

Edgar Filing: Rokk3r Inc. - Form 10-Q

Rokk3r Inc.
Form 10-Q
May 15, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2018

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

ROKK3R INC.

(Exact name of small business issuer as specified in its charter)

Nevada 000-28453 75-2610236
(State or other jurisdiction (Commission (I.R.S. Employer
of incorporation) File Number) Identification Number)

2121 NW 2nd Avenue #203, Miami, FL 33127
(Address of principal executive offices and zip code)

(305) 259-6637
(Registrant's telephone number, including area code)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 last 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations 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 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 an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer 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 No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 98,223,412 Shares of Common Stock, par value \$0.0001 per share as of May 15, 2018.

ROKKER INC.
Form 10-Q
March 31, 2018

INDEX

PART I. FINANCIAL INFORMATION

| | |
|---|----|
| Item 1. Financial Statements | 3 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 13 |
| Item 3. Quantitative and Qualitative Disclosures about Market Risk | 17 |
| Item 4. Controls and Procedures | 18 |

PART II. OTHER INFORMATION

| | |
|---|----|
| Item 1. Legal Proceedings | 18 |
| Item 1A. Risk Factors | 19 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 19 |
| Item 3. Defaults Upon Senior Securities | 19 |
| Item 4. Mine Safety Disclosures | 20 |
| Item 5. Other Information | 20 |
| Item 6. Exhibits | 20 |
| SIGNATURES | 20 |

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ROKK3R INC.

CONDENSED BALANCE SHEETS

| | March 31, 2018 (Unaudited) | December 31, 2017 |
|---|----------------------------------|-------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$1,566,522 | \$- |
| Subscription receivable | 40,000 | - |
| Prepaid expenses | 15,000 | - |
| Total Current Assets | 1,621,522 | - |
| Investment in parent company - cost method | 1,000,000 | 1,000,000 |
| Total Assets | \$2,621,522 | \$1,000,000 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$70,819 | \$40,619 |
| Accounts payable - parent | 250,000 | - |
| Accrued expenses | 34,658 | 21,244 |
| Convertible note payable, net | 540,000 | 540,000 |
| Notes payable - other | 12,000 | 12,000 |
| Due to parent company | 95,717 | 16,492 |
| Total Current Liabilities | 1,003,194 | 630,355 |
| SHAREHOLDERS' EQUITY (DEFICIT): | | |
| Preferred stock - \$0.0001 par value. 50,000,000 shares authorized; none issued and outstanding at March 31, 2018 and December 31, 2017, respectively | - | - |
| Common stock - \$0.0001 par value. 500,000,000 shares authorized. 98,223,412 and 94,828,287 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively | 9,822 | 9,483 |
| Additional paid in capital | 73,987,148 | 71,814,487 |
| Accumulated deficit | (72,378,642) | (71,454,325) |
| Total Shareholders' Equity | 1,618,328 | 369,645 |
| Total Liabilities and Shareholders' Equity | \$2,621,522 | \$1,000,000 |

See accompanying notes to the unaudited condensed financial statements.

3

ROKK3R INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

| | For the Three Months Ended March 31, | |
|--|--|-------------|
| | 2018 | 2017 |
| Revenues | \$- | \$- |
| Operating Expenses: | | |
| Consulting fees - parent | 750,000 | - |
| Professional fees | 137,379 | - |
| General and administrative expenses | 20,899 | 7,570 |
| Total Operating Expenses | 908,278 | 7,570 |
| Loss from Operations | (908,278) | (7,570) |
| Other Income (Expense) | | |
| Gain on extinguishment of debt (Note 1) | - | 1,889,938 |
| Interest expense | (16,039) | (19,506) |
| Total Other Income (Expense) | (16,039) | 1,870,432 |
| Income (loss) Before Provision for Income Taxes | (924,317) | 1,862,862 |
| Provision for income taxes | - | - |
| Net income (loss) | \$(924,317) | \$1,862,862 |
| Net income (loss) per Share of Common Stock Outstanding - Basic and Diluted | \$(0.01) | \$5.14 |
| Weighted-average number of shares outstanding – Basic and Diluted | 95,768,224 | 362,200 |

See accompanying notes to the unaudited condensed financial statements.

ROKK3R INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the Three Months ended March 31, | |
|---|--|-------------|
| | 2018 | 2017 |
| Cash Flows from Operating Activities: | | |
| Net income (loss) | \$(924,317) | \$1,862,862 |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Gain on the extinguishment of debt | - | (1,889,938) |
| Change in operating assets and liabilities: | | |
| Prepaid expenses | (15,000) | - |
| Accounts payable | 30,200 | - |
| Accounts payable - parent | 250,000 | - |
| Accrued expense | 13,414 | (5,035) |
| Accrued interest payable - related party | - | 19,506 |
| Net cash used in operating activities | (645,703) | (12,605) |
| Cash Flows from Financing Activities: | | |
| Proceeds from parent advances | 79,225 | 12,605 |
| Cash proceeds from sale of common stock | 2,133,000 | - |
| Net cash provided by financing activities | 2,212,225 | 12,605 |
| Increase in Cash | 1,566,522 | - |
| Cash at beginning of period | - | - |
| Cash at end of period | \$1,566,522 | \$- |
| Supplemental Disclosure of Interest and Income Taxes Paid: | | |
| Interest paid | \$- | \$- |
| Income taxes paid | \$- | \$- |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Subscription Receivable | \$40,000 | \$- |

See accompanying notes to the unaudited condensed financial statements.

ROKK3R INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Rokk3r Inc. (the “Company”), formerly known as Eight Dragons Company, is a Nevada corporation. Its predecessor was incorporated in Delaware on September 27, 1996. On March 23, 2018, the Company changed its name to Rokk3r Inc. The name change was done to reflect its current business of providing consulting services and related value generating strategies which it commenced following the recently acquired technology platform to partner with entrepreneurs, strategists, creatives and engineers to design, build and launch organizations. The Company commenced this line of business following completion of the transactions set forth in Restructuring Agreement and related transactions discussed below.

On October 24, 2007, the Company changed its state of incorporation from Delaware to Nevada by means of a merger with and into Eight Dragons Company solely for the purpose of effecting the reincorporation.

Effective March 20, 2017, DMJ Acquisitions LLC, the former principal stockholder of the Company (“DMJ”), entered into a Stock Purchase Agreement (the “Agreement”) dated January 26, 2017, with Una Taylor through Eight Dragons Acquisitions, LLC, an entity she controls (the “Buyer”), pursuant to which, among other things, DMJ agreed to sell to the Buyer, and the Buyer agreed to purchase from DMJ, a total of 290,500 shares of Common Stock owned of record and beneficially by DMJ (the “Purchased Shares”). The Purchased Shares represented, at closing, approximately 80.2% of the Company’s issued and outstanding shares of Common Stock. The funds for the acquisition were provided by the parent company controlled by the former Chief Executive Officer of the Company and used for the benefit of Eight Dragons Acquisitions, LLC, an entity Una Taylor, the Company’s former Chief Executive Officer, controls. In connection with the transactions contemplated by the Agreement, the liabilities of Eight Dragons were forgiven and the Board of Directors appointed Una Taylor and Theodore Faison to fill vacancies on the Company’s Board of Directors, and the prior director resigned. The forgiven stockholder liabilities totaled \$1,889,938, including \$1,037,632 in principal and \$852,406 in accrued interest, which has been reflected as a gain on extinguishment of debt on the accompanying statement of operations for the year ended December 31, 2017.

On December 26, 2017, the Company entered into a Restructuring Agreement (the “Restructuring Agreement”) with Una Taylor, the former Chief Executive Officer and substantial stockholder of the Company, and Rokk3r Labs LLC (“Rokk3r Labs”). The Restructuring Agreement provided for certain transactions as described below. The transactions contemplated by the Restructuring Agreement (the “Transactions”) closed on December 26, 2017 (the “Closing Date”). As a result of the closing of the Transactions (the “Closing”), Rokk3r Labs acquired control of the Company from Ms. Taylor. Following the Closing, Rokk3r Labs owns 89.41% of the Company’s outstanding shares of common stock and the Company became a majority-owned subsidiary of Rokk3r Labs.

The following transactions were completed on the Closing Date in conjunction and as conditions to the Closing:

The Company and Eight Dragons Acquisition, LLC (“Eight Dragons LLC”), an affiliate of Ms. Taylor, rescinded certain transactions between the Company and Eight Dragons LLC, and in connection therewith Eight Dragons LLC returned to the Company 290,500 shares of Common Stock, for no additional consideration.

The Company and Ms. Taylor rescinded certain transactions between the Company and Ms. Taylor, and in connection therewith Ms. Taylor returned to the Company 9,710,295 shares of Common Stock and 1,000,000 shares of preferred stock, par value \$0.0001 per share, of the Company, for no additional consideration. In connection therewith, the Company and Ms. Taylor entered into the Taylor Rescission Agreement.

Pursuant to an Asset and Intellectual Property Contribution and Assignment Agreement entered into between the Company and Rokk3r Labs dated December 26, 2017 (the “Contribution and Assignment Agreement”), Rokk3r Labs contributed to the capital of the Company certain intellectual property assets of Rokk3r Labs in exchange for the issuance to Rokk3r Labs of 74,050,000 shares of unregistered Common Stock. The Contribution and Assignment Agreement was entered into as one of the conditions to the Restructuring Agreement.

Pursuant to the terms of the Restructuring Agreement, Ms. Taylor and Theodore Faison resigned from all positions with the Company held by them effective as of the Closing Date. In addition, the Company appointed to the board of directors Nabyl Charania, German Montoya and Jeff Ransdell appointed Mr. Charania as the Chief Executive Officer and Principal Accounting Officer of the Company.

ROKK3R INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

In connection with the Restructuring Agreement, the Company, Rokk3r Labs and Ms. Taylor also entered into a Release Agreement (the "Release Agreement"), pursuant to which each party released the others and each of their respective predecessors, successors, assigns, heirs, representatives, agents and all related parties from all claims of any type that any such party may have had or may have in the future, to the extent that those claims arose, may have arisen, or are based on events which occurred at any point in the past up to and including December 26, 2017, other than any claims arising from the Restructuring Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates for the three months ended March 31, 2018 and 2017 include the assumptions used in assessing impairment of investments, valuation allowances for deferred tax assets, and the fair value of non-cash equity transactions and stock-based compensation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Fair Value of Financial Instruments

ASC 825, "Disclosures about Fair Value of Financial Instruments", requires disclosure of fair value information about financial instruments. ASC 820, "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2018 and December 31, 2017.

The carrying amounts reported in the balance sheets for accounts payable, accrued expenses, convertible note payable, note payable and amounts due to parent company approximate their fair market value based on the short-term maturity of these instruments.

Investments

The method of accounting applied to long-term investments, whether consolidated, equity or cost, involves an evaluation of the significant terms of each investment that explicitly grant or suggest evidence of control or influence over the operations of the investee and also includes the identification of any variable interests in which the Company is the primary beneficiary. Investments in businesses that the Company does not control, but in which the Company has the ability to exercise significant influence over operating and financial matters, are accounted for using the equity method. Investments in which the Company does not have the ability to exercise significant influence over operating and financial matters are accounted for using the cost method. Equity and cost method investments are included

“Investments” in the accompanying balance sheets. The Company periodically evaluates its equity and cost method investments for impairment due to declines considered to be other than temporary. If the Company determines that a decline in fair value is other than temporary, then a charge to earnings is recorded as an impairment loss in the accompanying statements of operations. Based on an impairment analysis, during the three months ended March 31, 2018 and 2017, the Company did not record any impairment loss related to such investments.

Convertible Notes with Fixed Rate Conversion Options

The Company may enter into convertible notes, some of which contain, predominantly, fixed rate conversion features, whereby the outstanding principal and accrued interest may be converted by the holder, into common shares at a fixed discount to the market price of the common stock at the time of conversion. This results in a fair value of the convertible note being equal to a fixed monetary amount. The Company records the convertible note liability at its fixed monetary amount by measuring and recording a premium, as applicable, on the Note date with a charge to interest expense in accordance with ASC 480 - "Distinguishing Liabilities from Equity".

ROKK3R INC.
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 MARCH 31, 2018
 (Unaudited)

Convertible Debt

In July 2017, the FASB issued Accounting Standards Update No. 2017-11 Earnings Per Share (Topic 260) Distinguishing Liabilities from Equity (Topic 480) Derivatives and Hedging (Topic 815) (“ASU 2017-11”), which changes the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. ASU 2017-11 also clarifies existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, ASU 2017-11 requires entities that present earnings per share (EPS) in accordance with ASC Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common (shareholders in basic EPS. For the Company, ASU 2017-11 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. The Company adopted this standard on July 1, 2017.

Basic (Loss) Income per Common Share

Basic (loss) income per share is calculated by dividing the (net loss) net income attributable to stockholders by the weighted-average number of shares outstanding for the period. Diluted (loss) income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings (loss) of the Company. Diluted (loss) income per share is computed by dividing the (loss) income available to stockholders by the weighted average number of shares outstanding for the period and dilutive potential shares outstanding unless such dilutive potential shares would result in anti-dilution. As of March 31, 2018 and 2017, potentially dilutive securities consisted of the following:

| March | March |
|-------|-------|
| 31, | 31, |
| 2018 | 2017 |

| | | |
|------------------|---------|---|
| Convertible debt | 281,805 | - |
|------------------|---------|---|

Stock-Based Compensation

The cost of all share-based payments to employees, including grants of restricted stock and stock options, is recognized in the financial statements based on their fair values measured at the grant date, or the date of any later modification, over the requisite service period. The cost of all share-based payments to non-employees, including grants of restricted stock and stock options, is recognized in the consolidated financial statements based on their fair values at each reporting date until measurement date occurs, over the requisite service period. The Company recognizes compensation cost for unvested stock awards on a straight-line basis over the requisite vesting period.

Recent Accounting Pronouncements

Management has considered all other recent accounting pronouncements issued since the last audit of the Company's financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

NOTE 3 – GOING CONCERN

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, the Company had a net loss of \$924,317 for the three months ended March 31, 2018. The net cash used in operations was \$645,703 for the three months ended March 31, 2018. Additionally, the Company had an accumulated deficit of \$72,378,642, and had shareholders' equity of \$1,618,328 at March 31, 2018, and is in default of on its convertible debt. These conditions raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report. During the three months ended March 31, 2018, the Company sold its common stock for proceeds of \$2,173,000 and at March 31, 2018, the Company had a cash balance of \$1,566,522. The Company's controlling shareholder, Rokk3r Labs, has committed to meeting its operating expenses. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

ROKK3R INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

NOTE 4 – INVESTMENTS

On April 30, 2017, the Company completed a purchase of a non-controlling 18.72% membership interest in Rokk3r Labs for a purchase price of \$1,000,000 (provided at the direction of an entity controlled by Una Taylor for the benefit of the Company) and the issuance of 9,677,208 shares of its common stock valued at \$12,386,826 or \$1.28 per share. Rokk3r Labs is a venture builder and operator of a ‘co-building’ platform for entrepreneurs, corporations and investors to create exponential startups. As a result of the closing of the Transactions (See Note 1), Rokk3r Labs acquired control of the Company from Ms. Taylor. Following the Closing, Rokk3r Labs owned 89.41% of the Company’s outstanding shares of common stock. Accordingly, the Company became a majority-owned subsidiary of Rokk3r Labs. In connection with the Transactions and recapitalization of the Company, in December 2017, the Company wrote down its investment in Rokk3r Labs to \$1,000,000 to reflect the cash purchase price. Accordingly, during the year ended December 31, 2017, the Company recorded an impairment loss of \$12,386,826, which amount is attributable to the Company’s common stock issued to Rokk3r Labs. At March 31, 2018 and December 31, 2017, the Company’s cost method investment in Rokk3r Labs amounted to \$1,000,000.

NOTE 5 – CONVERTIBLE PROMISSORY NOTE

On April 27, 2017, the Company entered into Securities Purchase Agreements with Firstfire Global Opportunities Fund, LLC (“Firstfire”) for the sale of a convertible promissory note in aggregate principal amount of \$330,000 (the “Firstfire Note”). The Firstfire Note was due on October 27, 2017, bears interest of 1% per annum and provides that the Company issue Firstfire 250,000 shares of common stock as additional consideration for the purchase of the Firstfire Note. Any Principal Amount or interest on this Note which is not paid when due shall bear interest at the rate of 15% per annum from the due date thereof until paid in full. In the event that the Company fails to pay the Principal Amount hereof or interest thereon in full on the Maturity Date, the Company shall be obligated to pay Firstfire an additional \$100,000 penalty. The Firstfire Note is convertible into common stock, at Firstfire’s option, at 75% multiplied by the lowest traded price of the Company common during the ten consecutive trading day period immediately preceding the trading day that the Company receives the Notice of Conversion from the Firstfire. The Firstfire Note has limited piggy back registration rights and prepayment provisions attached.

The Company paid original issuance cost of \$30,000 in connection with this note payable which will be amortized over the term of the note. Since the convertible note was not repaid on October 27, 2017, the Company increased the principal amount of this note by \$100,000 and recorded interest expense of \$100,000 in 2017.

On April 27, 2017, in connection with the Firstfire, the Company issued Firstfire 250,000 shares of its common stock as additional consideration for the purchase of the Firstfire Note. The Company valued these shares at \$320,000, or \$1.28 per common share. In connection with the issuance of these shares, in 2017, the Company recorded interest expense of \$320,000.

This note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments. The Company has accounted for this convertible promissory note as stock settled debt under ASC 480 and in 2017, the Company recorded a debt premium liability of \$110,000 and a charge to interest expense of \$110,000.

On November 15, 2017, the Company entered into a Settlement Agreement and Stipulation (the “Settlement Agreement”) with Firstfire, pursuant to which the Company agreed to issue common stock to Firstfire in exchange for

the settlement of \$330,000 for the principal amount of the promissory note issued by the Company to Firstfire on Firstfire Note, plus \$100,000 as set forth in section 3.1 in the Firstfire Note, plus default interest of 15% annually (the “Settlement Amount”) as provided for in the Firstfire Note.

On November 28, 2017, the Circuit Court of Broward County, Florida (the “Court”), entered an order (the “Firstfire Order”) approving, among other things, the fairness of the terms and conditions of an exchange pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the “Securities Act”), in accordance with a stipulation of settlement, pursuant to the Settlement Agreement, in the matter entitled Firstfire Global Opportunities Fund, LLC v. Eight Dragons Company (Case No. CACE-17-019524 (Div. 25) (the “Firstfire Action”). Firstfire commenced the Firstfire Action against the Company to recover the Settlement Amount (the “Firstfire Claim”) pursuant to the Firstfire Note. The Firstfire Note relate to certain funds lent to the Company by Firstfire. The Firstfire Order provides for the full and final settlement of the Firstfire Claim and the Firstfire Action. The Settlement Agreement became effective and binding upon the Company and Firstfire upon execution of the Firstfire Order by the Court on November 15, 2017. The Company’s obligations under the Firstfire Note are now governed by and have been replaced by the Company’s obligations under the Settlement Agreement.

ROKK3R INC.
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 MARCH 31, 2018
 (Unaudited)

Pursuant to the terms of the Settlement Agreement approved by the Firstfire Order, on November 15, 2017, the Company agreed to issue to Firstfire shares (the “Firstfire Settlement Shares”) of the Company’s common stock, \$0.0001 par value (the “Common Stock”) upon conversion of the Settlement Amount by Firstfire. The Settlement Amount is convertible into Common Stock, at Firstfire’s option, at a conversion rate equal to 75% multiplied by the lowest traded price of the Company’s Common Stock during the ten consecutive trading day period immediately preceding the trading day that the Company receives a notice of conversion from Firstfire. The Settlement Agreement provides that the Firstfire Settlement Shares will be issued in one or more tranches, as necessary, sufficient to satisfy the Firstfire Settlement Amount through the issuance of freely trading securities issued pursuant to Section 3(a) (10) of the Securities Act. Pursuant to the Settlement Agreement, Firstfire may deliver a request to the Company for shares of Common Stock to be issued to Firstfire (the “Firstfire Share Request”).

In the event that the Company needs to increase the amount of its authorized common stock to satisfy its obligations under the Settlement Agreement, it will promptly increase its authorized shares to ensure its ability to timely comply with the Firstfire Order.

The Settlement Agreement provides that in no event shall the number of shares of Common Stock issued to Firstfire or its designee in connection with the Settlement Agreement, when aggregated with all other shares of Common Stock then beneficially owned by Firstfire and its affiliates (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations thereunder), result in the beneficial ownership by Firstfire and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and the rules and regulations thereunder) at any time of more than 4.99% of the outstanding Common Stock.

As of March 31, 2018, no shares of the Company’s common have been issued pursuant to the Settlement Agreement other than 250,000 shares of common stock.

In order to provide for issuances of the Company’s Common Stock upon full satisfaction of the Settlement Amount, the Company is obligated to reserve from its authorized and unissued Common Stock a number of shares of its Common Stock equal to the greater of: (a) 1,500,000 or (b) the sum of (i) the number of shares of Common Stock issuable upon the full conversion of the Settlement Amount as of any issue date (taking into consideration any adjustments to the conversion price) multiplied by (ii) five (5).

At March 31, 2018 and December 31, 2017, accrued interest due under this convertible note amounted to \$29,357 and \$13,318, respectively, as included in accrued expenses on the accompanying condensed balance sheets.

At March 31, 2018 and December 31, 2017, convertible note payable consisted of the following:

| | March 31, 2018 | December 31, 2017 |
|--------------------------------|----------------------|-------------------------|
| Principal amount | \$430,000 | \$430,000 |
| Add: debt premium liability | 110,000 | 110,000 |
| Convertible notes payable, net | \$540,000 | \$540,000 |

NOTE 6 – SHAREHOLDERS’ EQUITY (DEFICIT)

Shares Authorized

On March 8, 2018, the Company filed Amended and Restated Articles of Incorporation (the “Amended and Restated Articles”) with the Nevada Secretary of State to increase our authorized capital from 150,000,000 shares to 550,000,000 shares of which 500,000,000 will be common stock, par value \$0.0001 per share (the “Common Stock”) and 50,000,000 will be preferred stock, par value \$0.0001 per share (the “Preferred Stock”).

Preferred Stock

As of March 31, 2018 and December 31, 2017, the Company had no shares of preferred stock issued and outstanding.

As of March 8, 2018, the Company has authorized 50,000,000 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. The designations and attributes of which were left for future determination by the Company’s board of directors.

ROKK3R INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

Common Stock

During the three months ended March 31, 2018, the Company sold 3,395,125 shares of its common stock for proceeds of \$2,133,000 and a subscription receivable of \$40,000, or \$0.64 per common share. The subscription receivable of \$40,000 was collected in April 2018.

2018 Equity Incentive Plan

On March 7, 2018, our board approved, subject to shareholder approval by written consent on the same date, the 2018 Equity Incentive Plan. The 2018 Equity Incentive Plan is intended to make available incentives that will assist us to attract, retain and motivate employees, including officers, consultants and directors. We may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units and other cash-based or stock-based awards. A total of 15,000,000 shares of the Company's common stock have been initially authorized and reserved for issuance under the 2018 Equity Incentive Plan. This reserve will automatically increase on January 1, 2019 and each subsequent anniversary through 2028, by an amount equal to the smaller of (a) 3% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the board. As of March 31, 2018, no equity instruments have been issued under the plan.

NOTE 7 – RELATED-PARTY TRANSACTIONS

Due to parent company

During the three months ended March 31, 2018, the Company's controlling shareholder, Rokk3r Labs, advanced the Company \$79,225 for working capital purposes. The advances are non-interest bearing and are payable on demand. At March 31, 2018 and December 31, 2017, amounts due to Rokk3r Labs amounted to \$95,717 and \$16,492, respectively.

Collaboration agreement – parent company

On April 9, 2018, the Company entered into a collaboration agreement with Rokk3r Labs, the Company's controlling shareholder (the "Collaboration Agreement"). Under the terms of the Collaboration Agreement, initially, Rokk3r Labs will provide the following services to the Company on a non-exclusive, as-needed basis: delivery support of products such as consultancy services and software development services; sales support and promotion for company building and consulting services; and promotional activity, events, branding, and marketing. Once the Company is ready to undertake some or all of these activities, Rokk3r Labs will narrow down the services it performs on behalf of the Company. Each party, based on its cost structure, will define the fees for the services to be provided and will invoice the other party for the services actually rendered on a monthly basis. The term of the Collaboration Agreement commenced on January 1, 2018 and has a term of two years. However, the parties may, by mutual agreement, terminate the Collaboration Agreement or renew it for an additional one-year period. In connection with the Collaboration Agreement, during the three months ended March 31, 2018, the Company recorded consulting fees – parent company of \$750,000 related to the Rokk3r Labs. At March 31, 2018 and December 31, 2017, accounts payable – parent company amounted to \$250,000 and \$0, respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Park Road Solutions, LLC and Jordan Fishman

On June 1, 2017, the Company, Eight Dragons Acquisition I, Inc., Park Road Solutions, Inc. (“Park Road”) and Jordan Fishman ostensibly signed an Agreement and Plan of Merger and Reorganization (the “Park Road Merger Agreement”) to acquire all of the issued and outstanding common shares of Park Road from Mr. Fishman in exchange for 80,000 shares of the Company’s common stock (the “Park Road Acquisition”). The Company rescinded the Park Road Merger Agreement, ab initio, due to, among other things, its legal insufficiency, a lack of consideration on the part of Mr. Fishman and Park Road and their failure to fulfill their obligations as provided for in the Merger Agreement. On May 8, 2017, the Company’s transfer agent issued 1,150,000 shares of its common stock in the name of Jordan Fishman in anticipation of acquiring an entity owned or controlled by Mr. Fishman. The plan to acquire the entity was abandoned prior to closing and the 1,150,000 shares were never delivered to Mr. Fishman and were cancelled.

ROKK3R INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

Mr. Fishman has disputed the Company's right to rescind the Park Road Merger Agreement, demanded that the Company deliver the 1,150,000 shares of the Company's common stock without providing any legal basis for such demand and further demanded reimbursement of \$36,626 for services and expenses ostensibly advanced for the benefit of Park Road. The Company believes its right to rescind the Park Road Acquisition, has no legal obligation to deliver the 1,150,000 shares to Mr. Fishman and disputes his other demands. If Mr. Fishman pursues legal action against the Company, the Company intends to vigorously defend its rights against Mr. Fishman. Pending the outcome of the dispute with Mr. Fishman, the Company has reserved 1,150,000 shares of its Common Stock for possible issuance in the event of a determination by a court of law or subsequent agreement between the Company and Mr. Fishman.

Sean Young Demand

On May 8, 2017, the Company's transfer agent issued 1,250,000 shares of its common stock in the name of Sean Young in anticipation of acquiring an entity owned or controlled by Mr. Young. The plan to acquire the entity was abandoned prior to closing and the 1,250,000 shares were never delivered to Mr. Young and were cancelled.

On March 26, 2018, Mr. Young demanded that the Company deliver the 1,250,000 shares without providing any legal or factual basis for such demand and additionally demanded payment of \$29,000 for services and expenses ostensibly advanced for the benefit of Park Road. The Company believes it has no legal obligation to deliver the 1,250,000 shares to Mr. Young and disputes his demand for payment. If Mr. Young pursues legal action against the Company, the Company intends to vigorously defend its rights against Mr. Young. Pending the outcome of the dispute with Mr. Young, the Company has reserved 1,250,000 shares of its Common Stock for possible issuance in the event of a determination by a court of law or subsequent agreement between the Company and Mr. Young.

Press Media Group, Inc.

On March 9, 2018, the Company and Rokk3r Labs LLC ("Rokk3r Labs," and collectively, the "Plaintiffs") filed a complaint against Press Media Group Inc., a Delaware corporation ("Press Media"), and Alberto Marzan, the founder and Chief Executive Officer of Press Media (collectively, the "Defendants") in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 2018-007600-CA-01 CA08) (the "Rokk3r Complaint"). The complaint seeks relief for anticipatory breach of contract and declaratory judgement and alleges that the Defendants breached a joint venture agreement (the "JV Agreement") pursuant to which the Company and the Defendants agreed to use their respective know-how and resources to acquire Afrostream Inc., a third-party company by failing to repay a \$35,000 loan. The complaint seeks relief for fraudulent concealment and alleges that while the Company fulfilled its obligations under the JV Agreement by using their best efforts to procure funding for the acquisition and loaning \$35,000 to Press Media for such purpose, the Defendants thwarted the deal by failing to provide the necessary due diligence and failing to disclose to the Company and potential investors Mr. Marzan's criminal history as a convicted felon and accusations against him for insurance fraud. The complaint ultimately seeks relief in the form of: (i) damages incurred as a result of Mr. Marzan's fraudulent concealment and failure to repay loans of at least \$35,000; (ii) an award of attorneys' fees, costs and disbursements; (iii) a declaration that Plaintiffs are not liable to Press Media in tort or contract; and (iv) an award of further relief as deemed just and proper.

On March 16, 2018, Press Media filed a separate complaint against the Company and Rokk3r Labs in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (the "Press Media Complaint"). The Press Media Complaint alleges Breach of Contract, Breach of Fiduciary Duty, Fraud in the Inducement, existence of a

Quasi-Contract, and Aiding and Abetting all of which stem from or relate to the JV Agreement. Based on applicable rules of civil procedure, we expect that the Press Media Complaint will be transferred to the judge assigned to the Rokk3r Complaint, and Press Media will have to bring their claims as counterclaims to the Rokk3r Complaint and the two cases will be consolidated with the Company being the plaintiff.

The lawsuit is in its early stages and no discovery has been commenced. We believe that the Company's claims are meritorious.

Other than as set forth above, we are not presently a party to any material litigation that may have a material adverse effect on our consolidated financial position, results of operations or cash flows.

NOTE 9 – SUBSEQUENT EVENTS

Shares issued for cash

Subsequent to March 31, 2018, the Company issued 3,613,813 shares of common stock for net proceeds of \$2,312,840.

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

Cautionary Note Regarding Forward-Looking Information and Factors That May Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements regarding our business, financial condition, results of operations and prospects. The Securities and Exchange Commission (the "SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results.

We caution that these factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The following discussion should be read in conjunction with our unaudited financial statements and the related notes that appear elsewhere in this Quarterly Report on Form 10-Q.

The Company

We were formerly known as Eight Dragons Company, a Nevada corporation. Our predecessor was incorporated in Delaware on September 27, 1996 and on October 24, 2007 changed its state of incorporation from Delaware to Nevada by means of a merger with and into Eight Dragons Company. On March 23, 2018, we changed our name to Rokk3r Inc. In connection with this name change, we will be assigned a new CUSIP number and trading symbol for our common stock which trades on the OTC Pink tier of OTC Markets Group Inc. We have submitted the requisite documents and other information to the Financial Industry Regulatory Authority, Inc. ("FINRA") to process this name change and have requested a new trading symbol. The name change was done to reflect our current business of providing consulting services and related value generating strategies which we commenced following the recently acquired technology platform from Rokk3r Labs, LLC ("Rokk3r Labs"), our controlling shareholder, as part of the transactions described in the Restructuring Agreement discussed below. This technology will allow us to partner with entrepreneurs, strategists, creatives and engineers to design, build and launch organizations. We historically sought to acquire a variety of technology based companies although we have had no operations, significant assets or liabilities since 2000.

Recent Developments

Effective March 20, 2017, DMJ Acquisitions LLC, the former principal stockholder of the Company ("DMJ"), entered into a Stock Purchase Agreement (the "Agreement") dated January 26, 2017, with Una Taylor through Eight Dragons Acquisitions, LLC, an entity she controls (the "Buyer"), pursuant to which, among other things, DMJ agreed to sell to

the Buyer, and the Buyer agreed to purchase from DMJ, a total of 290,500 shares of Common Stock owned of record and beneficially by DMJ (the “Purchased Shares”). The Purchased Shares represented, at closing, approximately 80.2% of our issued and outstanding shares of Common Stock. The funds for the acquisition were provided by the parent company controlled by the former Chief Executive Officer of the Company and used for the benefit of Eight Dragons Acquisitions, LLC, an entity Una Taylor, our former Chief Executive Officer, controls. In connection with the transactions contemplated by the Agreement, the liabilities of Eight Dragons were forgiven and the Board of Directors appointed Una Taylor and Theodore Faison to fill vacancies on our Board of Directors, and the prior director resigned. The forgiven stockholder liabilities totaled \$1,889,939, including \$1,037,632 in principal and \$852,406 in accrued interest.

On June 1, 2017, the Company, Eight Dragons Acquisition I, Inc., Park Road Solutions, Inc. (“Park Road”) and Jordan Fishman ostensibly signed an Agreement and Plan of Merger and Reorganization (the “Park Road Merger Agreement”) to acquire all of the issued and outstanding common shares of Park Road from Mr. Fishman in exchange for 80,000 shares of the Company’s common stock (the “Park Road Acquisition”). The Company rescinded the Park Road Merger Agreement, ab initio, due to, among other things, its legal insufficiency, a lack of consideration on the part of Mr. Fishman and Park Road and their failure to fulfill their obligations of as provided for in the Merger Agreement. Mr. Fishman has disputed the Company’s right to rescind the Park Road Merger Agreement, seeks issuance of 1,150,000 shares of the Company’s common stock without providing any legal basis for such issuance and demanded reimbursement of \$36,626 for services and expenses ostensibly advanced for the benefit of Park Road. The Company believes its right to rescind the Park Road Acquisition and disputes the other demands of Mr. Fishman is meritorious and intend to vigorously defend the Company’s rights against Mr. Fishman.

On June 30, 2017, the Company acquired 6,100,000 shares of Protect Pharmaceutical Corporation (“PRTT”) in exchange for 3,000,000 shares of the Company’s unregistered common stock. This investment was made to establish a strategic partnership which was intended to provide financial exits for portfolio companies of the Company. On November 14, 2017 (the “Rescission Date”), the Company and PPC rescinded the June 30, 2017 transaction whereby the parties agreed that the issuance of 3,000,000 shares of the Company’s common stock would be cancelled and the Company would return the 6,100,000 shares of PRTT as of the Rescission Date.

On August 18, 2017, the Company and Titan Funding, LLC (“Titan Funding”), an unrelated third party, entered into an Assignment of Limited Partnership Interest (the “Rokk3r Fuel Assignment”) related to the Company’s obligation to acquire limited partnership interests in Rokk3r Fuel Fund 2, LP (“Rokk3r Fuel”).

During August 2017, pursuant to the Rokk3r Fuel Assignment, the Company received a total of \$268,750 from Titan Funding and paid \$200,000 to Rokk3r Fuel during the quarter ended September 30, 2017 leaving a balance due of \$68,750. On December 4, 2017, the Company issued 7,500,000 shares of its unregistered common stock in exchange for a release from Rokk3r Fuel for any past or future obligations of the Company to provide funding and a confirmation of Rokk3r Fuel’s intention to contribute approximately \$5,000,000 of capital or assets into the operations of the Company over the three years following the date of this agreement.

On November 21, 2017, the Company and Trident capX Corporation (“Trident”) entered into a Stock Redemption and Release Agreement (the “Trident Redemption Agreement”), pursuant to which the Company redeemed 9,710,295 shares of Common Stock from Trident for a total consideration of \$1.00, and wherein the parties each released each other from any claims one may have had against the other.

On December 26, 2017, the Company entered into and closed on the transactions set forth in the Restructuring Agreement. As a result of the closing of these transactions, Rokk3r Labs acquired control of the Company from Ms. Taylor. Following the closing, Rokk3r Labs owned approximately 89.41% of the Company’s outstanding shares of common stock, par value \$0.0001 per share (the “Common Stock”).

Pursuant to an Asset and Intellectual Property Contribution and Assignment Agreement entered into between the Company and Rokk3r Labs dated December 26, 2017 (the “Contribution and Assignment Agreement”), Rokk3r Labs contributed to the capital of the Company certain intellectual property assets of Rokk3r Labs in exchange for the issuance to Rokk3r Labs of 74,050,000 shares of unregistered Common Stock. The Contribution and Assignment Agreement was entered into as one of the conditions to the Restructuring Agreement.

The following transactions were completed on the Closing Date in conjunction and as conditions to the Closing:

The Company and Eight Dragons Acquisition, LLC (“Eight Dragons LLC”), an affiliate of Ms. Taylor, rescinded certain transactions between the Company and Eight Dragons LLC, and in connection therewith Eight Dragons LLC returned to the Company 290,500 shares of Common Stock, for no additional consideration.

The Company and Ms. Taylor rescinded certain transactions between the Company and Ms. Taylor, and in connection therewith Ms. Taylor returned to the Company 9,710,295 shares of Common Stock and 1,000,000 shares of preferred stock, par value \$0.0001 per share, of the Company, for no additional consideration. In connection therewith, the Company and Ms. Taylor entered into that certain Rescission Agreement (the “Taylor Rescission Agreement”).

Pursuant to the Restructuring Agreement, the Company agreed that, following the Closing and until January 31, 2019 (the “Deadline”), Ms. Taylor will have the right to elect to have the Company issue to Ms. Taylor either (i) an option to acquire 4,000,000 shares of Common Stock, which option will be at a strike price of \$0.0001 per share of Common Stock, and which option will be exercisable for a period of 16 months from the issuance thereof or (ii) 4,000,000

shares of Common Stock. The number of options or shares of Common Stock to be issued is subject to adjustment and possible return to the Company as set forth in the Restructuring Agreement. In the event that Ms. Taylor has not made such election on or prior to the Deadline, the rights of Ms. Taylor to receive the options or shares will be automatically forfeited. The Company has also agreed to grant Ms. Taylor customary registration rights with respect to the shares of Common Stock as may be obtained by Ms. Taylor as described above. Ms. Taylor's rights to receive the shares or options, and Ms. Taylor's registration rights, may be assigned by Ms. Taylor to (i) any entity which is 100% owned and controlled by Ms. Taylor; or (ii) any entity that is owned and controlled 80% by Taylor and 20% by Titan Funding, LLC, subject, in the case of this subclause (ii) only, to the reasonable approval of the Company.

Pursuant to the terms of the Restructuring Agreement, Ms. Taylor and Theodore Faison resigned from all positions with the Company held by them effective as of the Closing Date. In addition, the Company appointed to the board of directors Nabyl Charania, German Montoya and Jeff Ransdell appointed Mr. Charania as the Chief Executive Officer and Chief Financial Officer of the Company.

In connection with the Restructuring Agreement, the Company, Rokk3r Labs and Ms. Taylor also entered into a Release Agreement (the "Release Agreement"), pursuant to which each party released the others and each of their respective predecessors, successors, assigns, heirs, representatives, agents and all related parties from all claims of any type that any such party may have had or may have in the future, to the extent that those claims arose, may have arisen, or are based on events which occurred at any point in the past up to and including December 26, 2017, other than any claims arising from the Restructuring Agreement.

In December 2017, the Company cancelled 6,150,000 shares of its Common Stock.

On March 8, 2018, the Company filed Amended and Restated Articles of Incorporation (the “Amended and Restated Articles”) with the Nevada Secretary of State to increase our authorized capital from 150,000,000 shares to 550,000,000 shares of which 500,000,000 will be common stock, par value \$0.0001 per share (the “Common Stock”) and 50,000,000 will be preferred stock, par value \$0.0001 per share (the “Preferred Stock”).

On March 23, 2018, we changed our name to Rokk3r Inc. (the “Name Change”) in order to reflect our current business of providing consulting services and related value generating strategies. The Name Change was effected through a parent-subsiary short-form merger (the “Merger”) between the Company and its wholly owned subsidiary, Rokk3r Inc., a Nevada corporation pursuant to Nevada Revised Statutes 92A.180. We are in the process of seeking the approval of the Financial Industry Regulatory Authority, Inc. (“FINRA”) to change our trading symbol and approve the corporate name change.

RESULTS OF OPERATIONS

The following comparative analysis on results of operations was based primarily on the comparative unaudited condensed financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report.

Revenue

The Company generated revenues of \$0 and \$0 for the three months ended March 31, 2018 and 2017, respectively.

Operating Expenses

For the three months ended March 31, 2018, we incurred operating expenses in the amount of \$908,278 compared to \$7,570 for the three months ended March 31, 2017, an increase of \$900,708. The increase was attributable to:

An increase in consulting expense – parent company of \$750,000. On April 9, 2018, we entered into a collaboration agreement with Rokk3r Labs, our controlling shareholder (the “Collaboration Agreement”). Under the terms of the Collaboration Agreement, initially, Rokk3r Labs will provide the following services to the Company on a non-exclusive, as-needed basis: delivery support of products such as consultancy services and software development services; sales support and promotion for company building and consulting services; and promotional activity, events, branding, and marketing. Once the Company is ready to undertake some or all of these activities, Rokk3r Labs will narrow down the services it performs on behalf of the Company. Each party, based on its cost structure, will define the fees for the services to be provided and will invoice the other party for the services actually rendered on a monthly basis. The term of the Collaboration Agreement commenced on January, 1 2018 and has a term of two years. However, the parties may, by mutual agreement, terminate the Collaboration Agreement or renew it for an additional one-year period. In connection with the Collaboration Agreement, during the three months ended March 31, 2018, we recorded consulting fees – parent company of \$750,000 related to the Rokk3r Labs.

For the three months ended March 31, 2018, professional fees consisting of legal fee expense, accounting fee expense and other professional fee expenses increased by \$137,379 as compared to the three months ended March 31, 2017.

For the three months ended March 31, 2018, general and administrative expenses increase by \$13,329 as compared to the three months ended March 31, 2017. The increase was attributable to an increase in operating activities.

Other Income (Expenses)

We incurred other expenses for the three months ended March 31, 2018 in the amount of \$(16,039) compared to other income of \$1,870,432 for the year ended December 31, 2016, an increase of \$1,886,471. During the three months ended March 31, 2017, we recorded a gain of \$1,889,938 from the extinguishment of debt that was a condition to a change of control transaction that occurred in March 2017 compared to \$0 for the three months ended March 31, 2018. Additionally, for the three months ended March 31, 2018, we recorded interest expense of \$16,039 compared to \$19,506 for the three months ended March 31, 2017, an increase of \$3,467, or 17.8%. Interest expense was primarily related to the Company's issuance of a convertible promissory note to Firstfire.

Net (Loss) Income

We incurred a net loss for the three months ended March 31, 2018 in the amount of \$(924,317) , or \$(0.01) per basic and diluted common share, compared to net income of \$1,862,862 or \$5.14 per basic and diluted common share, for the three months ended March 1, 2017, a change of \$2,787,179.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. As of March 31, 2018, our working capital amounted to \$618,328 as compared to a working capital deficit of \$630,355 as of December 31, 2017, a change of \$1,248,683. This increase in working capital is primarily a result of an increase in cash of \$1,566,522 and an increase in subscription receivable of \$40,000 offset by an increase in accounts payable of \$30,200, an increase in accounts payable – parent company of \$250,000, and an increase in amounts due to parent company of \$79,225.

During the three months ended March 31, 2018, we sold 3,395,125 shares of our common stock for proceeds of \$2,133,000 and a subscription receivable of \$40,000, or \$0.64 per common share. The subscription receivable of \$40,000 was collected in April 2018.

During the three months ended March 31, 2018, our controlling shareholder, Rokk3r Labs, advanced us \$79,225 for working capital purposes.

Current and Future Financings

Current Indebtedness

Following is an analysis of convertible debt at March 31, 2018:

| | March 31, 2018 |
|---------------------------|-------------------|
| Contractual balance | \$430,000 |
| Add: unamortized discount | 110,000 |
| Convertible debt | \$540,000 |

On November 15, 2017, the Company entered into a Settlement Agreement and Stipulation (the “Settlement Agreement”) with Firstfire, pursuant to which the Company agreed to issue common stock to Firstfire in exchange for the settlement of \$330,000 for the principal amount of the promissory note issued by the Company to Firstfire on the \$330,000 principal amount convertible note issued to Firstfire on April 27, 2017, plus \$100,000 as set forth in section 3.1 in the note, plus default interest of 15% annually (the “Settlement Amount”) as provided for in the note.

On November 28, 2017, the Circuit Court of Broward County, Florida (the “Court”), entered an order (the “Firstfire Order”) approving, among other things, the fairness of the terms and conditions of an exchange pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the “Securities Act”), in accordance with a stipulation of settlement, pursuant to the Settlement Agreement, in the matter entitled Firstfire Global Opportunities Fund, LLC v. Eight Dragons Company (Case No. CACE-17-019524 (Div. 25) (the “Firstfire Action”). Firstfire commenced the Firstfire Action against the Company to recover the Settlement Amount (the “Firstfire Claim”) pursuant to the Firstfire Note. The Firstfire Note relate to certain funds lent to the Company by Firstfire. The Firstfire Order provides for the full and final settlement of the Firstfire Claim and the Firstfire Action. The Settlement Agreement became effective and binding upon the Company and Firstfire upon execution of the Firstfire Order by the Court on November 15, 2017. The Company’s obligations under the Firstfire Note are now governed by and have been replaced by the Company’s obligations under the Settlement Agreement.

Pursuant to the terms of the Settlement Agreement approved by the Firstfire Order, on November 15, 2017, the Company agreed to issue to Firstfire shares (the “Firstfire Settlement Shares”) of the Company’s common stock, \$0.0001 par value (the “Common Stock”) upon conversion of the Settlement Amount by Firstfire. The Settlement Amount is

convertible into Common Stock, at Firstfire's option, at a conversion rate equal to 75% multiplied by the lowest traded price of the Company's Common Stock during the ten consecutive trading day period immediately preceding the trading day that the Company receives a notice of conversion from Firstfire. The Settlement Agreement provides that the Firstfire Settlement Shares will be issued in one or more tranches, as necessary, sufficient to satisfy the Firstfire Settlement Amount through the issuance of freely trading securities issued pursuant to Section 3(a)(10) of the Securities Act. Pursuant to the Settlement Agreement, Firstfire may deliver a request to the Company for shares of Common Stock to be issued to Firstfire (the "Firstfire Share Request").

In order to provide for issuances of the Company's Common Stock upon full satisfaction of the Settlement Amount, the Company is obligated to reserve from its authorized and unissued Common Stock a number of shares of its Common Stock equal to the greater of: (a) 1,500,000 or (b) the sum of (i) the number of shares of Common Stock issuable upon the full conversion of the Settlement Amount as of any issue date (taking into consideration any adjustments to the conversion price) multiplied by (ii) five (5).

Cash flows for the three months ended March 31, 2018 compared to the three months ended March 31, 2017

Net cash flow used in operating activities was \$645,703 for the three months ended March 31, 2018 as compared to \$12,605 for the three months ended March 31, 2017, an increase of \$633,098.

Net cash flow used in operating activities for the three months ended March 31, 2018 primarily reflected a net loss of \$924,317 and changes in operating assets and liabilities of \$278,614 primarily related to an increase in accounts payable – parent company of \$250,000.

Net cash flow used in operating activities for the three months ended March 31, 2017 primarily reflected net income loss of \$1,862,862 and the add-back of non-cash items consisting of a gain on the extinguishment of debt of \$1,889,938. This was offset by changes in operating assets and liabilities of \$14,471.

Net cash provided by financing activities for the three months ended March 31, 2018 was \$2,212,225 as compared to \$12,605 during the three months ended March 31, 2017, an increase of \$2,199,620. During the three months ended March 31, 2018, we received proceeds from the sale of our common stock of \$2,133,000 and received proceeds from advances from the parent company of \$79,225. During the three months ended March 31, 2017, we received proceeds from advances from a former related party of \$12,605.

We do not have sufficient resources to effectuate all aspects of our business plan. We will have to raise additional funds to pay for all of our planned expenses. We potentially will have to issue additional debt or equity or enter into a strategic arrangement with a third party to carry out some aspects of our business plan. There can be no assurance that additional capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources. Since we have no other such arrangements or plans currently in effect, our inability to raise funds for the above purposes will have a severe negative impact on our ability to remain a viable company. We are dependent upon our controlling shareholder to provide or loan us funds to meet our working capital needs.

Going Concern Consideration

Our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying unaudited condensed financial statements, we had a net loss of \$924,317 for the three months ended March 31, 2018. The net cash used in operations was \$645,703 for the three months ended March 31, 2018. Additionally, we had an accumulated deficit of \$72,378,642, and had shareholders' equity of \$1,618,328 at March 31, 2018, and we are in default of on our convertible debt. These conditions raise substantial doubt about our ability to continue as a going concern for twelve months from the issuance date of this report. During the three months ended March 31, 2018, we sold our common stock for proceeds of \$2,173,000 and at March 31, 2018, we had a cash balance of \$1,566,522. Our controlling shareholder, Rokk3r Labs, has committed to meeting our operating expenses. Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Inflation

In the opinion of management, inflation has not and will not have a material effect on our operations in the immediate future. Management will continue to monitor inflation and evaluate the possible future effects of inflation on our business and operations.

Off-Balance Sheet Arrangements

Under SEC regulations, we are required to disclose our off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, such as changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. As of

March 31, 2018, we have no off-balance sheet arrangements.

Critical Accounting Policies

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

Actual results could differ from those estimates. Significant estimates for the three months ended March 31, 2018 and 2017 include the assumptions used in assessing impairment of investments, valuation allowances for deferred tax assets, and the fair value of non-cash equity transactions and stock-based compensation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

17

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported as specified in the SEC's rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Management, with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2018. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were not effective as of March 31, 2018 for the reasons discussed below.

- 1) We do not have an Audit Committee. While not being legally obligated to have an audit committee, it is management's view that such a committee, including a financial expert member, is an utmost important entity level control over the Company's financial statement. Currently the Board of Directors acts in the capacity of the Audit Committee, and does not include a member that is considered to be independent of management to provide the necessary oversight over management's activities.
- 2) We did not maintain appropriate segregation of duties. As of March 31, 2018, the Company did not require dual signature on the Company's bank accounts.
- 3) We have not implemented policies and procedures that provide for multiple levels of supervision and review.
- 4) The Company does not have well-established procedures to authorize and approve related party transactions.

We expect to be materially dependent upon third parties to provide us with accounting consulting services for the foreseeable future which we believe mitigates the impact of the material weaknesses discussed above. Until such time as we have a chief financial officer with the requisite expertise in U.S. GAAP and establish an audit committee and implement internal controls and procedures, there are no assurances that the material weaknesses and significant deficiencies in our disclosure controls and procedures will not result in errors in our financial statements which could lead to a restatement of those financial statements.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting since the filing of our annual report on Form 10-K for the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Press Media Group, Inc.

On March 9, 2018, the Company and Rokk3r Labs LLC (“Rokk3r Labs,” and collectively, the “Plaintiffs”) filed a complaint against Press Media Group Inc., a Delaware corporation (“Press Media”), and Alberto Marzan, the founder and Chief Executive Officer of Press Media (collectively, the “Defendants”) in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 2018-007600-CA-01 CA08) (the “Rokk3r Complaint”). The complaint seeks relief for anticipatory breach of contract and declaratory judgement and alleges that the Defendants breached a joint venture agreement (the “JV Agreement”) pursuant to which the Company and the Defendants agreed to use their respective know-how and resources to acquire Afrostream Inc., a third-party company by failing to repay a \$35,000 loan. The complaint seeks relief for fraudulent concealment and alleges that while the Company fulfilled its obligations under the JV Agreement by using their best efforts to procure funding for the acquisition and loaning \$35,000 to Press Media for such purpose, the Defendants thwarted the deal by failing to provide the necessary due diligence and failing to disclose to the Company and potential investors Mr. Marzan’s criminal history as a convicted felon and accusations against him for insurance fraud. The complaint ultimately seeks relief in the form of: (i) damages incurred as a result of Mr. Marzan’s fraudulent concealment and failure to repay loans of at least \$35,000; (ii) an award of attorneys’ fees, costs and disbursements; (iii) a declaration that Plaintiffs are not liable to Press Media in tort or contract; and (iv) an award of further relief as deemed just and proper.

On March 16, 2018, Press Media filed a separate complaint against the Company and Rokk3r Labs in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (the "Press Media Complaint"). The Press Media Complaint alleges Breach of Contract, Breach of Fiduciary Duty, Fraud in the Inducement, existence of a Quasi-Contract, and Aiding and Abetting all of which stem from or relate to the JV Agreement. Based on applicable rules of civil procedure, we expect that the Press Media Complaint will be transferred to the judge assigned to the Rokk3r Complaint, and Press Media will have to bring their claims as counterclaims to the Rokk3r Complaint and the two cases will be consolidated with our company being the plaintiff.

The lawsuit is in its early stages and no discovery has been commenced. We believe that our claims are meritorious and intend to vigorously pursue them against the Defendants.

Other than as set forth above, we are not presently a party to any material litigation that may have a material adverse effect on our consolidated financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

Not applicable for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2018, we sold 3,395,125 shares of our common stock for proceeds of \$2,133,000 and a subscription receivable of \$40,000, or \$0.64 per common share. The subscription receivable of \$40,000 was collected in April 2018.

The shares of Common Stock referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, ("Securities Act").

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

On November 15, 2017, the Company entered into a Settlement Agreement and Stipulation (the "Settlement Agreement") with Firstfire, pursuant to which the Company agreed to issue common stock to Firstfire in exchange for the settlement of \$330,000.00 for the principal amount of the promissory note issued by the Company to Firstfire on Firstfire Note, plus \$100,000 as set forth in section 3.1 in the Firstfire Note, plus default interest of 15% annually (the "Settlement Amount") as provided for in the Firstfire Note.

On November 28, 2017, the Circuit Court of Broward County, Florida (the "Court"), entered an order (the "Firstfire Order") approving, among other things, the fairness of the terms and conditions of an exchange pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), in accordance with a stipulation of settlement, pursuant to the Settlement Agreement, in the matter entitled Firstfire Global Opportunities Fund, LLC v. Eight Dragons Company (Case No. CACE-17-019524 (Div. 25) (the "Firstfire Action"). Firstfire commenced the Firstfire Action against the Company to recover the Settlement Amount (the "Firstfire Claim") pursuant to the Firstfire Note. The Firstfire Note relate to certain funds lent to the Company by Firstfire. The Firstfire Order provides for the full and final settlement of the Firstfire Claim and the Firstfire Action. The Settlement Agreement became effective and binding upon the Company and Firstfire upon execution of the Firstfire Order by the Court on November 15, 2017. The Company's obligations under the Firstfire Note are now governed by and have been replaced by the Company's obligations under the Settlement Agreement.

Pursuant to the terms of the Settlement Agreement approved by the Firstfire Order, on November 15, 2017, the Company agreed to issue to Firstfire shares (the “Firstfire Settlement Shares”) of the Company’s common stock, \$0.0001 par value (the “Common Stock”) upon conversion of the Settlement Amount by Firstfire. The Settlement Amount is convertible into Common Stock, at Firstfire’s option, at a conversion rate equal to 75% multiplied by the lowest traded price of the Company’s Common Stock during the ten consecutive trading day period immediately preceding the trading day that the Company receives a notice of conversion from Firstfire. The Settlement Agreement provides that the Firstfire Settlement Shares will be issued in one or more tranches, as necessary, sufficient to satisfy the Firstfire Settlement Amount through the issuance of freely trading securities issued pursuant to Section 3(a)(10) of the Securities Act. Pursuant to the Settlement Agreement, Firstfire may deliver a request to the Company for shares of Common Stock to be issued to Firstfire (the “Firstfire Share Request”).

In connection with the original issuance of the Firstfire Note, the Company issued 250,000 shares of the Company’s common stock to Firstfire. Additional tranche requests shall be made as requested by Firstfire until the Firstfire Settlement Amount is paid in full.

In the event that the Company needs to increase the amount of its authorized common stock to satisfy its obligations under the Settlement Agreement, it will promptly increase its authorized shares to ensure its ability to timely comply with the Firstfire Order.

The Settlement Agreement provides that in no event shall the number of shares of Common Stock issued to Firstfire or its designee in connection with the Settlement Agreement, when aggregated with all other shares of Common Stock then beneficially owned by Firstfire and its affiliates (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations thereunder), result in the beneficial ownership by Firstfire and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and the rules and regulations thereunder) at any time of more than 4.99% of the outstanding Common Stock.

In order to provide for issuances of the Company's Common Stock upon full satisfaction of the Settlement Amount, the Company is obligated to reserve from its authorized and unissued Common Stock a number of shares of its Common Stock equal to the greater of: (a) 1,500,000 or (b) the sum of (i) the number of shares of Common Stock issuable upon the full conversion of the Settlement Amount as of any issue date (taking into consideration any adjustments to the conversion price) multiplied by (ii) five (5).

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

a) Exhibits

31.1* Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934

31.2* Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934

32.1* Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.]

101.INS* XBRL Instance Document

101.SCH* XBRL Taxonomy Extension Schema Document

101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* XBRL Taxonomy Extension Label Linkbase Document

101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* filed herewith.

SIGNATURES

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

Rokk3r Inc.

Date: May 15, 2018 By: /s/ Nabyl Charania
Nabyl Charania
President and Chief
Executive Officer
(Principal
Executive Officer)

and Chief Financial
Officer
(Principal Financial
and Accounting
Officer)