ACQUIRED SALES CORP
Form 10-Q
November 09, 2018

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FORM 10-Q

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number 000-52102

Acquired Sales Corp.

(Exact name of registrant as specified in its charter)

Nevada	870479286
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

31 N. Suffolk Lane, Lake Forest, Illinois 60045

(Address of principal executive offices)

(847) 915-2446

(Registrant's telephone number, including area code)

n/a

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

Indicate by checkmark whether the registrant (1) 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. Yes [x] 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 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, a smaller reporting company, or emerging growth company. See the definitions of “accelerated filer,” “large accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ]	Accelerated Filer [ ]	Non-Accelerated Filer [ ]	Smaller Reporting Company [x]
		(Do not check if a smaller	
		reporting company)	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 CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer’s classes of common units, as of the latest practicable date: 2,369,648 shares of common stock, par value $.001 per share, outstanding as of November 7, 2018.

ACQUIRED SALES CORP.

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PART I — FINANCIAL INFORMATION

ITEM 1. STATEMENTS

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the financial statements contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations, and cash flows of the Company for the interim periods presented.

The results for the period ended September 30, 2018 are not necessarily indicative of the results of operations for the full year. These financial statements and related footnotes should be read in conjunction with the financial statements and footnotes thereto included in the Company's Form 10-K filed with the Securities and Exchange Commission ("SEC") on September 25, 2018 for the period ended December 31, 2017.

ACQUIRED SALES CORP.

INDEX TO THE CONDENSED FINANCIAL STATEMENTS

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ACQUIRED SALES CORP.
CONDENSED BALANCE SHEETS

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Total Assets	$-	$-
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable - Related Party		
Accounts Payable - Related Party - Payable to William C. Jacobs	$149,077	$103,907
Accounts Payable - Related Party - Payable to Gerard M. Jacobs	18,746	13,841
Accounts Payable - Related Party - Payable to Other Related Party	4,000	4,000
Accounts Payable - Related Party	171,823	121,748
Notes Payable - Related Party		
Notes Payable - Payable to Joshua A. Bloom	10,025	-
Notes Payable - Payable to Gerard M. Jacobs	4,766	-
Notes Payable - Related Party	14,791	-
Interest Payable - Related Party		
Interest - Payable to Joshua A. Bloom	322	-
Interest - Payable to Gerard M. Jacobs	149	-
Interest Payable - Related Party	471	-
Trade Accounts Payable	110,315	106,426
Total Current Liabilities	$297,400	$228,174
Commitments and Contingencies	-	-
Shareholders' Equity		
Preferred Stock, $0.001 par value; 10,000,000 shares authorized; none outstanding	-	-
Common Stock, $0.001 par value; 100,000,000 shares authorized; 2,369,648 shares outstanding	2,370	2,370
Additional Paid-in Capital	13,631,574	13,554,524
Accumulated Deficit	(13,931,344)	(13,785,068)
Total Shareholders' Equity (Deficit)	(297,400)	(228,174)
Total Liabilities and Shareholders' Equity	$-	$-

Please see the accompanying notes to the condensed financial statements for more information.

ACQUIRED SALES CORP.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Selling, General and Administrative Expense	$(16,549)	$(15,913)	$(50,123)	$(49,246)
Stock Compensation Expense	$-	$-	$(72,500)	$-
Professional Fees	$(13,237)	$(2,299)	$(18,632)	$(12,794)
Interest Expense	$(5,021)	$-	$(5,021)	$-
Net Loss	$(34,807)	$(18,212)	$(146,276)	$(62,040)
Basic and Diluted Earnings Loss per Share	$(0.01)	$(0.01)	$(0.06)	$(0.03)
Basic and diluted weighted average number of common shares outstanding:	2,369,648	2,369,648	2,369,648	2,369,648

Please see the accompanying notes to the condensed financial statements for more information.

ACQUIRED SALES CORP.
CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common Stock		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2016	2,369,648	$2,370	$13,554,524	$(13,705,035)	$(148,141)
Net Loss	-	-	-	$(62,040)	$(62,040)
Balance, September 30, 2017	2,369,648	$2,370	$13,554,524	$(13,767,075)	$(210,181)
Balance, December 31, 2017	2,369,648	$2,370	$13,554,524	$(13,785,068)	$(228,174)
Stock Compensation Expense			$72,500		$72,500
Issuance of warrants to purchase common stock	-	$-	$4,550	$-	$4,550
Net Loss	-	$-	$-	$(146,276)	$(146,276)
Balance, September 30, 2018	2,369,648	$2,370	$13,631,574	$(13,931,344)	$(297,400)

Please see the accompanying notes to the condensed financial statements for more information.

ACQUIRED SALES CORP.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
	2018	**2017**
Cash Flows From Operating Activities		
Net Loss	$(146,276)	$(62,040)
Adjustments to Reconcile Loss to net Cash Used in Operating Activities:		
Stock Compensation Expense	72,500	-
Financing Cost - Issuance of Warrants to Purchase Common Stock	4,550	-
Changes in Operating Assets and Liabilities:		
Accounts Payable to Related Parties	50,075	49,140
Trade Accounts Payable	3,889	12,295
Financing Cost - Proceeds From Borrowing Under Notes Payable to Related Parties	14,791	-
Financing Cost - Interest Payable to Related Parties	471	-
Net Cash Used in Operating Activities	-	(605)
Net Decrease in Cash	-	(605)
Cash and Cash Equivalents at Beginning of Period	-	605
Cash and Cash Equivalents at End of Period	$-	$-

	For the Nine Months Ended September 30,	
	2018	**2017**
Supplemental Cash Flow Information		
Cash paid for interest	$-	$-
Cash paid for income taxes	$-	$-

Please see the accompanying notes to the condensed financial statements for more information.

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

NOTE 1 – DESCRIPTION OF THE BUSINESS OF ACQUIRED SALES CORP.

Acquired Sales Corp. (hereinafter sometimes referred to as "Acquired Sales", "AQSP" or the "Company") was organized under

The Company wants to acquire all or a portion of one or more operating businesses.

The Company is willing to consider acquisitions in any industry, but management of the Company currently is devoting a significant amount of time and effort exploring potential acquisitions of all or a portion of one or more operating businesses involving the manufacture and sale of cannabidiol (CBD)- infused products such as beverages, muscle/joint rubs, oils, crystals, tinctures, vape e-juice, bath bombs, isolate, relief balms, elixirs, body washes, med sticks, lotions, vape pens and cartridges, shatter, and gummies.

In order to consummate a particular acquisition(s), management of the Company is open-minded to the concept of also acquiring all or a portion of one or more operating businesses and/or assets that are related to such CBD-infused products businesses, for example operating businesses and/or assets involving distilled spirits, hemp, cannabis, tetrahydrocannabinol (THC)-infused products, and real estate.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements include the accounts and operations of Acquired Sales for all periods presented.

Condensed Financial Statements – The accompanying financial statements are condensed and do not include all disclosures normally required by generally accepted accounting principles. These statements should be read in conjunction with the annual financial statements included in Form 10-K filed with the U.S. Securities and Exchange Commission on September 25, 2018. In particular, the basis of presentation and significant accounting policies were presented in Note 1 to the annual financial statements. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying unaudited condensed financial statements and consist of only normal recurring adjustments, except as disclosed herein. The results of operations for the three and nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2018.

Use of Estimates – The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") typically requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. The following table summarizes the calculations of basic and diluted earnings (loss) per common share for the three and nine months ended September 30, 2018 and 2017.

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2018	**2017**	**2018**	**2017**
Net Loss	$(34,807)	$(18,212)	$(146,276)	$(62,040)
Weighted -Average Shares Outstanding	2,369,648	2,369,648	2,369,648	2,369,648
Basic and Diluted Earnings Loss per Share	$(0.01)	$(0.01)	$(0.06)	$(0.03)

At September 30, 2018, there were 4,181,415 stock options and warrants, and 17,500 financing warrants outstanding that were

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive. In comparison, at September 30, 2017, there were 4,058,774 stock options and warrants, and 70,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

Recent Accounting Pronouncements – Effective January 2017, FASB issued ASU No. 2016-15 “Statement of Cash Flows” (Topic 230). This guidance clarifies diversity in practice on where in the Statement of Cash Flows to recognize certain transactions, including the classification of payment of contingent consideration for acquisitions between Financing and Operating activities. We are currently evaluating the impact that this amendment will have on our financial statements.

On January 5, 2017, the FASB issued ASU No. 2017-01, “Clarifying the Definition of a Business” (Topic ASC 805), guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this ASU provide a screen to determine when an integrated set of assets and activities (collectively referred to as a “set”) 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 screen reduces the number of transactions that need to be further evaluated. If the screen is not met, the amendments require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and remove the evaluation of whether a market participant could replace the missing elements. This ASU is effective for public business entities in annual periods beginning after December 15, 2017, including interim periods therein. We are currently evaluating the impact that this amendment will have on our financial statements.

In May 2017, the FASB issued ASU No. 2017-09, “Compensation – Stock Compensation” (Topic 718) - Scope of Modification Accounting. This ASU clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This ASU is effective prospectively for the annual period ending December 31, 2018 and interim periods within that annual period. We are currently evaluating the impact that this amendment will have on our financial statements.

In June 2018, the FASB issued ASU No. 2018-07, Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting, which is intended to improve the usefulness of the information provided to the users of financial statements while reducing cost and complexity in financial reporting. Under the new standard, nonemployee share-based payment awards within the scope of Topic 718 are measured at grant-date fair value of the equity instruments that an entity is obligated to issue when conditions necessary to earn the right to benefit from the instruments have been satisfied. These equity-classified non-employee share-based payment awards are measured at the grant date. Consistent with the accounting for employee share-based payment awards, an entity considers the probability of satisfying performance conditions when nonemployee share-based payment awards contain such conditions. The new standard also eliminates the requirement to reassess classification of such awards upon vesting. The new standard is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. We are currently evaluating the impact that this amendment will have on our financial statements.

NOTE 3 – RISKS AND UNCERTAINTIES

Going Concern – The Company has a history of recurring losses, which have resulted in an accumulated deficit of $13,931,344 as of September 30, 2018. During the three and nine months ended September 30, 2018, the Company recognized net losses of $34,807 and $146,276, respectively. The Company used net cash of $19,341 in operating activities during the nine months ended September 30, 2018; this is compared to net cash of $605 that was used in operating activities during the nine months ended September 30, 2017.

As a result, there is substantial doubt that the Company will be able to continue as a going concern. Bankruptcy of the Company at some point in the future is a possibility. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company currently has no revenue-generating subsidiaries. Management plans to sustain the Company as a going concern by taking the following actions: (1) acquiring and/or developing profitable businesses that will create positive income from

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

operations; and/or (2) completing private placements of the Company's common stock and/or preferred stock. Management believes that by taking these actions, the Company will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that the Company will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

NOTE 4 – NOTES RECEIVABLE

The William Noyes Webster Foundation, Inc.

The Foundation, a non-profit Massachusetts corporation, has received a provisional registration from the Commonwealth of Massachusetts to own and operate a medical marijuana cultivation facility in Plymouth, Massachusetts, and a medical marijuana dispensary in Dennis, Massachusetts. Jane W. Heatley ("Heatley") is the founder and a member of the board of directors of the Foundation.

Teaming Agreement – The Company believes it is highly likely that the board of directors of the Foundation will only approve contracts that have been negotiated and approved by Heatley. Consequently, on July 8, 2014, the Company entered into a Teaming Agreement (the "Teaming Agreement") with Heatley, in which, among other things: (1) the Company and Heatley agreed to use their respective best efforts, working exclusively together as a team, and not as a partnership or other entity, in order to consummate transactions, agreements, contracts or other arrangements pursuant to which the Company will provide capital and

expertise to the Foundation; and (2) Heatley agreed that Heatley shall not, and shall not permit the Foundation to, discuss or negotiate for debt or equity financing, or consulting services or other expertise, from any third party. The Company claims that

Heatley violated the Teaming Agreement by discussing and negotiating for debt or equity financing, or consulting services or other expertise, from at least one third party. Heatley claims that the Company violated the Teaming Agreement alleging that the Company failed to lend funds to the Foundation in accordance with the Teaming Agreement. The Company believes Heatley's claim to be baseless. No assurances whatsoever can be made that Heatley will comply with the terms of the Teaming Agreement, nor that the Company will be able to adequately enforce the terms of the Teaming Agreement if it is ever the subject of litigation.

Promissory Note – On July 14, 2014, the Foundation signed and delivered to the Company a Secured Promissory Note (the "Note") which is in the stated loan amount of $1,500,000, and is secured by a Security Agreement of even date therewith (the “Security Agreement”). The Note provides that the $1,500,000 loan may be advanced in one or more installments as the Foundation and the Company may mutually agree upon. The Foundation and the Company mutually agreed that the first installment of this loan would be $602,500. Pursuant to instructions from the Foundation, on July 14, 2014, the Company paid $2,500 owed by the Foundation to one of its consultants, and the Company advanced $600,000 directly to the Foundation. The amount and timing of subsequent loan installments under the Note, which could have totaled $897,500, had not yet been mutually agreed upon between the Foundation and the Company as of the date of the Note.

Between April and July 2015, the Company loaned an additional $135,350 to the Foundation, evidenced by the Note and secured by the Security Agreement. Following such additional loans, the principal of the loan from the Company to the Foundation, evidenced by the Note and secured by the Security Agreement, is now $737,850.

The principal balance outstanding under the Note bore interest at the rate of 12.5% per annum, compounded monthly. It was contemplated that the first payment of accrued interest by the Foundation under the Note would be made as soon after the Foundation commences operations of the Plymouth Cultivation Facility and the Dennis Dispensary as the Foundation's cash flows shall reasonably permit, but in any event no later than one year after the Foundation commences operations. The principal of the

Note would be payable in eight consecutive equal quarterly installments, commencing on the last day of the calendar quarter in which the Foundation commences operations.

Uncollectable Note and Interest Receivable – The Company assessed the collectability of the Note based on the adequacy of the Foundation’s collateral and the Foundation’s capability of repaying the Note according to its terms. Based on this assessment, on September 1, 2015, the Company concluded that Note and interest receivable would not be collectible. As such, the Company wrote off the Note totaling $737,850 and interest receivable totaling $97,427 as bad debt expense on September 1, 2015.

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

One-Seven, LLC

There are no assurances or guarantees whatsoever that the Company will consummate any transactions involving One-Seven or Mr. Stukel.

NOTE 5 – AMOUNTS OWED TO RELATED PARTIES

Financing Warrants – On July 13, 2018, the Audit Committee, Compensation Committee, and full Board of Directors of AQSP approved by unanimous written consent borrowings by AQSP on the following terms: (1) proceeds of the borrowings will be used to pay professional fees owed to our outside auditors, our stock transfer agent, and our securities counsel, and to pay other obligations of AQSP; (2) the borrowings will be evidenced by promissory notes of AQSP, accruing interest at the rate of 15% annually; (3) the notes will be jointly secured by a first lien security interest in all of the assets of AQSP, pursuant to a security agreement signed by AQSP in favor of the lenders, UCC filings in favor of the lenders, and a pledge to the lenders of the note payable by the William Noyes Webster Foundation Inc. to AQSP; (4) the notes shall be due and payable upon demand by the lenders delivered to AQSP; and (5) for each $1,000 loaned by AQSP on these terms, the lender of such $1,000 shall receive warrants to purchase 1,250 shares of common stock of AQSP, at an exercise price of $0.03 per share, exercisable at the discretion of such lender any time on or before July 16, 2023. As of September 30, 2018, a total of $14,791 has been borrowed by AQSP on such terms, and warrants to purchase 12,500 shares of common stock of AQSP have been issued to Joshua A. Bloom and warrants to purchase 5,000 shares of common stock of AQSP have been issued to Gerard M. Jacobs. These warrants to purchase common stock were valued as of the date they were issued by multiplying the number of shares by the difference between the exercise price and the closing price of AQSP's common stock on the day of issuance. The value of these warrants were fully expensed because the notes are payable upon demand. Joshua A. Bloom's warrants were issued to him on July 16, 2018, and the expense recognized related to the issuance of these warrants was $3,250. Gerard M. Jacobs' warrants were issued to him on July 18, 2018, and the expense recognized related to the issuance of these warrants was $1,300.

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

NOTE 6 – SHAREHOLDERS' EQUITY

Summary of Stock Option and Warrant Activity –

The following is a summary of the Company's stock option and warrant activity as of September 30, 2018 and changes during the period then ended:

	Shares	Weighted-Average Exercise Price (a)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2017	4,058,774	$1.29	5.59	$577,725
Issued During Period	250,000			
Expired During Period	127,359			
Outstanding, September 30, 2018	4,181,415	$1.19	5.08	$422,725
Exercisable, September 30, 2018	2,931,415	$0.91	5.00	$422,725

Note:

(a) The Weighted-Average Exercise Price column excludes those warrants that have an exercise price for the common stock priced at the Capital Raise Price Per Share.

Shares Issued During Period – On April 1, 2018, the Company issued to a director and to an independent contractor rights to purchase warrants, for an aggregate purchase price of $2.00, an aggregate of 250,000 shares of common stock of the Company, at an exercise price of $0.01 per share, such warrants to be fully vested and to be exercisable on or prior to December 31, 2024.

Assignment and Exercise of Stock Option Agreement **–** Reference is hereby made to that certain Stock Option Agreement (the "SOA") dated November 4, 2010, between Cogility Software Corporation ("Cogility") and Gerard M. Jacobs, that was entered into pursuant to the Agreement by and among Deborah Sue Ghourdjian Separate Property

Trust, Matthew Ghourdjian, Cogility, Gerard M. Jacobs, Joshua A. Bloom, Roger S. Greene, James S. Jacobs, Michael D. McCaffrey, Vincent J. Mesolella, Richard E. Morrissy, and Acquired Sales.

Cogility was acquired by Acquired Sales in September 2011. Pursuant to the terms and conditions of that acquisition and the SOA, Gerard M. Jacobs or his assignees or heirs was granted the right to purchase 100,000 shares of common stock of Acquired Sales at the purchase price of $0.001 per share, or an aggregate purchase price of $100.

For valuable consideration received, Gerard M. Jacobs assigned the SOA to his affiliate Miss Mimi Corporation (“Miss Mimi”), effective as of May 18, 2016. Miss Mimi notified Acquired Sales effective as of May 18, 2016, that Miss Mimi exercised the SOA and thereby purchased all 100,000 shares of common stock of Acquired Sales covered by the SOA, for the aggregate purchase price of $100, with the purchase price paid in the form of cashier’s check from Miss Mimi payable to Acquired Sales.

NOTE 7 – CONTINGENT CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Medical Marijuana in Massachusetts:

As discussed in Note 4, the Company has agreements with Heatley and the Foundation.

On July 20, 2014, the Company entered into an agreement to pay a lump sum finder's fee to Parare Partners Inc. in the event that all of the following conditions occur: (1) the Company makes certain loans to the Foundation which was found by Parare Partners Inc., (2) the Foundation constructs and brings into operation its planned medical marijuana cultivation facility in Plymouth, Massachusetts and a medical marijuana dispensary in Dennis, Massachusetts, (3) the Company directly or via subsidiaries enters into certain consulting agreements with the Foundation, and (4) all necessary approvals are obtained. If all of such conditions occur, then the finder's fee will be calculated as follows:

Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

5% of the first $1,000,000 of the aggregate principal amount of such loans

4% of the second $1,000,000 of the aggregate principal amount of such loans

3% of the third $1,000,000 of the aggregate principal amount of such loans

2% of the fourth $1,000,000 of the aggregate principal amount of such loans

1% of the aggregate principal amount of such loans that are in excess of $4,000,000

The Company has not paid any fees under this Agreement. All of the conditions have not been met for the finder's fee to have accrued on the amounts loaned to the Foundation; therefore, a liability has not been recorded for the finder's fee at September 30, 2018.

During the nine month period ended September 30, 2015, MVJ Realty, LLC, an affiliate of AQSP director Vincent J. Mesolella ("MVJ Realty"), loaned a total of $23,000 to the Foundation, which $23,000 was purportedly used as follows: (a) $9,500 was used by the Foundation to pay the rent of the Plymouth Cultivation Facility for the month of May, 2015; (b) $6,900 was used by the Foundation to pay the rent of the Dennis Dispensary for the months of April and May, 2015; (c) $3,600 was used by the Foundation to pay for the general liability insurance policy covering the Plymouth Cultivation Facility and the Dennis Dispensary; and (d) $3,000 was used by the Foundation to pay the application fees for two applications (the "Two New Applications") by the Foundation to the Commonwealth of Massachusetts for licenses (the "Two New Licenses") to operate two new medical marijuana dispensaries in Massachusetts (the "Two New Dispensaries"). In making these $23,000 loans to the Foundation, MVJ Realty viewed itself as acting as an agent for the Company, and expected to eventually be reimbursed for the $23,000 by the Company subject to the execution and delivery by the Foundation to the Company of loan documents evidencing that the principal amount of the loan from the Company to the Foundation, evidenced by the Note and secured by the Security Agreement, had been increased by $23,000. The execution and delivery of such loan documents occurred on July 15, 2015, and MVJ Realty was reimbursed for the $23,000 in August 2015.

In the Two New Applications, the Foundation included background information in regard to each of the Company's directors and officers. If the Two New Licenses are awarded to the Foundation, then the Foundation may seek to obtain financing for the Two

New Dispensaries from MVJ Realty/AQSP. The Foundation and MVJ Realty/AQSP have not yet entered into any agreements in regard to such potential financing, and the Company considers it to be extremely doubtful that any such agreements will ever be entered into in light of the on-going disputes between Heatley, the Foundation, and the Company regarding the Teaming Agreement.

At this time, no assurances or guarantees whatsoever can be made as to whether any transaction with the Foundation will be successfully consummated, nor on what terms.

NOTE 8 – SUBSEQUENT EVENTS

On July 13, 2018, the Audit Committee, Compensation Committee, and full Board of Directors of AQSP approved by unanimous written consent borrowings by AQSP on the following terms: (1) proceeds of the borrowings will be used to pay professional fees owed to our outside auditors, our stock transfer agent, and our securities counsel, and to pay other obligations of AQSP; (2) the borrowings will be evidenced by promissory notes of AQSP, accruing interest at the rate of 15% annually; (3) the notes will be jointly secured by a first lien security interest in all of the assets of AQSP, pursuant to a security agreement signed by AQSP in favor of the lenders, UCC filings in favor of the lenders, and a pledge to the lenders of the note payable by the William Noyes Webster Foundation Inc. to AQSP; (4) the notes shall be due and payable upon demand by the lenders delivered to AQSP; and (5) for each $1,000 loaned by AQSP on these terms, the lender of such $1,000 shall receive warrants to purchase 1,250 shares of common stock of AQSP, at an exercise price of $0.03 per share, exercisable at the discretion of such lender any time on or before July 16, 2023. During the quarter ended September 30, 2018, $14,791 was borrowed on these terms. Following the end of the period ended September 30, 2018, a total of $6,000 has been borrowed by AQSP on such terms.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this Form 10-Q, references to the "Company," "Acquires Sales," "AQSP," "we," "our" or "us" refer to Acquired Sa Corp., unless the context otherwise indicates.

We have a history of recurring losses, which has resulted in an accumulated deficit of $13,931,344 as of September 30, 2018. In addition, we suffered losses from continuing operations during the nine months ended September 30, 2018 and 2017 and we used cash in our operating activities during the nine months ended September 30, 2018 and 2017. Additionally, as discussed in Note 3, we sold 100% of the capital stock of our subsidiaries, Cogility and DSTG, which were our primary source of revenue. These matters raise substantial doubt about our ability to continue as a going concern.

This Management's Discussion and Analysis or Plan of Operations ("MD&A") section discusses our results of operations, liquidity and financial condition, contractual relationships and certain factors that may affect our future results. You should read this MD&A in conjunction with our financial statements and accompanying notes included for Acquired Sales Corp.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are considered forward-looking statements. Forward-looking statements give the Company's current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "plan," and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are based on the Company's current plans, and the Company's actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this annual report may turn out to be inaccurate. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this quarterly report.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear in our annual report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on September 25, 2018. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

www.sec.gov.

Overview

Acquired Sales Corp. (hereinafter sometimes referred to as "Acquired Sales", "AQSP" or the "Company") was organized under

The Company wants to acquire all or a portion of one or more operating businesses.

The Company is willing to consider acquisitions in any industry, but management of the Company currently is devoting a significant amount of time and effort exploring potential acquisitions of all or a portion of one or more operating businesses involving the manufacture and sale of cannabidiol (CBD)- infused products such as beverages, muscle/joint rubs, oils, crystals, tinctures, vape e-juice, bath bombs, isolate, relief balms, elixirs, body washes, med sticks, lotions, vape pens and cartridges, shatter, and gummies.

In order to consummate a particular acquisition(s), management of the Company is open-minded to the concept of also acquiring all or a portion of one or more operating businesses and/or assets that are related to such CBD-infused products businesses, for example operating businesses and/or assets involving distilled spirits, hemp, cannabis, tetrahydrocannabinol (THC)-infused products, and real estate.

Liquidity and Capital Resources

The following table summarizes our current assets, current liabilities, and working capital as of September 30, 2018 and December 31, 2017, as well as cash flows for the nine months ended September 30, 2018 and 2017.

	September 30, 2018	**December 31, 2017**
Current Assets	$-	$-
Current Liabilities	297,400	228,174
Working Capital	(297,400)	(228,174)

	For the Nine Months Ended September 30,	
	2018	**2017**
Net Cash Used in Operating Activities	$-	$(605)

Comparison of September 30, 2018 to September 30, 2017

We closed our bank account in August 2017. At September 30, 2018, we had cash and cash equivalents of $0. In comparison, at September 30, 2017, we had cash and cash equivalents of $0.

Total current assets at September 30, 2018 of $0 are not adequate to fund current operations nor to fulfill corporate obligations or to fund growth and potential acquisitions. This is compared to total current assets at September 30, 2017 of $0.

Current liabilities at September 30, 2018 of $297,400 consisted of accounts payable to related parties of $171,823, notes payable to related parties of $14,791, interest payable to related parties of $471 and trade accounts payable of $110,315. Accounts payable to related parties consisted of independent contractor fees payable to William C. Jacobs and expense reimbursements to William C. Jacobs and Gerard M. Jacobs. Trade accounts payable primarily consisted of professional fees related to accounting. This is compared to current liabilities at September 30, 2017 of $210,181, which consisted of accounts payable to related parties of $105,973 and trade accounts payable of $104,208. Accounts payable to related parties consisted of independent contractor fees payable to William C. Jacobs and expense reimbursements to William C. Jacobs and Gerard M. Jacobs. Trade accounts payable primarily consisted of professional fees related to accounting.

Comparison of the three and nine months ended September 30, 2018 to September 30, 2017

During the three and nine months ended September 30, 2018, we incurred selling, general and administrative expenses of $16,549 and $122,623, respectively. Selling, general and administrative expenses primarily consisted of independent contractor fees and the reimbursement for expenses incurred by our CEO and independent contractor.

In comparison, during the three and nine months ended September 30, 2017, we incurred selling, general and administrative expenses of $15,913 and $49,246, respectively. Selling, general and administrative expenses primarily consisted of independent contractor fees and the reimbursement for expenses incurred by our CEO and independent contractor.

We used net cash in operating activities of $19,341 for the nine months ended September 30, 2018 primarily to pay professional fees. we used net cash in operating activities of $605 for the nine months ended September 30, 2017 primarily to pay professional fees.

Net cash provided by financing activities for the nine months ended September 30, 2018 was $19,341; in comparison, $0 net cash was provided by financing activities for the nine months ended September 30, 2017. $14,791 of the cash provided by financing activities was used to pay professional fees.

During the nine months ended September 30, 2017, cash decreased by $605, leaving us with $0 in unrestricted cash at September 30, 2017. We had $0 in unrestricted cash at September 30, 2018.

We currently have no revenue-generating subsidiaries. We plan to sustain the Company as a going concern by taking the following actions: (1) acquiring and/or developing profitable businesses that will create positive income from operations; and/or (2) completing private placements of our common stock and/or preferred stock. We believe that by taking these actions, we will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that we will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

Critical Accounting Policies

Use of Estimates – The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. In the past, significant estimates included share-based compensation forfeiture rates and the potential outcome of future tax consequences of events that have been recognized for financial reporting purposes. Actual results and outcomes may differ from our estimates and assumptions.

Income Taxes – Provisions for income taxes are based on taxes payable or refundable for the current year and deferred income taxes. Deferred income taxes are provided on differences between the tax bases of assets and liabilities and their reported amounts in the financial statements and on tax carry forwards. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. A valuation allowance is provided against deferred income tax assets when it is not more likely than not that the deferred income tax assets will be realized.

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. At September 30, 2018, there were 4,181,415 stock options and warrants, and 17,500 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive. In comparison, at September 30, 2017, there were 4,058,774 stock options and warrants, and 70,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

Recent Accounting Pronouncements – Effective January 2017, FASB issued ASU No. 2016-15 "Statement of Cash Flows" (Topic 230). This guidance clarifies diversity in practice on where in the Statement of Cash Flows to recognize certain transactions, including the classification of payment of contingent consideration for acquisitions between Financing and Operating activities. We are currently evaluating the impact that this amendment will have on our financial statements.

On January 5, 2017, the FASB issued ASU No. 2017-01, “Clarifying the Definition of a Business” (Topic ASC 805), guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this ASU provide a screen to determine when an integrated set of assets and activities (collectively referred to as a “set”) 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 screen reduces the number of transactions that need to be further evaluated. If the screen is not met, the amendments require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and remove the evaluation of whether a market participant could replace the missing elements. This ASU is effective for public business entities in annual periods beginning after December 15, 2017, including interim periods therein. We are currently evaluating the impact that this amendment will have on our financial statements.

In May 2017, the FASB issued ASU No. 2017-09, “Compensation – Stock Compensation” (Topic 718) - Scope of Modification Accounting. This ASU clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This ASU is effective prospectively for the annual period ending December 31, 2018 and interim periods within that annual period. We are currently evaluating the impact that this amendment will have on our financial statements.

In June 2018, the FASB issued ASU No. 2018-07, Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting, which is intended to improve the usefulness of the information provided to the users of financial statements while reducing cost and complexity in financial reporting. Under the new standard, nonemployee share-based payment awards within the scope of Topic 718 are measured at grant-date fair value of the equity instruments that an entity is obligated to issue when conditions necessary to earn the right to benefit from the instruments have been satisfied. These equity-classified non-employee share-based payment awards are measured at the grant date. Consistent with the accounting for employee share-based payment awards, an entity considers the probability of satisfying performance conditions when nonemployee share-based payment awards contain such conditions. The new standard also eliminates the requirement to reassess classification of such awards upon vesting. The new standard is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. We are currently evaluating the impact that this amendment will have on our financial statements.

Off Balance Sheet Arrangements – We have no off-balance sheet arrangements.

The William Noyes Webster Foundation, Inc.

The William Noyes Webster Foundation, Inc. (the “Foundation”), a non-profit Massachusetts corporation, has received a provisional registration from the Commonwealth of Massachusetts to own and operate a medical marijuana cultivation facility in Plymouth, Massachusetts, and a medical marijuana dispensary in Dennis, Massachusetts. Heatley is the founder and a member of the board of directors of the Foundation.

Teaming Agreement – We believe it is highly likely that the board of directors of the Foundation will only approve contracts that have been negotiated and approved by Heatley. Consequently, on July 8, 2014, we entered into a Teaming Agreement (the "Teaming Agreement") with Heatley, in which, among other things: (1) we and Heatley agreed to use our respective best efforts, working exclusively together as a team, and not as a partnership or other entity, in order to consummate transactions, agreements, contracts or other arrangements pursuant to which we will provide capital and expertise to the Foundation; and (2) Heatley agreed that Heatley shall not, and shall not permit the Foundation to, discuss or negotiate for debt or equity financing, or consulting services or other expertise, from any third party. We claim that Heatley violated the Teaming Agreement by discussing and negotiating for debt or equity financing, or consulting services or other expertise, from at least one third party. Heatley claims that we violated the Teaming Agreement alleging that we failed to lend funds to the Foundation in accordance with the Teaming Agreement. We believe Heatley's claim to be baseless. No assurances whatsoever can be made that Heatley will comply with the terms of the Teaming Agreement, nor that we will be able to adequately enforce the terms of the Teaming Agreement if it is ever the subject of litigation.

Promissory Note – On July 14, 2014, the Foundation signed and delivered to us a Secured Promissory Note (the "Note") which is in the stated loan amount of $1,500,000, and is secured by a Security Agreement of even date therewith (the “Security Agreement”). The Note provides that the $1,500,000 loan may be advanced in one or more installments as the Foundation and we may mutually agree upon. The Foundation and we mutually agreed that the first installment of this loan would be $602,500. Pursuant to instructions from the Foundation, on July 14, 2014, we paid $2,500 owed by the Foundation to one of its consultants, and we advanced $600,000 directly to the Foundation. The amount and timing of subsequent loan installments under the Note, which could have totaled $897,500, had not yet been mutually agreed upon between the Foundation and us as of the date of the Note.

Between April and July 2015, we loaned an additional $135,350 to the Foundation, evidenced by the Note and secured by the Security Agreement. Following such additional loans, the principal of the loan from us to the Foundation, evidenced by the Note and secured by the Security Agreement, is now $737,850.

The principal balance outstanding under the Note bore interest at the rate of 12.5% per annum, compounded monthly. It was contemplated that the first payment of accrued interest by the Foundation under the Note would be made as soon after the Foundation commences operations of the Plymouth Cultivation Facility and the Dennis Dispensary as the Foundation's cash flows shall reasonably permit, but in any event no later than one year after the Foundation commences operations. The principal of the Note would be payable in eight consecutive equal quarterly installments, commencing on the last day of the calendar quarter in which the Foundation commences operations.

Uncollectable Note and Interest Receivable – We assessed the collectability of the Note based on the adequacy of the Foundation’s collateral and the Foundation’s capability of repaying the Note according to its terms. Based on this assessment, on September 1, 2015, we concluded that Note and interest receivable would not be collectible. As such, we wrote off the Note totaling $737,850 and interest receivable totaling $97,427 as bad debt expense on September 1, 2015.

Contractual Cash Obligations and Commercial Commitments

Cultivation and dispensary of Medical Marijuana in the State of Massachusetts – On July 20, 2014, we entered into an agreement to pay a lump sum finder's fee to Parare Partners Inc. in the event that all of the following conditions occur: (1) we make certain loans to the Foundation which was found by Parare Partners Inc., (2) the Foundation constructs and brings into operation its planned medical marijuana cultivation facility in Plymouth, Massachusetts and a medical marijuana dispensary in Dennis, Massachusetts,

(3) we directly or via subsidiaries enter into certain consulting agreements with the Foundation, and (4) all necessary approvals are obtained. If all of such conditions occur, then the finder's fee will be calculated as follows:

5% of the first $1,000,000 of the aggregate principal amount of such loans

4% of the second $1,000,000 of the aggregate principal amount of such loans

3% of the third $1,000,000 of the aggregate principal amount of such loans

2% of the fourth $1,000,000 of the aggregate principal amount of such loans

1% of the aggregate principal amount of such loans that are in excess of $4,000,000

We have not paid any fees under this Agreement. All of the conditions have not been met for the finder's fee to have accrued on the amounts loaned to the Foundation; therefore, a liability has not been recorded for the finder's fee at September 30, 2018.

During the nine month period ended September 30, 2015, MVJ Realty, LLC, an affiliate of AQSP director Vincent J. Mesolella ("MVJ Realty"), loaned a total of $23,000 to the Foundation, which $23,000 was purportedly used as follows: (a) $9,500 was used by the Foundation to pay the rent of the Plymouth Cultivation Facility for the month of May, 2015; (b) $6,900 was used by the Foundation to pay the rent of the Dennis Dispensary for the months of April and May, 2015; (c) $3,600 was used by the Foundation to pay for the general liability insurance policy covering the Plymouth Cultivation Facility and the Dennis Dispensary; and (d) $3,000 was used by the Foundation to pay the application fees for two applications (the "Two New Applications") by the Foundation to the Commonwealth of Massachusetts for licenses (the "Two New Licenses") to operate two new medical marijuana dispensaries in Massachusetts (the "Two New Dispensaries"). In making these $23,000 loans to the Foundation, MVJ Realty viewed itself as acting as an agent for us, and expected to eventually be reimbursed for the $23,000 by us subject to the execution and delivery by the Foundation to us of loan documents evidencing that the principal amount of the loan from us to the Foundation, evidenced by the Note and secured by the Security Agreement, had been increased by $23,000. The execution and delivery of such loan documents occurred on July 15, 2015, and MVJ Realty was reimbursed for the $23,000 in August 2015.

In the Two New Applications, the Foundation included background information in regard to each of our directors and officers. If the Two New Licenses are awarded to the Foundation, then the Foundation may seek to obtain financing for the Two New Dispensaries from MVJ Realty/Acquired Sales. The Foundation and MVJ Realty/Acquired Sales have not yet entered into any agreements in regard to such potential financing, and we consider it to be extremely doubtful that any such agreements will ever be entered into in light of the on-going disputes between Heatley, the Foundation, and us regarding the Teaming Agreement.

At this time, no assurances or guarantees whatsoever can be made as to whether any transaction with the Foundation will be successfully consummated, nor on what terms.

Acquisition of Real Estate in Rhode Island

As discussed in our prior public filings, we have attempted to acquire one or more of the Mesolella/Jacobs Properties. The Mesolella/Jacobs Properties are parcels of real estate in Rhode Island that are owned by entities affiliated with Vincent J. Mesolella and his son Derek V. Mesolella, formerly an independent contractor to AQSP. One of the Mesolella/Jacobs Properties is also partly owned by an affiliate of our CEO, Gerard M. Jacobs.

Recent discussions among Messrs. Mesolella and Jacobs and our independent directors have made it increasingly likely that we will never purchase any of the Mesolella/Jacobs Properties.

Simultaneous with Vincent J. Mesolella's agreement to negotiate in good faith regarding the possibility of us acquiring the Mesolella/Jacobs Properties, in November 2014, the officers and directors of the Company were awarded the right to purchase, directly or using a designee, for an aggregate price of $2 per director: (a) warrants to purchase an aggregate of 1.35 million shares of common stock of the Company at an exercise price of $0.01 per share; and (b) warrants to purchase an aggregate of 1.35 million shares of common stock of the Company at an exercise price of $1.85 per share, 100,000 of which warrants are vested, and 1.25 million of which warrants are subject to the condition that the Company shall have acquired at least one of the Mesolella/Jacobs Properties.

Other Matters

We may be subject to other legal proceedings, claims, and litigation arising in the ordinary course of business. We intend to defend vigorously against any such claims. Although the outcome of these other matters is currently not determinable, our management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its financial position, results of operations, or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2018, our disclosure controls and procedures were not effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules, regulations and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As indicated in our Form 10-K for the year ended December 31, 2017, management concluded that our internal control over financial reporting was not effective. Management’s assessment of internal controls over financial reporting has not changed at September 30, 2018. There existed a lack of segregation of duties in regard to the Company’s financial reporting, procedures for depositing of funds, procedures for cash disbursements, procedures for checkbook entries, period close procedures, and procedures for financial statement preparation that result in material weaknesses in internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Our management, with the participation of the chief executive officer and chief financial officer, has concluded that there were no significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

To the best knowledge of the officers and directors, the Company is not a party to any legal proceeding or litigation.

Item 1A. Risk Factors.

Not required.

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

None; not applicable.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

Item 4. Mine Safety Disclosures.

None; not applicable.

Item 5. Other Information.

None; not applicable.

Item 6. Exhibits.

The following Exhibits have been previously filed in the below referenced filings or have been attached hereto, and in any case, as is stated on the cover of this Report, all of the below Exhibits are incorporated herein by reference.

Form 10-SB	**March 23, 2007**
3.1	Articles of Incorporation dated December 12, 1985
3.2	Amended Articles of Incorporation Dated July 1992
3.3	Amended Articles of Incorporation Dated November 1996
3.4	Amended Articles of Incorporation Dated June 1999
3.5	Amended Articles of Incorporation Dated January 25, 2006
3.6	Amended Bylaws
Form 8-K	**August 2, 2007**
5.01	Shareholder Agreement
Form 10-Q	**May 18, 2009**
10.1	Private Merchant Banking Agreement-Anniston Capital, Inc.
10.2	Warrant Agreement #1-Anniston Capital, Inc.
10.3	Warrant Agreement #2-Anniston Capital, Inc.
10.4	$100,000 Promissory Note – December 1, 2007
10.5	$10,000 Promissory Note – January 30, 2008
10.6	$10,000 Promissory Note – November 9, 2008
Form 10-K	**August 20, 2010**
10.7	$4,000 Promissory Note – April 19, 2010
Form 8-K	**November 5, 2010**
10.1	Letter of Intent Agreement Cogility Software dated November 4, 2010
99.1	Press Release
Form 10-K	**December 17, 2010**
10.8	$20,000 Promissory Note – October 12, 2010
Form 10-Q	**June 30, 2011**
4.1	Form of Note 3%
4.2	Form of Warrant
10.10	Subscription Agreement
Schedule DEF 14-C Information Statement	**August 9, 2011**
10.11	The Johns Hopkins University Applied Physics Laboratory Firm Fixed Price-Time And Material Contract No. 961420, dated October 20, 2009 (filed as Exhibit (E)(i) thereto)
10.12	The Analysis Corporation Task Order Subcontract Agreement, dated January 4, 2010 (filed as Exhibit (E)(ii) thereto)

10.13	Defense & Security Technology Group, LLC, Program Budget & Asset Management Tool Proof of Concept Pilot, dated June 27, 2011 (filed as Exhibit (E)(iii) thereto)
10.14	Defense & Security Technology Group, LLC, Command Information Center – Data Integration Proof of Concept, dated June 27, 2011 (filed as Exhibit (E)(iv) thereto)
Form 8-K	**<u>October 4, 2011</u>**
10.15	Agreement and Plan of Merger
10.16	NAVAIR PMA 265 contract, in regard to a Program Budget & Asset Management Tool Proof of Concept Pilot, dated July 15, 2011
10.17	NAVAIR 4.2 Cost Performance contract, in regard to Command Information Center - Data Integration (CIC-DI) Proof of Concept, dated July 15, 2011
10.18	Sotera Defense Solutions, Inc. subcontract number SOTERA-SA-FY11-040, dated June 20, 2011
10.19	$4,000 Promissory Note – September 13, 2011
10.20	CACI Prime Contract No.: W15P7T-06-D-E402 Prime Delivery Order No.: 0060, dated August 24, 2011
10.21	$4,000 Promissory Note – September 13, 2011
14.1	[Proposed] Code of Business Conduct and Ethics
Form 10-Q	**<u>May 21, 2012</u>**
10.22	Agreement dated as of October 17, 2011, by and among Deborah Sue Ghourdjian Separate Property Trust, Matthew Ghourdjian, Daniel F. Terry, Jr., Roberti Jacobs Family Trust, Acquired Sales Corp., Vincent J. Mesolella, and Minh Le
Form 10-Q	**<u>November 13, 2012</u>**
10.23	Firm Fixed Price subcontract; Defense & Security Technology Group, Inc. subsidiary and CAS, Inc., dated September 19, 2012
10.24	Firm-Fixed-Price, Level-of-Effort, IDIQ Subcontract; Cogility subsidiary and Booz Allen Hamilton, dated November 1, 2012
Form 8-K	**<u>January 16, 2013</u>**
10.25	Stock Purchase Agreement dated January 11, 2013 regarding sale of our subsidiary Cogility Software Corporation to Drumright Group, LLC.
99.1	Press Release
Form 8-K	**<u>February 12, 2013</u>**
10.26	Amendment No. 1 Stock Purchase Agreement
Form 8-K	**<u>August 1, 2013</u>**
10.27	Amendment No. 2 Stock Purchase Agreement
10.28	Release Agreement
Form 8-K	**<u>September 4, 2013</u>**
99.1	Letter – Change of certifying accountant due to acquisition of accountant
	<u>October 4, 2013</u>

Form 8-K

10.29	Stock Purchase Agreement dated March 31, 2013

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Form 8-K	**<u>July 16, 2014</u>**
10.30	Promissory Note; William Noyes Webster Foundation, Inc.
10.31	Security Agreement relating to Promissory Note with the William Noyes Webster Foundation, Inc.
Form 8-K	**<u>December 2, 2014</u>**
10.32	Letter of Intent; Acquired Sales Corp. Merger with PPV, Inc. and Bravo Environmental NW, Inc.
99.1	Press Release
Form 8-K	**<u>February 5, 2015</u>**
99.1	Press Release
Form 8-K	**<u>June 24, 2016</u>**
10.33	Letter of Intent; Acquired Sales Corp. acquisition of Aggregated Marketing Platform Inc. and Processing for a Cause Inc.
99.1	Press Release
Form 8-K	**<u>April 18, 2017</u>**
99.1	Press Release
This 10-Q	**November 9, 2018**

<u>**31.1** Certification of principal executive officer and principal financial officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs</u>

<u>**32.1** Certification of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs</u>

101.INS	XBRL Instance Document*
101.PRE.	XBRL Taxonomy Extension Presentation Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.SCH	XBRL Taxonomy Extension Schema*

*Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed “furnished” and not “filed” or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, or deemed “furnished” and not “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 9, 2018

ACQUIRED SALES CORP.

By: /s/ *Gerard M. Jacobs*
Gerard M. Jacobs
Chief Executive Officer