' Deficit	
Preferred stock, \$0.0001 par value, 200,000,000 shares authorized:	
Series A convertible preferred stock, \$0.0001 par value, 100,000,000 shares designated; 85,194,540 shares issued and outstanding	8,519
Series B convertible preferred stock, \$0.0001 par value, 10,000,000 shares designated; 10,000,000 shares issued and outstanding	1,000
Series C convertible preferred stock, \$0.0001 par value, 10,000,000 shares designated; 3,680,000 shares issued and outstanding	368
Common Stock, \$0.0001 par value, 500,000,000 million Class A shares authorized, 54,860,000 shares issued and outstanding as of January 31, 2018; 10,000,000 Class B authorized, 10,000,000 shares issued and outstanding as of January 31, 2018	6,486
Additional paid in capital	4,313,897
Accumulated deficit	(6,976,438)
Stock subscription	16,000
Total Stockholders' Deficit	(2,630,168)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 3,359,194

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

SHARING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended January 31, 2018	Date of Inception (May 5, 2017) to January 31, 2018
Revenues	\$ 960,182	\$ 960,182
Cost of sales	673,551	673,551
Gross profit	<u>286,631</u>	<u>286,631</u>
Operating Expenses		
General and administration	194,201	288,971
Marketing expenses	-	694,207
Stock based compensation	-	1,308,948
Professional	117,882	151,554
Total operating expenses	<u>312,083</u>	<u>2,443,680</u>
Operating loss	(25,452)	(2,157,049)
Other income (expense)		
Interest expense	(118,229)	(241,424)
Change in fair value of derivative liability	(3,455,374)	(4,577,965)
Total other expense	<u>(3,573,603)</u>	<u>(4,819,389)</u>
Net loss	\$ <u>(3,599,055)</u>	\$ <u>(6,976,438)</u>
Basic and dilutive loss per common share	\$ <u>(0.06)</u>	\$ <u>(0.12)</u>
Weighted average number of common shares outstanding - basic and diluted		
	<u>64,860,000</u>	<u>60,461,176</u>

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

SHARING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Date of Inception (May 5, 2017) to January 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (6,976,438)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	800
Stock-based compensation	1,308,948
Amortization of debt discount and debt issue cost	183,300
Change in fair value of derivative	4,577,965
Changes in operating assets and liabilities:	
Accounts receivable	(366,269)
Inventory	(91,755)
Prepaid expenses	(296,233)
Accounts payable and accrued expenses	371,627
Accrued interest, related parties	2,812
Deferred revenue	128,851
Net Cash Used in Operating Activities	<u>(1,156,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(43,111)
Cash from acquisition of subsidiaries	57,605
Equity Investment	(15,000)
Net Cash Used in Investing Activities	<u>(506)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from issuance of convertible notes payable	544,000
Proceeds from issuance of convertible note payable - related party	50,000
Repayments of convertible notes payable	(101,000)
Proceeds from issuance of Series C Convertible preferred stock	853,500
Repayment of promissory notes payable	(15,000)
Proceeds from related parties	849
Net Cash Provided by Financing Activities	<u>1,332,349</u>
Increase in cash and cash equivalents	175,451
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	<u>\$ 175,451</u>
Supplemental cash flow information	
Cash paid for interest	\$ 43,475
Cash paid for taxes	\$ -
Supplemented disclosure of non-cash investing and financing activities	
Series A Convertible Preferred Stock issued for equity investments	\$ 2,282,188
Derivative liability recognized as debt discount	\$ 594,000
Investment payable for equity investments	\$ 75,000

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

SHARING SERVICES, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2018

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Sharing Services, Inc. (“Sharing Services”, “we”, “us”, or the “Company”) was incorporated on April 24, 2014 in the State of Nevada. The Company’s wholly owned subsidiary, Total Travel Media, Inc. (“Total Travel Media”, or “TTM”), was incorporated on May 5, 2017 in the State of Nevada. The Company’s wholly-owned subsidiary, Four Oceans Holdings, Inc. (“Four Oceans”), was incorporated on September 22, 2017 in the State of Nevada. The fiscal year end is April 30. The Company acquired Total Travel Media on May 23, 2017. While Total Travel Media is a wholly owned subsidiary of the Company, for financial accounting purposes the transaction has been treated as a reverse acquisition (reference is made to the paragraph below entitled “Recapitalization”). The Company acquired Four Oceans from related parties and was treated as an acquisition under common control. See Note 11 - Related Party Considerations.

The Company was originally formed to launch a taxi sharing website and application. Beginning on February 1, 2017 the Company changed its business model and is now a travel and technology management company. Sharing Services is a direct-selling model with a subscription-based vacation portal.

Share Exchange and Acquisition – Four Oceans Holdings, Inc.

On September 29, 2017, Sharing Services, Inc., entered into a Share Exchange Agreement with Four Oceans Holdings, Inc., a Nevada corporation. Pursuant to the terms of the Agreement, the Company acquired all of the shares of capital stock of Four Oceans from the holders of such stock (the “Equity-Holders”), in exchange for the issuance of Seventy-five Million (75,000,000) newly-issued restricted shares of the Company’s Series A Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”). Following the closing, Four Oceans operated as a wholly-owned subsidiary of the Company.

Four Oceans was controlled by Alchemist Holdings, LLC, a Company controlled by our Chairman, who received 50,000,000 Series A Preferred stock; Bear Bull Market Dividends, Inc., a Company that is a significant shareholder of Sharing Services, who received 20,000,000 Series A Preferred stock; and Research and Referral BZ received 5,000,000 shares. As a result of these share exchanges, Four Oceans became a 100% owned subsidiary of the Company. As these transactions are between entities under common control, the Company has reported the results of operations for the period in a manner similar to a pooling of interests and has consolidated financial results since the initial date in which the above companies were under common control. Assets and liabilities were combined on their carrying values and no recognition of goodwill was made. The Company has presented earnings per share based on the new parent company shares issued to the former shareholders of the Company.

Share Exchange and Reorganization – Total Travel Media, Inc.

On May 23, 2017, Sharing Services, Inc., entered into a Share Exchange Agreement (the “Agreement”) with Total Travel Media, Inc. On May 23, 2017, there was a Closing of the transaction (the “Closing Date”). Pursuant to the terms of the Agreement, the Company acquired all of the shares of capital stock of TTM from the holders of such stock (the “Equity-Holders”), in exchange for the issuance of Ten Million (10,000,000) newly-issued shares of the Company’s Common Class B Stock, par value \$0.0001 per share and (ii) Ten Million (10,000,000) newly-issued shares of the Company’s Series B Preferred Stock, par value \$0.0001 per share. Following the Closing Date, TTM will operate as a wholly-owned subsidiary of the Company.

Recapitalization

For financial accounting purposes, this transaction was treated as a reverse acquisition by Total Travel Media, and resulted in a recapitalization with Total Travel Media being the accounting acquirer and Sharing Services as the acquired company. The consummation of this reverse acquisition resulted in a change of control. Accordingly, the historical financial statements prior to the acquisition are those of the accounting acquirer, Total Travel Media, and have been prepared to give retroactive effect to the reverse acquisition completed on May 23, 2017, and represent the operations of Total Travel Media. The consolidated financial statements after the acquisition date, May 23, 2017,

include the balance sheets of both companies at historical cost, the historical results of Total Travel Media and the results of the Company from the acquisition date. All share and per share information in the accompanying consolidated financial statements and footnotes has been retroactively restated to reflect the recapitalization.

Going concern

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. To date the Company has generated \$960,182 in revenues from its business operations and has an accumulated deficit of \$6,976,438. As of January 31, 2018, the Company had a working capital deficit of \$5,058,529. The Company requires additional funding to meet its ongoing obligations and to fund anticipated operating losses. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company has initiated extensive direct sales and social media marketing which it expects to drive significant sales volume of the Company's products, and services over the next several months. The Company expects to become profitable and not need additional outside funding once working capital needs have been met. The acceptance of the Company's marketing efforts are uncertain and therefore, the Company has plans to continue to fund its business by way of private placements, promissory notes, convertible promissory notes and advances from related parties as may be required.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net revenues and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

In managements' opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Use of Estimates and Assumptions

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions about the valuation and recognition of stock-based compensation expense, the valuation and recognition of derivative liability, valuation allowance for deferred tax assets and useful life of fixed assets.

Principles of Consolidation

For January 31, 2018, the unaudited consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, Total Travel Media, Inc. and Four Oceans Holding, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and on deposit at banking institutions as well as all highly liquid short-term investments with original maturities of 90 days or less. As of January 31, 2018 the Company had cash and cash equivalents of \$175,451.

Fair value measurements

Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. A three-tier hierarchy is established to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs); and establishes a classification of fair value measurements for disclosure purposes.

The hierarchy is summarized in the three broad levels listed below:

Level 1 - quoted prices in active markets for identical assets and liabilities
Level 2 - other significant observable inputs (including quoted prices for similar assets and liabilities, interest rates, credit risk, etc.)
Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of assets and liabilities).

In accordance with Accounting Standards Codification ("ASC") 815, the Company's debt derivative liabilities are measured at fair value on a recurring basis, and are level 3 measurements in the three-tier fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during the period of inception (May 5, 2017) to January 31, 2018.

Fair value of financial instruments

The Company's financial instruments consist primarily of cash, accounts payable and accrued expenses, and debt. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

The following table summarizes fair value measurements by level at January 31, 2018 measured at fair value on a recurring basis:

January 31, 2018	Level 1	Level 2	Level 3	Total
Derivative liabilities	\$ -	\$ -	\$ 5,265,314	\$ 5,265,314

Related Parties

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions (see Note 11).

Long-Lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Each impairment test is based on a comparison of the undiscounted future cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value.

Property and Equipment

Furniture and equipment is recorded at cost reduced by accumulated depreciation. Depreciation expense is recognized over the assets' estimated useful lives using the straight-line method. Estimated useful lives of the equipment are as follows:

Office equipment - 5 years Furniture and fixtures - 3 years

Estimated useful lives are periodically reviewed and, when appropriate, changes are made prospectively. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

Accounts Receivable and Allowance for Uncollectible Accounts

Substantially all of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for services. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the number of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged against the allowance when it is probable that the receivable will not be recovered. As of January 31, 2018, the Company determined no valuation allowance for doubtful accounts was required, for the Company's accounts receivable.

Revenue Recognition

In accordance with ASC 605, "*Revenue Recognition*", revenue is recognized when, specifically when all the following conditions are met:

- There is clear evidence that an arrangement exists;
- Services are provided or products are delivered to customers;
- Amounts are fixed or can be determined;
- The ability to collect is reasonably assured;
- There is no significant obligation for future performance; and
- The amount of future returns can be reasonably estimated.

The Company generally recognizes revenue upon delivery and when both the title and risk and rewards pass to the Independent Representative or Customer. Product sales are recognized net of product returns and discounts referred to as "returns and allowances." Net sales include product sales net of processing fees. The Company generally receives the net sales price through credit card payments on the Company Website or at the point of sale. Products sold on an annual basis are recognized as revenue over the following twelve months. Allowances for product returns have not been provided due to the short period that the products have been sold. As historical data is collected a reserve will be provided at the time the sale is recorded.

The Company recognizes revenue when the products are shipped and services are complete.

Deferred Revenue

At January 31, 2018, the Company had advances from customers of \$128,851. Advances from customers are a component of deferred revenue in the consolidated balance sheets and includes billings to customers where the

product has not shipped, for services that were in process but not completed and for annual memberships and other products which are recognized over the succeeding twelve months.

Cost of Sales

The Cost of merchandise sold is recognized at the time of revenue recognition, as the product is shipped and services are complete.

Share-Based Expense

ASC 718, "*Compensation - Stock Compensation*," prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, "*Equity - Based Payments to Non-Employees*." Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

Share-based expense totaled \$1,308,948 for the period from inception (May 5, 2017) to January 31, 2018.

Advertising Costs

The Company follows ASC 720, "*Advertising Costs*," and expenses costs as incurred. Advertising and marketing expense totaled \$694,207 for the period from inception (May 5, 2017) to January 31, 2018.

Income Taxes

The Company utilizes the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for operating loss and tax credit carry-forwards and for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that the value of such assets will be realized.

The Company uses the two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At January 31, 2018, the Company did not record any liabilities for uncertain tax positions.

Basic and Diluted Net Loss per Common Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the

issuance of common stock that could share in the earnings of the Company. There were convertible notes and accrued interest for approximately \$575,034 and 101,874,540 convertible preferred shares issued by the Company during the period ended January 31, 2018. Potential dilutive instruments as at January 31, 2018, consisted of the following common share equivalents:

	January 31, 2018
Warrants	333,333
Convertible notes	31,089,702
Convertible preferred shares	101,874,540
	<u>133,279,575</u>

Diluted loss per share is the same as basic loss per share during periods where net losses are incurred since the inclusion of the potential common stock equivalents would be anti-dilutive as a result of the net loss.

Recently Issued Accounting Standards

In November 2017, the FASB has issued Accounting Standards Update (ASU) No. 2017-14, “*Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*.” ASU 2017-14 includes amendments to certain SEC paragraphs within the FASB Accounting Standards Codification (Codification). ASU 2017-14 amends the Codification to incorporate the following previously issued guidance from the SEC. ‘The amendments in ASU No. 2017-14 amends the Codification to incorporate SEC Staff Accounting Bulletin (SAB) No. 116 and SEC Interpretive Release on Vaccines for Federal Government Stockpiles (SEC Release No. 33-10403) that bring existing SEC staff guidance into conformity with the FASB’s adoption of and amendments to ASC Topic 606, Revenue from Contracts with Customers.

In September 2017, the FASB has issued Accounting Standards Update (ASU) No. 2017-13 , “*Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments.*” The amendments in ASU No. 2017-13 amends the early adoption date option for certain companies related to the adoption of ASU No. 2014-09 and ASU No. 2016-02. Both of the below entities may still adopt using the public company adoption guidance in the related ASUs, as amended. The effective date is the same as the effective date and transition requirements for the amendments for ASU 2014-09 and ASU 2016-02.

In February 2017, the FASB has issued Accounting Standards Update (ASU) No. 2017-05, “*Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.*” The amendments clarify that a financial asset is within the scope of Subtopic 610-20 if it meets the definition of an in substance nonfinancial asset. The amendments also define the term in substance nonfinancial asset. The amendments clarify that nonfinancial assets within the scope of Subtopic 610-20 may include nonfinancial assets transferred within a legal entity to a counterparty. For example, a parent may transfer control of nonfinancial assets by transferring ownership interests in a consolidated subsidiary. A contract that includes the transfer of ownership interests in one or more consolidated subsidiaries is within the scope of Subtopic 610-20 if substantially all of the fair value of the assets that are promised to the counterparty in a contract is concentrated in nonfinancial assets. The amendments clarify that an entity should identify each distinct nonfinancial asset or in substance nonfinancial asset promised to a counterparty and derecognize each asset when a counterparty obtains control of it. Effective at the same time as the amendments in Update 2014-09, Revenue from Contracts with Customers (Topic 606). Therefore, public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the amendments in this Update to annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities should apply the amendments in this Update to annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. All other entities may apply the guidance earlier as of annual reporting periods beginning

after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance earlier as of annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance. An entity is required to apply the amendments in this Update at the same time that it applies the amendments in Update 2014-09. The Company is currently evaluating the potential impact this standard may have on its consolidated financial position and results of operations.

In January 2017, the FASB has issued Accounting Standards Update (ASU) No. 2017-04, “Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.” These amendments eliminate Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. Effective for public business entities that are a SEC filers for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. ASU 2017-04 should be adopted on a prospective basis. The Company does not anticipate the adoption of ASU 2017-04 will have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business.” This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This new standard will be effective for the Company on January 1, 2018, however, early adoption is permitted with prospective application to any business development transaction.

Management has considered all recent accounting pronouncements issued. The Company’s management believes that these recent pronouncements will not have a material effect on the Company’s consolidated financial statements.

NOTE 3 – ACCOUNTS RECEIVABLE

As at January 31, 2018, accounts receivable of \$366,269 represents the billed revenue due from merchant processor net of deferred revenue and merchant processing fees. The full amount was received in subsequent payments, thus no allowance for doubtful accounts was required at January 31, 2018

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consisted of the following at January 31, 2018:

	January 31, 2018
Prepaid expenses	\$ 57,910
Vendor deposits	210,287
Security deposit	29,161
	<u>\$ 297,358</u>

Prepaid expenses consist of payments for goods and services which will be consumed in the Company’s operations in the next operating cycle.

Vendor deposits represent 50% of open purchase orders to the Company's primary supplier, per the vendor agreement.

Security deposits are for the new corporate offices per the lease agreement. See subsequent events (Note 14) regarding the new Corporate offices.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at January 31, 2018:

	January 31, 2018	
Furniture and fixtures	\$	18,928
Office and computer equipment		28,178
Accumulated depreciation		(933)
Property and equipment, net	\$	46,173

The depreciation expense for the period from inception to January 31, 2018 was \$800.

NOTE 6 – EQUITY INVESTMENTS

212 Technologies, LLC

On May 21, 2017, the Company entered into a transaction whereby the Company will acquire a Forty-eight percent (48%) interest in 212 Technologies, LLC, a Montana limited liability company ("212 Tech"), in exchange for 15,628,750 shares of the Company's Series A Convertible Preferred Stock and cash in the amount of \$100,000. 212 Technologies, LLC is a developer of end-to-end online marketing and direct sales software systems. Initially, the Company will acquire a Twenty-four percent (24%) interest in exchange for 5,628,750 shares of the Company's Series A Convertible Preferred Stock and cash. The Stakeholder and Investment Agreement dated May 21, 2017 also provides for the acquisition by the Company of the remaining twenty-four percent (24%) interest in 212 Tech at a future date in exchange for an additional 10,000,000 shares of the Company's Series A Preferred Stock, when the following milestones have been reached: (i) One year has passed from the original MOU; and (ii) the price per share of the Company's common stock is quoted at \$10.00 or more. The Company, in exchange, received a non-exclusive, non-royalty bearing, perpetual, worldwide license of all of the Intellectual Property Rights developed and held by 212 Tech.

The Company acquired a 24% interest in 212 Tech by paying \$25,000 in cash, leaving a payable of \$75,000, and issuing 5,628,750 shares of Series A Convertible Preferred Stock, with a deemed value of \$0.25 per share or \$1,407,188. As of January 31, 2018, we recorded \$1,507,188 as an investment at cost.

561 LLC

The Company acquired a 25% interest in 561 LLC by agreeing to issue 2,500,000 shares of Series A Convertible Preferred Stock, with a deemed value of \$0.25 per share or \$625,000. The shares are to be issued to the 561 Equity-holders as follows: 625,000 shares issued within 5 days of the closing date and 625,000 shares issued on or before December 31, 2017. These shares are issued and outstanding at January 31, 2018. 625,000 Shares are to be issued on or before April 30, 2018 and 625,000 Shares are to be issued on or before August 31, 2018. As of January 31, 2018, we recorded \$312,500 as an investment at cost for the 1,250,000 shares issued.

The 561 Equity-Holders shall be entitled to an additional Two Million Five Hundred Thousand (2,500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when both of the following conditions have been met: (a) Following the first year's anniversary of the Closing Date and (b) the closing bid price of the Company's common stock equals or exceeds \$5.00 per share, as reported by OTC Markets, Inc. If these conditions are met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

The 561 Equity-Holders shall be entitled to an additional Two Million Five Hundred Thousand (2,500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when the following conditions have been met: The Company shall be the owner of record of no less than Forty percent (40%) of the member interests in each of (i) 561 and (ii) its affiliated company, America Approved Commercial, LLC. If these conditions are met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

America Approved Commercial LLC

The Company acquired a 25% interest in America Approved Commercial LLC by issuing 2,500,000 shares of Series A Convertible Preferred Stock, with a deemed value of \$0.25 pure share or \$625,000. The Company issued 625,000 shares during the period ended January 31, 2018. As of January 31, 2018, we recorded \$ 312,500 as an investment at cost for the first installment of 625,000 shares issued.

The AAC Equity-Holders shall be entitled to an additional Two Million Five Hundred Thousand (2,500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when both of the following conditions have been met: (a) Following the first year's anniversary of the Closing Date and (b) the closing bid price of the Company's common stock equals or exceeds \$5.00 per share, as reported by OTC Markets, Inc. If these conditions are met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

The AAC Equity-Holders shall be entitled to another additional Two Million Five Hundred Thousand (2,500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when the following conditions have been met: The Company shall be the owner of record of no less than Forty percent (40%) of the member interests in each of (i) AAC and (ii) its affiliated company, 561, LLC. If these conditions are met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

Medical Smart Care LLC

The Company acquired a 40% interest in Medical Smart Care LLC for 1,000,000 shares of Series A Convertible Preferred Stock, with a deem value of \$0.25 pure share or \$250,000. The shares are to be issued to the Medical Smart Care Equity-holder as follows: 250,000 shares issued within 5 days of the closing date and 250,000 shares issued on or before December 31, 2017. These shares were issued in November and December 2017 with the mutual consent of the parties. 250,000 Shares are to be issued on or before April 30, 2018; and 250,000 Shares are to be issued on or before August 31, 2018. As of January 31, 2018, we recorded \$125,000 as an investment at cost for the installments of 500,000 shares issued.

LEH Insurance Group LLC

The Company acquired a 40% interest in LEH Insurance Group LLC ("LEHIG") by issuing 500,000 shares of Series A Convertible Preferred Stock, with a deem value of \$0.25 pure share or \$125,000. As of January 31, 2018, we recorded \$125,000 as an investment at cost. The 500,000 shares were issued to the LEHIG Equity-holder in November 2017.

The LEHIG Equity-Holder shall be entitled to an additional Five Hundred Thousand (500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when the following condition has been met: Prior to December 31, 2018, LEHIG has booked premiums of at least Five Hundred Thousand dollars (\$500,000). If this condition is met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

The LEHIG Equity-Holder shall be entitled to a second additional Five Hundred Thousand (500,000) of shares of the Company's restricted Series A Preferred Stock, \$0.0001 par value per share, when the following condition has been met: Prior to December 31, 2018, LEHIG has booked premiums of at least One Million dollars (\$1,000,000). If this condition is met, the Company shall cause the issuance of such shares within ten (10) calendar days of the satisfaction of such conditions.

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at January 31, 2018:

	January 31, 2018
Accounts payable	\$ 68,738
Accrued commissions	240,884
Accrued expenses	56,211
Accrued interest	11,974
	<u>\$ 377,807</u>

Accrued commissions consisted of commissions earned on sales of products and services by independent representatives and paid in the following month.

NOTE 8 - NOTES PAYABLE

Notes payable consisted of the following at January 31, 2018:

	January 31, 2018	Interest Rate	Maturity
Dated – March 20, 2017	\$ 10,000	12%	March 18, 2018
Dated – May 4, 2017	10,000	12%	May 3, 2018
Dated – May 11, 2017	<u>15,000</u>	12%	May 10, 2018
Total notes payable	35,000		
Less: current portion of notes payable	<u>35,000</u>		
Long-term notes payable	<u>\$ -</u>		

As of January 31, 2018, the Company accrued interest on these notes of \$3,255 and recorded interest expense of \$3,117 in interest expense for the period from inception (May 5, 2017) to January 31, 2018.

NOTE 9 - CONVERTIBLE NOTES PAYABLE

Convertible notes payable consisted of the following as of January 31, 2018:

	January 31, 2018
Dated – September 26, 2017	\$ 15,000
Dated – October 6, 2017	50,000
Dated - October 10, 2017	100,000
Dated - December 15, 2017	100,000
Dated - January 22, 2018	<u>250,000</u>
Total convertible notes payable	515,000
Less: debt discount and deferred financing fees	<u>(443,522)</u>
	71,478
Less: current portion of convertible notes payable	<u>71,478</u>
Long-term convertible notes payable	<u>\$ -</u>

The Company recognized amortization expense related to the debt discount and deferred financing fees of \$71,478 for the period of inception (May 5, 2017) to January 31, 2018, which are included in interest expense in the

consolidated statements of operations. The Company also recorded an interest of \$25,139 on the convertible notes payables, during the period from inception (May 5, 2017) to January 31, 2018.

On November 14, 2017, the Company paid \$90,055, for settlement of the note dated May 15, 2017, with a principal balance of \$63,000. For the period ended January 31, 2018, the Company recorded \$23,534 in prepayment penalties and accrued interest payable and recognized a gain of \$93,285 from the change in derivative liability.

On December 28, 2017, the Company paid \$54,420, for settlement of the note dated June 20, 2017, with a principal balance of \$38,000. As of January 31, 2018, the Company recorded \$14,321 in prepayment penalties and accrued interest payable and recognized a gain of \$57,439 from the change in derivative liability.

Promissory Notes – Issued in Fiscal year 2018

During the period of inception (May 5, 2017) to January 31, 2018, the Company issued a total of \$616,000 notes with the following terms:

- Terms of zero to 5 years
- Annual interest rates of 12%
- Convertible at the option of the holders at issuance to 180 days after issuance date.
- Conversion prices are typically based on the discounted (39% discount) lowest two (2) trading prices of the Company's common shares during the fifteen (15) trading day period prior to conversion. Three notes have a fixed conversion price of \$0.005, \$0.01 and \$0.15 per share respectively.
- Warrants to purchase up to 333,333 shares of common stock at an exercise price of \$0.15 per share.

The notes allow the Company to redeem the notes at rates ranging from 110% to 135% depending on the redemption date provided that no redemption is allowed after the 180th day. The Company received net cash of \$509,000 on the convertible notes and recognized \$6,000 as deferred financing fee, which is being amortized over the term of the convertible notes.

The Company determined that the conversion feature met the definition of a liability in accordance with ASC Topic No. 815 - 40, “*Derivatives and Hedging - Contracts in Entity's Own Stock*,” and therefore bifurcated the embedded conversion option once the note becomes convertible and accounted for it as a derivative liability. The fair value of the conversion feature was recorded as a debt discount and amortized to interest expense over the term of the note.

The Company valued the conversion feature using the Binomial option pricing valuation model. The fair value of the derivative liability for all the notes amounted to \$7,376,788. \$544,000 of the value assigned to the derivative liability was recognized as a debt discount to the notes while the balance of \$6,832,788 was recognized as a “day 1” derivative loss.

NOTE 10 - DERIVATIVE LIABILITIES

The Company analyzed the conversion option for derivative accounting consideration under ASC 815, “*Derivatives and Hedging*,” and determined that the instrument should be classified as a liability since the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

The Company determined our derivative liabilities to be a Level 3 fair value measurement and used a multi-nominal lattice model to calculate the fair value as of January 31, 2018. The multi-nominal lattice model requires six basic data inputs: the exercise or strike price, time to expiration, the risk free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate. Changes to these inputs could produce a significantly higher or lower fair value measurement. The fair value of each convertible note is estimated using the

multi-nominal lattice valuation model. The following weighted-average assumptions were used for the period ended January 31, 2018:

	Date of Inception (May 5, 2017) to January 31, 2018
Expected term	0.22 – 4.93 year
Expected average volatility	102% - 343%
Expected dividend yield	-
Risk-free interest rate	1.31% - 2.52%

The following table summarizes the derivative liabilities included in the balance sheet at January 31, 2018:

Fair Value Measurements Using Significant Observable Inputs (Level 3)	
Balance - May 5, 2017	\$ -
Acquisition of derivative liability on reverse acquisition	93,349
Addition of new derivatives recognized as debt discounts	594,000
Addition of new derivatives recognized as warrant	242,969
Addition of new derivatives recognized as loss on derivatives	6,597,095
Gain on change in fair value of the derivative	(2,262,099)
Balance - January 31, 2018	<u>\$ 5,265,314</u>

ASC 815 requires we assess the fair market value of derivative liability at the end of each reporting period and recognize any change in the fair market value as other income or expense item. The following table summarizes the loss (gain) on derivative liability included in the income statement for the period of inception (May 5, 2017) to January 31, 2018.

Day one loss due to derivative liabilities on convertible notes payable and warrants	\$ 6,840,064
Gain on change in fair value of the derivative	(2,262,099)
Loss on change in fair value of derivative liabilities	<u>\$ 4,577,965</u>

NOTE 11 - RELATED PARTY CONSIDERATIONS

Alchemist Holdings, LLC

As part of the acquisition of Total Travel Media (see Note 1), Alchemist Holdings, LLC (“Alchemist”), which is controlled by our Chairman, Robert Oblon, received 7,500,000 shares of the Series B Convertible Preferred Stock (75% of the issued shares) and 7,500,000 shares of the Common Class B Stock (75% of the issued shares), respectively.

As part of the acquisition of Four Oceans Holdings, Inc. (see Note 1), Alchemist received 50,000,000 shares of the Series A Convertible Preferred Stock (66.7% of the issued shares).

On March 15, 2017, the Company entered into a Consultancy and Marketing Agreement with Alchemist to provide marketing and consulting services, tools, websites, video production and event management services. The Agreement shall remain in effect until the completion of the services. The Agreement may be terminated by the Company, without cause and without liability by giving 14 calendar days written notice of such termination to Alchemist. Total cost for these services were estimated to be \$840,000 for twelve months from agreement date. The Company has paid \$862,361 to the related party, pursuant to this agreement, during the period ended January 31, 2018. Of this amount, \$ 694,207 was paid post reverse acquisition (May 23, 2017) and is included in the marketing

expense in the accompanying financial statements. For the period ended January 31, 2018 there was \$69,000 paid to related parties for other services.

The Company purchased property, plant and equipment of \$18,928 and inventory amounting to \$42,890 from Alchemist, during the period from May 23, 2017 (inception) to January 31, 2018.

Subsequent to January 31, 2018, approximately \$35,500 was paid to related parties.

Promissory Note - Bear Bull Market Dividends, Inc.

As part of the acquisition of Total Travel Media (see Note 1), Bear Bull Market Dividends, Inc. (“Bear Bull”), received 2,500,000 shares of the Series B Convertible Preferred Stock (25% of the issued shares) and 2,500,000 shares of the Common Class B Stock (25% of the issued shares), respectively.

As part of the acquisition of Four Oceans Holdings, Inc. (see Note 1), Bear Bull received 20,000,000 shares of the Series A Convertible Preferred Stock (26.7% of the issued shares).

On April 7, 2017, the Company issued a Promissory Note to Bear Bull, for \$16,500, due April 6, 2018. The Note carries an annual interest rate of 12%. As of January 31, 2018, the accrued interest on the note amounted to \$1,627.

Convertible Promissory Note – Caye Island Ventures LLC

On November 13, 2017, the Company received financing in the amount of \$50,000 from Cay Island Ventures LLC, a Company owned by a shareholder of Sharing Services. The \$50,000 convertible promissory note bears 12% interest and matures on November 13, 2018. The holder shall be entitled, commencing 180 days from November 13, 2017, to convert any portion of the outstanding and unpaid conversion amount into fully paid and non-assessable shares of Common Stock. Conversion price which is 80% of the average of the lowest two traded prices, determined on the then current trading market for the Company’s common stock, for the 15 trading days prior to conversion. The Company may prepay any portion of the principal amount at 115% of such amount along with any accrued interest of this note at any time upon three days written notice to the holder. The Company valued the conversion feature using the Binomial option pricing valuation model (see Note 10). The fair value of the derivative liability for the note amounted to \$57,276. \$50,000 of the value assigned to the derivative liability was recognized as a debt discount to the note while the balance of \$7,276 was recognized as a “day 1” derivative loss. The discount is being amortized over the life of the note using the effective interest method resulting in \$10,822 of interest expense and \$39,178 as unamortized discount, for the period ended January 31, 2018. As of January 31, 2018, the Company accrued interest on this note of \$1,315 and recorded \$1,315 in interest expense for the period from inception (May 5, 2017) to January 31, 2018.

Other

During the period from May 5, 2017 to January 31, 2018, the Company paid no management fees to our CEO and CFO.

NOTE 12 - STOCKHOLDERS’ DEFICIT

Preferred Stock

The Company has authorized 200,000,000 preferred shares with a par value of \$0.0001 per share. The Board of Directors is authorized to divide the authorized shares of Preferred Stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes.

Series A Convertible Preferred Stock

The Company has authorized the issuance of one hundred million (100,000,000) shares of Series A Preferred Stock. The Series A Preferred shares are senior in ranking to the Series C Preferred shares, but junior to the Series B Preferred shares. The affirmative vote of the holders of Eighty-six percent (86%) of the issued and outstanding shares of Series A Preferred Stock shall be required for the Board of Directors to: (i) declare dividends upon shares of common stock unless the Series A Preferred shares are to receive the same dividend as the common shares, on an

as converted basis; (ii) redeem the shares of Series A Preferred Stock at a price of \$0.001 per share; (iii) authorize or issue additional or other capital stock that is junior or equal rank to the Series A Preferred shares with respect to the preferences as to distributions and payments upon the liquidation or dissolution and winding up of the Company; and (iv) amend, alter, change, or repeal any of the powers, designations, preferences, and rights of the Series A Preferred Stock. Upon the dissolution, liquidation, or winding up of the Company, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall receive out of the assets of the Company the sum of \$0.001 per shares before any payment or distribution shall be made on the Common Stock, or any other class of capital stock of the Company ranking junior to the Series A Preferred Stock. For a period of ten (10) years from the date of issuance of shares of Series A Preferred Stock, the holders may elect to convert each share of Series A Preferred Stock into one share of the Company's Common Stock. Each share of Series A Preferred Stock is entitled to one vote when voting as a class or together with shares of Common Stock.

From May 5, 2017 to January 31, 2018, the Company issued the following shares of Series A Convertible Preferred Stock:

- On January 10, 2018 we issued 625,000 shares of Series A Convertible preferred stock to 561 LLC, as part of an equity investment for 25% of 561 LLC. The shares were issued for a deemed value of \$0.25 per share or \$156,250 (see Note 4).
- On January 10, 2018 we issued 625,000 shares of Series A Convertible preferred stock to America Approved Commercial LLC, as part of an equity investment for 25% of America Approved Commercial LLC. The shares were issued for a deemed value of \$0.25 per share or \$156,250 (see Note 4).
- On January 10, 2018, we issued 250,000 shares of Series A Convertible preferred stock to Medical Smart Care LLC, as part of an equity investment for 40% of Medical Smart Carer LLC. The shares were issued for a deemed value of \$0.25 per share or \$62,500 (see Note 4).
- On October 4, 2017, we issued 500,000 shares of Series A Convertible preferred stock to LEH Insurance Group LLC, as part of an equity investment for 40% of to LEH Insurance Group LLC. The shares were issued for a deemed value of \$0.25 per share or \$125,000 (see Note 4).
- On October 4, 2017, we issued 250,000 shares of Series A Convertible preferred stock to Medical Smart Care LLC, as part of an equity investment for 40% of Medical Smart Care LLC. The shares were issued for a deemed value of \$0.25 per share or \$62,500 (see Note 4).
- On October 4, 2017, we issued 625,000 shares of Series A Convertible preferred stock to America Approved Commercial LLC, as part of an equity investment for 25% of America Approved Commercial LLC. The shares were issued for a deemed value of \$0.25 per share or \$156,250 (see Note 4).
- On October 4, 2017, we issued 625,000 shares of Series A Convertible preferred stock to 561 LLC, as part of an equity investment for 25% of 561 LLC. The shares were issued for a deemed value of \$0.25 per share or \$156,250 (see Note 4).
- On September 29, 2017, we issued 75,000,000 shares of Series A Convertible preferred stock, 50,000,000 shares to Alchemist Holdings, 20,000,000 shares to Bear Bull Market Dividends, Inc., and 5,000,000 shares to Research and Referral, BZ; as an acquisition for 100% of Four Oceans Holdings, Inc. The acquisition was under common control and the deemed value was the historical cost of Four Oceans Holdings, Inc. (see Note 1).
- From June to July, 2017, we issued 1,065,790 shares of Series A Convertible preferred stock to consultants for a deemed value of \$0.25 per share or \$266,448.
- On May 31, 2017, we issued 5,628,750 shares of Series A Convertible preferred stock to 212 Technologies, LLC, as part of an equity investment for 24% of 212 technologies, LLC. The shares were issued for a deemed value of \$0.25 per share or \$1,407,188 (see Note 4).

As of January 31, 2018, 85,194,540 shares of series A Convertible Preferred Stock were issued and outstanding.

Series B Convertible Preferred Stock

The Company has authorized the issuance of ten million (10,000,000) series of Series B Preferred Stock. The Series B Preferred shares are senior in ranking to the Series A and Series C Preferred shares. The affirmative vote of the holders of Eighty-six percent (86%) of the issued and outstanding shares of Series B Preferred Stock shall be required for the Board of Directors to: (i) declare dividends upon shares of common stock unless the Series B Preferred shares are to receive the same dividend as the common shares, on an as converted basis; (ii) redeem the shares of Series B Preferred Stock at a price of \$0.001 per share; (iii) authorize or issue additional or other capital stock that is senior, junior or equal rank to the Series B Preferred shares with respect to the preferences as to distributions and payments upon the liquidation or dissolution and winding up of the Company; and (iv) amend, alter, change, or repeal any of the powers, designations, preferences, and rights of the Series B Preferred Stock. Upon the dissolution, liquidation, or winding up of the Company, whether voluntary or involuntary, the holders of the Series B Preferred Stock shall receive out of the assets of the Company the sum of \$0.001 per shares before any payment or distribution shall be made on the Common Stock, or any other class of capital stock of the Company ranking junior to the Series B Preferred Stock. For a period of ten (10) years from the date of issuance of shares of Series B Preferred Stock, the holders may elect to convert each share of Series B Preferred Stock into one share of the Company's Common Stock. Each share of Series B Preferred Stock is entitled to one vote when voting as a class and one thousand votes when voting together with shares of Common Stock.

On May 23, 2017, pursuant to the Share Exchange Agreement (See Note 1), the Company issued 10,000,000 shares of Series B convertible preferred stock to the stockholders of Total Travel Media in exchange for 10,000,000 shares of Total Travel Media's common stock, representing 100% of its issued and outstanding common stock. As a result of the reverse acquisition accounting, these shares issued to the former Total Travel Media stockholders are treated as being outstanding from the date of issuance of the Total Travel Media shares.

As of January 31, 2018, 10,000,000 shares of series B Preferred Stock were issued and outstanding.

Series C Convertible Preferred Stock

The Company has authorized the issuance of ten million (10,000,000) series of Series C Preferred Stock. The Series C Preferred shares are junior in ranking to the Series A and Series B Preferred shares. The affirmative vote of the holders of Eighty-six percent (86%) of the issued and outstanding shares of Series C Preferred Stock shall be required for the Board of Directors to: (i) declare dividends upon shares of common stock unless the Series C Preferred shares are to receive the same dividend as the common shares, on an as converted basis; (ii) redeem the shares of Series C Preferred Stock at a price of \$0.001 per share; (iii) authorize or issue additional or other capital stock that is junior or equal rank to the Series C Preferred shares with respect to the preferences as to distributions and payments upon the liquidation or dissolution and winding up of the Company; and (iv) amend, alter, change, or repeal any of the powers, designations, preferences, and rights of the Series C Preferred Stock. Upon the dissolution, liquidation, or winding up of the Company, whether voluntary or involuntary, the holders of the Series C Preferred Stock shall receive out of the assets of the Company the sum of \$0.001 per shares before any payment or distribution shall be made on the Common Stock, or any other class of capital stock of the Company ranking junior to the Series C Preferred Stock. For a period of ten (10) years from the date of issuance of shares of Series C Preferred Stock, the holders may elect to convert each share of Series C Preferred Stock into one share of the Company's Common Stock. Each share of Series C Preferred Stock is entitled to one vote when voting as a class or together with shares of Common Stock.

During the period ended January 31, 2018 we issued 3,680,000 shares of Series C Convertible Preferred Stock for \$0.25 per share, for proceeds of \$920,000.

As of January 31, 2018, 3,680,000 shares of series C Preferred Stock were issued and outstanding.

Common Stock

The Company has authorized the issuance of Class A common stock and Class B common stock. We are authorized to issue 500,000,000 shares of Class A common stock and 10,000,000 shares of Class B common stock, each with a par value of \$0.0001 per share. Holders of our Class A common stock and Class B common stock are entitled to dividends when, as and if, declared by our board of directors, subject to the rights of the holders of all classes of

stock outstanding having priority rights to dividends. The shares of each class of Common Stock shall be identical except that the holders of the Class B Common Stock shall be entitled to elect a majority of the Board of Directors and the holders of the Class A Common Stock shall elect the remainder of the directors. Each share of Class B Common Stock shall be convertible at any time into one share of Common Stock at the option of the holder. Class A common stock and Class B common stock are referred to as common stock throughout the notes to these financial statements, unless otherwise noted.

On September 26, 2017, the Company issued 1,500,000 shares of Class A common stock for consulting services, valued at \$1,042,500.

On May 23, 2017, pursuant to the Share Exchange Agreement (See Note 1), the Company issued 10,000,000 shares of Class B common stock to the stockholders of Total Travel Media in exchange for 10,000,000 shares of Total Travel Media's common stock, representing 100% of its issued and outstanding common stock. As a result of the reverse acquisition accounting, these shares issued to the former Total Travel Media stockholders are treated as being outstanding from the date of issuance of the Total Travel Media shares.

As of January 31, 2018, there were 54,860,000 shares of Class A common stock and 10,000,000 shares of Class B common stock issued and outstanding, respectively.

Shares Subscribed

As of January 31, 2018, the Company has received subscriptions for Series C Convertible Preferred Stock totaling \$16,000.

Warrants

On October 6, 2018, we issued 333,333 warrants to purchase up to 333,333 shares of our common stock. The warrants are exercisable into 333,333 shares of common stock, for a period of five years from issuance, at a price of \$0.15 per share subject to default provisions. As of January 31, 2018, there were 333,333 warrants outstanding. We accounted for the issuance of Warrants in accordance with ASC 815 (see Note 10).

The following table summarizes information relating to outstanding and exercisable warrants as of January 31, 2018:

Warrants Outstanding				Warrants Exercisable			
Number of Shares	Weighted Average Remaining Contractual life (in years)	Weighted Average Exercise Price		Number of Shares	Weighted Average Exercise Price		
333,333	4.25	\$ 0.15		333,333	\$ 0.15		

A summary of activity during the period from inception to January 31, 2018 as follows:

	Warrants Outstanding	
	Shares	Weighted Average Exercise Price
Balance as of May 5, 2017	-	\$ -
Granted	333,333	0.15
Exercised	-	-
Forfeited/canceled	-	-
Balance as of January 31, 2018	333,333	\$ 0.15

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Pursuant to our 40% equity investment in LEH Insurance Group LLC ("LEHIG"), on October 4, 2017, LEHIG based upon attaining certain benchmarks for booked insurance premiums through December 31, 2018, the seller of the LEHIG ownership may be entitled to an additional 1,000,000 shares of the Company's Series A Preferred Stock. As of January 31, 2018, the Company has not recorded a contingency for this event.

Pursuant to our 25% equity investment in 561 LLC ("561"), on October 4, 2017, if, on October 4, 2018, the Company's common stock has a closing bid price in excess of \$5.00 per share, the sellers of 561 ownership shall be entitled to an additional 2,500,000 shares of the Company's Series A Preferred Stock. Additionally, at such time as the Company shall be the owner of record of no less than 40% of the member interests in each of 561 and its affiliated Company, America Approved Commercial, LLC ("AAC"), the Sellers of 561 ownership shall be entitled to another 2,500,000 shares of the Company's Series A Preferred Stock. As of January 31, 2018, the Company has not made a contingency for these events

Pursuant to our 25% equity investment in AAC, on October 4, 2017, if, on October 4, 2018, the Company's common stock has a closing bid price in excess of \$5.00 per share, the sellers of the AAC ownership shall be entitled to an additional 2,500,000 shares of the Company's Series A Preferred Stock. Additionally, at such time as the Company shall be the owner of record of no less than 40% of the member interests in each of AAC and its affiliated company, 561, the sellers of AAC shall be entitled to another 2,500,000 shares of the Company's Series A Preferred Stock. As of January 31, 2018, the Company has not made a contingency for these events.

On January 3, 2018 the Company entered into a 36 month lease for the new corporate offices (See subsequent events Note 14). The total lease commitment is \$656,940. The monthly lease expense is \$17,336 for the first 12 months.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent to January 31, 2018, and through to March 21, 2018, the date these financials were approved to be issued, we had the following subsequent events:

On February 8, 2018, the Company closed a line of credit financing transaction whereby the Company borrowed the sum of Two Hundred Fifty Thousand dollars (\$250,000.00) from an accredited investor, RB Capital Partners, Inc. (the " Lender "). The transaction involved the issuance by the Company in favor of the Lender of a Convertible Promissory Note (the " Note ") in the principal amount of \$250,000.00. The Note accrues interest at the rate of Twelve percent (12%) per annum with the principal amount and all accrued interest being due and payable on demand y the Lender. At the option of the Lender, the Note is convertible into shares of the Company ' s common stock at any time following 180 days from its issuance.

On March 1, 2018, Jordan Brock, Robert Oblon, and Frank A. Walters were elected as directors to for a one (1) year term or until their successors are elected and qualified. On March 1, 2018, Jordan Brock, President and Chief Executive Officer of the Company, resigned as President and Chief Executive Officer. On the same date, Mr. Brock was appointed to the position of Vice President of the Company. He remains a director of the Company.

On March 1, 2018, the Board of Directors appointed John ("JT") Thatch to the position of President, Chief Executive Officer, and a director of the Company.

On March 7th 2018, the Company moved into its new corporate offices. The Company and its wholly owned subsidiaries will now operate at the new address of 1700 Coit Rd. Suite 100, Plano, Texas 75075. This new location is slightly less than 10,000 Sq. Ft. allowing for expansion for the customer service department, product fulfillment, opportunity and training rooms as well as a video production suite.

On March 16, 2018, the Company closed a line of credit financing transaction whereby the Company borrowed the sum of Two Hundred Fifty Thousand dollars (\$250,000.00) from an accredited investor, RB Capital Partners, Inc. (the “ Lender ”). The transaction involved the issuance by the Company in favor of the Lender of a Convertible Promissory Note (the “ Note ”) in the principal amount of \$250,000.00. The Note accrues interest at the rate of Twelve percent (12%) per annum with the principal amount and all accrued interest being due and payable on demand by the Lender. At the option of the Lender, the Note is convertible into shares of the Company ’ s common stock at any time following 180 days from its issuance.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and associated notes appearing elsewhere in this Report on Form 10-Q. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. See “Cautionary Note Regarding Forward-Looking Statements.” Our actual results may differ materially from those contained in or implied by any forward-looking statements as a result of various factors, including the risks and uncertainties described under “Risk Factors.”, as set forth in our Annual Report on Form 10-K filed with the SEC on September 11, 2017.

Recapitalization.

Our acquisition of Total Travel Media, Inc., a Nevada corporation (“Total Travel”) discussed below was accounted for as a recapitalization of Total Travel since the shareholders of Total Travel obtained voting and managing control of our Company. Total Travel was the acquirer for financial reporting purposes and Sharing Services, Inc. was the acquired company. Consequently, the consolidated financial statements after completion of the acquisition include the assets and liabilities of both Sharing Services and Total Travel, the historical operations of Total Travel and their consolidated operations from the May 23, 2017 closing date of the acquisition. Total Travel retroactively applied its recapitalization for all periods presented in the accompanying consolidated financial statements.

Total Travel was incorporated in the State of Nevada on May 5, 2017. Total Travel was the surviving company and became a wholly owned subsidiary of Sharing Services. The financial statements reflected in this 10-Q as of January 31, 2018 represents the period May 5, 2017 (date of inception) to January 31, 2018.

The financial statements included in this report reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Our History.

We were incorporated in Nevada on April 24, 2015 under the name Sharing Services, Inc. and were engaged in the development of a taxi sharing web application. In early 2017, we proposed expanding our business model into that of a diversified travel holdings company specializing in ride sharing, mobile applications, Social Travel Alchemy, relationship marketing, group travel programs, brick-and-mortar travel agencies, and vacation funding. The adoption of the new business model was completed when, on May 23, 2017, we completed a reverse merger with Total Travel Media, pursuant to which the Company acquired all of the shares of capital stock of Total Travel Media from the holders of such stock, in exchange for the issuance of Ten Million (10,000,000) newly-issued shares of the Company’s Common Class B Stock, par value \$0.0001 per share and (ii) Ten Million (10,000,000) newly-issued shares of the Company’s Series B Preferred Stock, par value \$0.0001 per share. After the reverse merger, we continued Total Travel’s historical and proposed business.

Business Description

Sharing Services, Inc. is a diversified holding company specializing in the direct selling industry. The Company owns, operates, or controls an interest in a variety of companies that either sell products to the consumer directly through independent representatives or offers services that range from manufacturing, processing, training, and travel benefits.

With the acquisition of Total Travel Media, Inc. on May 23, 2017, Sharing Services, Inc. (“Sharing Services”) completed the transition of its principal business operations from that of a taxi sharing web application to a travel and technology management Company utilizing a direct-selling model with a subscription-based vacation portal.

Sharing Services is a diversified travel holdings company specializing in ride sharing, mobile applications, 4.0 meta-search technologies, relationship marketing, group travel programs, and brick-and-mortar travel agencies. The Company’s direct-to-consumer online travel agent (OTA) platform delivers unprecedented access to many of today’s most popular travel destinations, and all with savings of up to 30% and 80% off published rates.

The objective of the Company is to scale revenues based on relationship marketing that are proven with the right travel related products and services. Sharing Services will launch a direct selling model with a subscription-based vacation portal accessing the new meta-search 4.0 technology. Included in the subscription will be Vacation Financing options, Seminars on Vacation (called Vacationars) and below published fares with guaranteed lower rates than Expedia.

Metro-search is defined by a “search within a search”. Examples would be Kayak and Trivago, where consumers can search one time and access hundreds of websites. Sharing Services new meta-search 4.0 goes beyond Kayak and Trivago in two important ways: the fares searched (hotels) garner below published pricing and Sharing Services agents fulfill on the travel booked, rather than redirect the chosen result at Kayak for example, to the website the offer was made on. These two differentiators will help Sharing Services travel companies gain market share of travelers from around the world. On February 1, 2017, the Company launched its (BETA) website.

Results of Operations for the Period of Inception (May 5, 2017) to January 31, 2018

As the Company was incorporated on May 5, 2017, we do not have historical operations to base current results on. The results related to the current operations do not include historical results of operations for Sharing Services prior to May 23, 2017 when we acquired Total Travel Media as noted above.

Overview

For quarterly period ended January 31, 2018, we had revenues of \$960,182, cost of sales of \$673,551, gross profits of \$286,631, and operating expenses of \$312,083, for an operating loss of \$25,452. Our other expenses totaled \$3,573,603, giving us a total net loss of \$3,599,055.

Since May 5, 2017 (inception) through January 31, 2018, the Company has had revenues of \$960,182, costs of sales of \$673,551, gross profits of \$286,631, and operating expenses of \$2,433,680, for an operating loss of \$2,157,049. Our other expenses totaled \$4,819,389, giving us a total net loss and accumulated losses since inception of \$6,976,438.

	January 31, 2018	
Cash and cash equivalents	\$	175,451
Total Assets		3,359,194
Total Liabilities		5,989,362
Stockholders' Equity/Deficit	\$	(2,630,168)

Operating Expenses and Loss from Operations

	For the Quarter Ended January 31, 2018	Date of Inception (May 5, 2017) to January 31, 2018
General and administration	\$ 194,201	288,971
Marketing expenses	-	694,207
Stock based compensation	-	1,308,948
Professional fees	117,882	151,554
Total Operating Expenses	\$ 312,083	2,443,680

During the Quarter ended January 31, 2018 our loss from operations and operating expenses was \$25,452.

Since inception (Mar 5, 2017) through January 31, 2018, our loss from operations and operating expenses were \$2,157,049, primarily from marketing expenses of \$694,207 and share based compensation of \$1,308,948 incurred

prior to the most recent quarter. The marketing expenses were for payments made to a related party, who was a significant shareholder and now Chairman of the Board of the Company, pursuant to a consulting and marketing agreement dated March 15, 2017, to provide marketing and consulting services, tools, websites, video production and event management services. Stock based compensation is related to the issuance of 1,500,000 shares of common stock, to consultant, at a deemed value of \$0.695 per share and the issuance of 1,065,790 shares of Series A Convertible Preferred Stock, to consultants, at a deemed value of \$0.25 share.

Other Expenses

	For the Quarter Ended January 31, 2018	Date of Inception (May 5, 2017) to January 31, 2018
Interest expense	\$ 118,229	\$ 241,424
Change in fair value of derivative liability	3,455,374	4,577,965
Total Other Expenses	\$ 3,573,603	\$ 4,819,389

For the Quarter ended January 31, 2018, interest expenses consisted of \$92,790 for the amortization of the debt discount on convertible notes and \$25,439 for interest expenses on notes payable. The change in fair value of derivative liability represents the day one derivate expense on inception of the convertible notes and warrants of \$4,595,778 less a derivative revaluation gain at January 31, 2018 of \$1,140,404.

Since inception (Mar 5, 2017) through January 31, 2018, interest expenses consisted of \$183,300 for the amortization of the debt discount on convertible notes, prepayment penalties of \$43,476 and \$14,648 for interest expenses on notes payable. The change in fair value of derivative liability represents the day one derivative expense on inception of the convertible notes and warrants of \$6,840,064 less a derivative revaluation gain at January 31, 2018 of \$2,262,099.

Liquidity and Capital Resources

The following tables present selected financial information on our capital and cash flows as of and for the period ended January 31, 2018:

	January 31, 2018
Current Assets	\$ 930,833
Current Liabilities	5,989,362
Working Capital Deficiency	\$ 5,058,529

	Date of Inception (May 5, 2017) to January 31, 2018
Cash Flows used in Operating Activities	\$ (1,156,392)
Cash Flows used in Investing Activities	(506)
Cash Flows provided by Financing Activities	1,332,349
Net Increase in Cash During Period	\$ 175,451

As of January 31, 2018, our working capital deficiency is primarily a result of currently liabilities from a derivative liability of \$5,265,314, convertible notes payable of \$82,300 (net of unamortized discount) and notes payable totaling \$51,500. Our current assets consisted primarily of cash in the amount of \$175,451, accounts receivable of \$366,269, and prepaid expenses and deposits of \$297,358. We also had inventory of \$91,755 at January 31, 2018.

Net cash used in operating activities during the period ended January 31, 2018 was \$1,156,392, which consisted of a net loss of \$6,976,438, reduced by net non-cash expenses of \$6,070,213, and net change in operating assets and liabilities of \$250,967.

Net cash used in investing activities was the result of net cash retained in the merger with Total Travel Media of \$57,605 and less \$15,000 paid for an equity investment and investment in Property and Equipment of \$43,111

Net cash provided by financing activities was from proceeds on issuance of a convertible notes for \$544,000, proceeds from a promissory note from a related party of \$50,000, proceeds from stock subscription and issuance of Series C Preferred Stock for \$853,500, \$849 proceeds from a related party, less a repayment of \$15,000 on a promissory note and repayments of convertible notes payable of \$101,000.

Capital Resources

We currently have limited cash resources on hand and our projected operating expenses and working capital needs exceed our income and cash resources. We do not have sufficient cash to carry out our operations over the next 12 months. As a result, capital raising has been and continues to be essential for our continued operations, ongoing sales and marketing efforts and further development of our business.

Off Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not have any undisclosed borrowings or debt, and we have not entered into any synthetic leases. We are, therefore, not materially exposed to any financing, liquidity, market, or credit risk that could arise if we had engaged in such relationships.

Application of Critical Accounting Policies

We have identified the policies below as critical to our business operations and the understanding of our results of operations. The impact on our business operations and any associated risks related to these policies are discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations when such policies affect our reported or expected financial results.

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"). We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from those estimates under different assumptions and conditions. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective, and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The material estimates for our company are that of the stock-based compensation recorded for preferred stock issued, and the fair value of embedded conversion options that are convertible into a variable amount of shares, and the income tax valuation allowance recorded for deferred tax assets. The fair values of embedded conversion options are determined using the Black-Scholes option pricing model. We have no historical data on the accuracy of these estimates. The estimated sensitivity to change is related to the various variables of the Black-Scholes option pricing model stated below. The specific quantitative variables are included in the notes to the consolidated financial

statements. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the expected life, dividend yield, expected volatility, and risk-free interest rate weighted-average assumptions used for conversion options. Expected volatility for 2017 was estimated using the average historical volatility of our common stock. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the grant date. The expected life of options is based on the life of the instrument on grant date.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. To date the Company has generated \$960,182 in revenues from its business operations and has an accumulated deficit of \$6,976,438. As of January 31, 2018, the Company had a working capital deficit of \$5,058,529. The Company requires additional funding to meet its ongoing obligations and to fund anticipated operating losses. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company has initiated extensive direct sales and social media marketing which it expects to drive significant sales volume of the Company's products, and services over the next several months. The Company expects to become profitable and not need additional outside funding once working capital needs have been met. The acceptance of the Company's marketing efforts is uncertain and therefore, the Company has plans to continue to fund its business by way of private placements, promissory notes, convertible promissory notes and advances from related parties as may be required.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Stock-Based Compensation

ASC 718, "*Compensation - Stock Compensation*," prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, "*Equity - Based Payments to Non-Employees*." Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

Share-based expense totaled \$1,308,948 for the period of inception (May 5, 2017) to January 31, 2018.

Convertible Notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized as additional paid-in capital and included in equity, net of income tax effects, and is not subsequently remeasured. After initial measurement, they are carried at amortized cost using the effective interest method.

Derivative Financial Instruments

The fair value of an embedded conversion option that is convertible into a variable amount of shares and warrants that include price protection reset provision features are deemed to be “down-round protection” and, therefore, do not meet the scope exception for treatment as a derivative under ASC 815 “Derivatives and Hedging”, since “down-round protection” is not an input into the calculation of the fair value of the conversion option and warrants and cannot be considered “indexed to the Company’s own stock” which is a requirement for the scope exception as outlined under ASC 815.

The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification.

The Black-Scholes option valuation model was used to estimate the fair value of the conversion options. The model includes subjective input assumptions that can materially affect the fair value estimates. The expected volatility is estimated based on the most recent historical period of time, of other comparative securities, equal to the weighted average life of the options.

Conversion options are recorded as debt discount and are amortized as interest expense over the life of the underlying debt instrument.

Also, refer to Note 2 - Significant Accounting Policies and Note 7 - Derivative Liabilities in the unaudited condensed consolidated financial statements that are included in this Report.

Recent accounting pronouncements

For discussion of recently issued accounting pronouncements, please see Note 2 to the unaudited condensed consolidated financial statements included in this report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to management including our principal executive officer and principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

In connection with this quarterly report, as required by Rule 15d-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of the design and operation of our company’s disclosure controls and procedures. The material weaknesses in our disclosure control procedures are as follows:

1. Lack of formal policies and procedures necessary to adequately review significant accounting transactions. We utilize a third party independent contractor for the preparation of our financial statements. Although the financial statements and footnotes are reviewed by our management, we do not have a formal policy to review significant accounting transactions and the accounting treatment of such transactions. The third party

independent contractor is not involved in our day to day operations and may not be provided information from our management on a timely basis to allow for adequate reporting/consideration of certain transactions.

2. ***Audit Committee and Financial Expert*** . We do not have an audit committee with a financial expert and, thus, we lack the appropriate oversight within the financial reporting process.

We intend to initiate measures to remediate the identified material weaknesses, including, but not necessarily limited to, the following:

- Establishing a formal review process of significant accounting transactions that includes participation of our principal executive officer, principal financial officer and corporate legal counsel.
- Form an audit committee that will establish policies and procedures that will provide our Board of Directors with a formal review process that will among other things, assure that management controls and procedures are in place and being maintained consistently.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) or 15d-15(f)) during the quarter ended January 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Currently we are not involved in any pending litigation or legal proceeding.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 2. Unregistered Sales of Securities and Use of Proceeds.

Sales of unregistered securities by the Company during the period covered by this report were disclosed in our Current Reports on Form 8-K filed January 5, 2018 and January 26, 2018, respectively, and as such, are not required to be furnished in this report. In addition, the Company sold additional unregistered securities during the period covered by this report as follows: during the Quarter ended January 31, 2018, the Company issued 3,680,000 restricted shares of its Series C Preferred Stock and received subscriptions for an additional 64,000 shares of Series C Preferred Stock, all pursuant to an offering by means of a private placement memorandum. Each of the aforementioned sales of securities were made in reliance upon the exemption offered under Section 4(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mining Safety Disclosures.

None

Item 5. Other Information.

None

Item 6. Exhibits.

The following exhibits are incorporated into this Form 10-Q Quarterly Report:

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 [1]
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 [1]
32.1	Certification of Chief Executive Officer under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 [1]
32.2	Certification of Chief Financial Officer under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 [1]

[1] Included herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHARING SERVICES, INC.
(Registrant)

Date: March 26, 2018

By: /s/ John Thatch
John Thatch
President and Director
Principal and Executive Officer

Date: March 26, 2018

By: /s/ Frank A. Walters
Frank A. Walters
Secretary Treasurer and Director
Principal Financial Officer
Principal Accounting Officer

EXHIBIT 31.1

**PRINCIPAL EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, John Thatch, certify that:

1. I have reviewed this quarterly report for the period ended January 31, 2018 on Form 10-Q of Sharing Services, Inc. (the "registrant");
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ John Thatch
John Thatch
President and Chief
Executive Officer
Date: March 26, 2018

EXHIBIT 31.2

**PRINCIPAL FINANCIAL OFFICER
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank A. Walters, certify that:

1. I have reviewed this quarterly report for the period ended January 31, 2018 on Form 10-Q of Sharing Services, Inc. (the "registrant");

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Frank A. Walters
Frank A. Walters
Chief Financial Officer
and Principal Accounting
and Financial Officer
Date: March 26, 2018

Exhibit 32.1

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Sharing Services, Inc. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Quarterly Report on Form 10-Q of Sharing Services, Inc. fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period ended January 31, 2018.

Dated: March 26, 2018

/s/ John Thatch
John Thatch
President and Chief
Executive Officer

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Sharing Services, Inc. and will be retained by Sharing Services, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Sharing Services, Inc. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Quarterly Report on Form 10-Q of Sharing Services, Inc. fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period ended January 31, 2018.

Dated: March 26, 2018

/s/ Frank A. Walters
Frank A. Walters
Chief Financial Officer
and Principal Accounting
and Financial Officer

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Sharing Services, Inc. and will be retained by Sharing Services, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.