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

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 000-55470

VapAria Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**27-1521407** (I.R.S. Employer Identification No.)
5550 Nicollet Avenue, Minneapolis, MN (Address of principal executive offices)	**55419** (Zip Code)
Registrant's telephone number, including area code:	**(612) 812-2037**

Securities registered under Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	**Not applicable**

Securities registered under Section 12(g) of the Act:

Common stock, par value $0.0001 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [X] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. [ ] Yes [X] No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [ ] Yes [X] No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.4.05 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X]	Smaller reporting company	[X]
Emerging growth company	[X]		

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter. $0 on June 29, 2018.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date. 75,310,000 shares of common stock are issued and outstanding as of March 25, 2019.

DOCUMENTS INCORPORATED BY REFERENCE5

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). None.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This report includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "aim," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and future events and financial trends that we believe may affect our financial condition, results of operation, business strategy and financial needs. Forward-looking statements include, but are not limited to, statements about:

- our lack of products or revenues and the substantial risks inherent in the establishment of a new business venture
- our very limited operating history and our unproven business plan;
- our history of losses;
- our ability to continue as a going concern;
- our ability to raise capital to fund our business plan, pay our operating expense and satisfy our obligations;
- conflicts of interest facing certain of our officers and directors;
- future reliance on third party manufacturers;
- our future ability to comply with government regulations;
- our lack of experience in selling, marketing or distributing products;
- our future ability to establish and maintain strategic partnerships;
- our possible future dependence on licensing or collaboration agreements;
- the inability of Chong Corporation to protect the intellectual property which is licensed to us, and risks of possible third-party infringement of intellectual property rights;
- anti-takeover provisions of Delaware law;
- the dilution impact of the issuance of shares of our common stock upon a conversion of shares of our Series A 10% convertible preferred stock and as payment for dividends; and
- the impact of penny stock rules on the future trading in our common stock.

You should read thoroughly this report and the documents that we refer to herein with the understanding that our actual future results may be materially different from and/or worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements including those made in Part I. Item 1A. Risk Factors appearing elsewhere in this report. Other sections of this report include additional factors which could adversely impact our business and financial performance. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business 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. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. These forward-looking statements speak only as of the date of this report, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, when used in this report the terms "VapAria," "we," "our," "us," and similar terms refers to VapAria Corporation, a Delaware corporation, and our wholly-owned subsidiary VapAria Solutions Inc., a Minnesota corporation formerly ("VapAria Solutions"). In addition, "2018" refers to the year ended December 31, 2018, "2017" refers to the year ended December 31, 2017 and "2019" refers to the year ending December 31, 2019. The information which appears on our web site at www.vaparia.com is not part of this report.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

VapAria is a pre-clinical specialty pharmaceutical company. Our operations are focused on the development and commercialization of methods and medicants to address and reduce the harms associated with chronic conditions with novel, vapor-centric, inhalable approaches to pain management, appetite suppression, mood enhancement, smoking and various sleep disorders and doing with patented device methods and patented drug approaches.

Prior to forming VapAria Solutions in 2010, our management had more than 25 years' collective experience in vaporization and vapor delivery of medicants, having been partners in a joint venture with pioneers in the industry and having had undertaken significant work internationally researching and developing products, shepherding them through the patent process and introducing them into the U.S. wholesale and retail supply chain. Our management, through the Chong Corporation, a common control entity that is the licensor of the intellectual property rights described below, has built an extensive and robust portfolio of intellectual property that includes patented and patent-pending methods of vaporization and patented and patent-pending medicants and herbal remedies identified for their effectiveness and suitability to address our target markets.

Our initial goal was to leverage rights we acquired in December 2013 from an affiliate which are described below to develop and successfully launch a product in partnership with well-capitalized and experienced industry participants based on our exclusive license and exclusive options to license patented and patent-pending technologies and formulations designed to significantly improve on current electronic nicotine delivery systems and other consumer products in the marketplace. Since mid-2015 and continuing into the first quarter of 2019, in addition to discussions with third party financing sources, we have engaged in substantive discussions with several U.S. and international companies which have expressed an interest in our licensed technology in pursuit of this strategy.

We took delivery of multiple versions of two forms of device prototypes in 2015 and 2016. We programmed certain of them for specific demonstrations and then actively demonstrated them to potential partners and investors throughout 2017 and into 2018. In addition, in late 2016, we engaged an industry expert with 28 years of relevant experience to design IND-enabling studies that would take us from pre-clinical stage to clinical stage and make the FDA 505(b)(2) pathway to regulatory approval and commercialization available to us in the area of pain management. This work became the basis for a September 2018 submission to the US Food and Drug Administration's ("FDA") Innovation Challenge: Devices to Prevent and Treat Opioid Use Disorder. In November we were advised that our submission to the FDA's Innovation Challenge: Devices to Prevent and Treat Opioid Use Disorder was not selected as a part of the challenge. However, we were encouraged by FDA staff to submit the device and its anticipated use to the FDA's Breakthrough Devices Program. We are still evaluating this opportunity and expect to decide relative to such a submission in mid-2019.

In 2018 we also continued to fine tune certain of our device prototypes and to stay engaged with a number of international companies interested in partnering with us to commercialize our patented technology in the area of medically licensed and regulator approved, pharmaceutical Nicotine Replacement Therapy ("NRT"). Certain of these discussions and negotiations continued throughout 2018 and are now continuing into 2019, although no assurances can be offered that a transaction will be finalized.

The US opportunity for FDA-approved NRT has been clarified recently with the FDA's Center for Drug Education and Research ("CDER") publishing draft guidance entitled "Nonclinical Testing of Orally Inhaled Nicotine-Containing Drug Products" in August 2018. Then in February of 2019, the FDA published another draft guidance document, "Smoking Cessation and Related Indications: Developing Nicotine Replacement Therapy Drug Products." Management believes that the draft guidance in these documents, although not guaranteed as to implementation, makes a strong case for the use of devices consistent with its technology, attributes and features.

Licensed intellectual property rights

Effective December 31, 2013, VapAria Solutions entered into an Exclusive License and Option to License Agreement (the "December 2013 Agreement") with the Chong Corporation, a corporation owned and controlled by Alexander Chong, our CEO and a member of our board of directors. The December 2013 Agreement is for the Chong Corporation's intellectual property portfolio described below and provided a license for the following patent:

- *Lobelia Patent 8,287,922* - Issued October 16, 2012 - a method for lobelia delivery is provided comprising: providing a lobelia solution suitable for vaporization in a compact handheld device; providing the compact handheld device; and vaporizing the lobelia solution at a low temperature upon activation by a user such that an effective serving of lobelia is provided to the user. This patent covers a formulation for a FDA exempt herbal remedy that contains lobeline, an alkaloid that produces effects similar to nicotine and caffeine and can be commercialized as a smoking alternative and respiratory tonic and restorative. The benefits of commercializing this formulation include providing a product into today's e-cigarette and vapor market that would not be subject to taxes similar to tobacco taxes that are now being introduced throughout the country on nicotine-containing products.

Under the terms of the December 2013 Agreement we were also granted options to license the following patent applications:

- *Device Patent Application 20130199528* - A control system for a hand-held vapor delivery device, comprising: a circuit configured to provide a precise amount of power from a power source to heat a heating element to a minimum required temperature to completely vaporize a predetermined volume of a liquid, and control a precise duration of time to supply the precise amount of power to completely vaporize the predetermined volume of liquid at the required temperature. The application also utilizes alkaline battery chemistry and an enclosed cartridge that eliminates leaking and reduces the risks of oxidation, contamination and adulteration- making the device suitable for pharmaceutical applications; and

- *Vaporized Medicants and Methods of Use Patent Application 20130072577* - Medicant solutions, i.e. suitable for vaporization at a low temperature: Medicants or active ingredients that are covered by the application include energy boosters, analgesics, sleep aids, motion sickness remedies and erectile dysfunction remedies.

In consideration for the December 2013 Agreement, the Chong Corporation was paid a license issue fee and option to license fee (the "License Issue Fee") of 500,000 shares of VapAria Solutions' 10% Series A convertible preferred stock (the "VapAria Solutions Preferred"). The VapAria Solutions Preferred was exchange for an identical series of our 10% Series A convertible preferred stock in July 2014 as described later in this report.

In addition to the License Issue Fee, we were obligated to pay a 3% royalty, beginning January 1, 2015, of not less than $50,000 per year, beginning in the calendar year in which the first licensed products or licensed services takes place. No royalty fees were due in 2015 or 2016. We were also required to commercialize a product by December 31, 2015. The license, subject to option, was exercisable at any time during the term of the December 2013 Agreement at an option price not higher than $5 million, which may be payable in cash, equity or note. We exercised this option in January 2016 as described later in this report. The December 2013 Agreement also provides that the Chong Corporation will prosecute and maintain the patent applications and patents under patent rights subject to our reimbursement of out-of-pocket costs.

In addition, and beginning on the date of the December 2013 Agreement, ongoing patent development, patent prosecution, intellectual property portfolio enhancements are being undertaken by Messrs. Chong and William Bartkowski, our President, under the auspices of Chong Corporation pursuant to Section 13 of the December 2013 Agreement. This activity continued throughout 2015 and 2016. While the terms of the December 2013 Agreement provide that we are responsible for reimbursing Chong Corporation for all past, present and future costs for preparing, filing, prosecuting and maintaining all patent applications and patents which are licensed to us under the terms of the December 2013 Agreement, in January of 2016 Chong Corporation agreed to waive all such reimbursements for all costs incurred through December 31, 2015 and 2016 and all such costs going forward.

On January 28, 2016, and as contemplated under the December 2013 Agreement, we entered into five License Agreements (the "January 2016 License Agreements") with Chong Corporation pursuant to which we were granted exclusive worldwide licenses for the following patented technology and Chong permanently waived the requirement under the December 2013 Agreement that we were required to commercialize a product by December 31, 2015:

- U.S. Patent No.: 8,903,228 issued on December 20, 2014 for a vapor delivery device;
- U.S. Patent No.: 8,962,040 issued on February 24, 2015 for appetite suppression (hoodia);
- U.S. Patent App. No.: 13/846,617 filed on March 18, 2013 and subsequently issued as U.S. Patent No. 9,254,002, for low temperature vaporization of tobacco;
- U.S. Patent App. No.: 13/453,939 filed on April 12, 2012 and subsequently issued as U.S. Patent No. 8,903,228, for an enhanced vapor delivery system; and
- U.S. Patent App. No.: 14/629,279 filed on February 23, 2015 and subsequently issued as U.S. Patent No. 8,962,040, for a sleep aid (melatonin).

The terms of each January 2016 License Agreement are identical. Under the agreements, we were granted the rights to sublicense and/or produce and market products during the term of the agreement. As consideration for each of these January 2016 License Agreements we issued Chong Corporation 5,000,000 shares of our common stock, for an aggregate issuance of 25,000,000 shares. Under each agreement, we agreed to pay Chong a royalty in the amount of $50,000 per annum in the first calendar year, and for each year thereafter for the remaining life of the patent, in which the patent is issued and is licensed and/or commercialized with an acknowledged embodiment and/or use. We did not incur any royalty fees during 2018 and 2017. Chong is responsible for the payment of all expenses and costs associated with protecting the patents from infringement and/or from claims of infringement from other parties. The term of the license is for the life of the respective patent, subject to earlier termination by either party in the event of a default, which includes a non-payment of any monetary obligations under the terms of the January 2016 License Agreement, or a breach of any representation or warranty.

While we have historically outsourced our licensing and research and development activities to Chong Corporation, it is our intention, subject to our ability to raise sufficient working capital, that we will no longer outsource such activities which require fees to be paid or reimbursement of expenses to the Chong Corporation.

Business plan

Our management intends that our near-term business focus will be to develop and successfully launch a product in partnership with well-capitalized and experienced industry participants based on our exclusive licensed patented and patent-pending technologies and formulations designed to significantly improve on commercial vaporizing products and certain other drug deliveries methodologies now available.

Business opportunities

The following description of business opportunities we may seek to exploit is subject to our ability to raise working capital to fund these initiatives. As described elsewhere herein, we are not a party to any agreements or understanding to provide this capital and, accordingly, we may not be able to pursue these ventures.

Vaporizing technologies

Our management is experienced in the design and development of inhalable and breathable technologies and in identifying medicants and remedies that can be made more effective and abuse-deterrent via pulmonary delivery. This approach to device development and medicant discovery has allowed us to identify, advance and patent numerous methods and medicants. Our IP strategy revolves around our patented and patent-pending device, which effectively vaporizes medicants and their excipients at low temperatures. The ability to vaporize at these temperatures then provides us an avenue to patent a wide variety of pharmaceutical preparations and/or OTC medicants, herbal remedies via low temperature vaporization and vapor delivery. Our lead product candidates are embodiments of our technology, the features and attributes of which are especially well-suited to safe, secure and abuse-deterrent dispensing of opioids for prescriptive pain management therapies and for pharmaceutical NRT .

Our device technology

We believe that sophisticated, robust and proprietary product embodiments of our patented and patent-pending technology are capable of:

- Authenticating and verifying the user;
- Authenticating and verifying the active ingredient being dispensed;
- Producing consistent, accurate "dosages" of an active ingredient;
- Measuring, monitoring and metering dosages on a per use (activation) basis;
- Controlling the amount and duration of power and temperature- eliminating the risk of "cracking" the excipient molecules and producing unwanted chemical byproducts in the vapor;
- Offering environmentally friendly power options;
- Allowing for expanded categories of excipients - more delicate excipients require lower, controlled temperatures;
- Controlling the size of the vapor molecule;
- Utilizing a totally encapsulated fluid reservoir that cannot be adulterated and that restricts oxidation and contamination; and
- Minimizing leakage of any kind.

Vapor ingestion

Our technology can be designed, programmed and manufactured to provide two distinct methods of delivery- inhalable vapor or breathable vapor. In one method, the vapor produced is made available for inhalation allowing for rapid uptake through the pulmonary system. With the other method, the vapor is produced and then expelled from the device, enabling the user, who holds the device one to four inches in front of his or her face, between the nose and mouth, to breathe the vapor in, allowing it to be absorbed in the soft tissues of the mouth and nasal passages. Both methods of delivery minimize systemic absorption and adverse effects compared to formulas that must travel through the gastrointestinal tract.

Pharmaceutical opportunities

Pain Management/Abuse-deterrent Opioid Delivery. According to BCC Market Research the total, annual, global market for therapeutic pain management is expected to reach $45 billion by year-end 2019. However, most of that market is dominated by prescriptive and/or clinical use of opioids. Prescriptive opioid abuse and the addiction that it so often leads to, with the consequences of overdose death and the increase in transition to the use of illegal street drugs such as heroin, now constitute a significant public health crisis in the U.S.

Over prescription and lack of comprehensive patient monitoring throughout a therapeutic pain management regimen are material contributing factors to the crisis. Among the solutions that have been proposed by public health experts are the development of methods designed to limit the use of or access to prescriptive opioids to the intended patient and the increased patient monitoring throughout the prescriptive routine.

On February 4, 2016, the FDA committed to focus on policies aimed at reversing the epidemic, while still providing patients in pain access to effective relief. This commitment was a follow-up to its April 6, 2015 guidance on abuse-deterrent opioid formulations. This guidance spelled out that products that carry abuse-deterrent labels would be considered for an extended period of marketing exclusivity, typically lasting three years. The guidance encourages "novel approaches" to abuse-deterrent opioid formulations.

We believe that this FDA guidance made it timely and important for us to move the opioid delivery system to one of the lead positions in our commercialization and clinical development.

The efficacious pulmonary delivery of opioids has been demonstrated in numerous studies going back almost 20 years (Ward, M.E. et al. *"Morphine pharmacokinetics after pulmonary administration from a novel . . . delivery system,"* 1997.); and, safety has been demonstrated as well (Otulana, B. et al. *"Safety and pharmacokinetics of inhaled morphine,"* 2004.). However, efforts to deliver prescriptive opioids via the pulmonary system outside of clinical settings have been stymied due to the lack of a simple to use device with sufficient technological sophistication to ensure proper dosage, proper administration and the safety and security of user authentication and prescription verification. We believe that the safety and security of the device could transform pain management therapies and methods and enable us to secure FDA fast-track status due to the compelling public health concerns with opioid abuse.

Smoking Cessation. The opportunity exists for our vaporizing technology to go down the path as an FDA- approved smoking cessation/nicotine replacement therapy. With nicotine or, in our case, with a patented non-combustible tobacco formulation, as an active ingredient/medicant in our device we believe our technology is superior to what is currently offered consumers in what is often called the "e-cigarette" space and sophisticated and secure enough to garner FDA approval pending the requisite studies and trials.

In Section 918, "Drug Products Used to Treat Tobacco Dependence," of the Family Smoking Prevention and Tobacco Control Act, the FDA is encouraged to consider designating products as fast track research and approval products at the request of the applicant. This path would require a New Drug Application filed with the FDA's Center for Drug Education and Research. The Food and Drug Administration Modernization Act of 1997 includes Section 112, "Expediting study and approval of fast track drugs." This section mandates the Agency to facilitate the development and expedite review of drugs and biologics intended to treat serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs. Fast track enhances existing programs, such as accelerated approval, the possibility of a "rolling review" for an application. An important feature of fast track is that it emphasizes the critical nature of close early communication between the FDA and sponsor to improve the efficiency of product development.

In early 2017, the United Kingdom's Medicines and Healthcare products Regulatory Agency (MHRA), the executive agency of the Department of Health in the United Kingdom which is responsible for ensuring that medicines and medical devices work and are acceptably safe based on research and that of UK experts and consultants, announced that it was encouraging companies with Electronic Nicotine Delivery Systems ("ENDS") to submit them for clinical tests and trials and for licensing as a medical product. Consistent with this encouragement, the agency published a document on February 2017: *Licensing procedure for electronic cigarettes and other nicotine-containing products (NCPs) as medicines* , a two-part proportionate assessment of marketing authorization applications ("MAA") for electronic cigarettes and other nicotine containing products is outlined. Our review of the document convinced us that our technology was well-suited for a licensed product and we identified a number of potential partners in this endeavor. We began discussions and negotiations with certain of these companies in mid-2017, such discussions and negotiations continued throughout 2018 and are expected to continue throughout 2019.

Product development and commercialization strategy

Focusing on Chronic Conditions and Vapor Solutions . We focus our product development activities on addressing significant unserved and underserved chronic medical and wellness conditions. Our own research demonstrates existing product technologies are incapable of meeting provider and patient preferences, ongoing public health and regulatory scrutiny, and third-party payment conditions. At this time, our pipeline and our projects include medicants and therapies to address pain management with abuse-deterrent delivery methods and methodologies and smoking cessation. To the extent that these conditions are compelling public health issues or to the extent that current medicants or therapies present public health concerns, we believe there is an opportunity to request FDA fast track status in circumstances that require FDA approval.

Establishing Strategic Partnerships and Relationships. Whenever appropriate, we intend to strategically partner with established pharmaceutical and medical device companies to provide development funding, and/or address markets that may require greater commercialization resources than we are currently able to provide, and/or provide more specific expertise to maximize the value of our technologies and experience.

Protecting Our Intellectual Property. Our experience and expertise encompass engineering, design and automated manufacturing, allowing us to uniquely oversee all aspects of the manufacturing as well as assembly of our future products. This will serve to protect our intellectual property and provide a greater economic return to our strategic partners and our stakeholders.

Employees

While our executive officers devote a substantial amount of their time to our company without cash compensation, at March 25, 2019 we did not have any employees.

Our history

We were incorporated under the laws of the State of Delaware on December 21, 2009 under the name OICco Acquisition IV, Inc. with the principal business objective of merging with or being acquired by another entity. In March 2010 we filed a registration statement on Form S-1 with the Securities and Exchange Commission pursuant to the provisions of Rule 419 of the Securities Act of 1933, as amended (the "Securities Act"). The registration statement was declared effective by the Securities and Exchange Commission in December 2013. We became what is commonly referred to as a "Rule 419 shell" and we had no business or operations. We subsequently sold 1,000,000 shares of our common stock in a Rule 419 offering pursuant to the registration statement resulting in gross proceeds of $20,000. Pursuant to the provisions of Rule 419, the funds were placed in escrow pending identification of an acquisition target and the reconfirmation of the subscriptions by the investors.

On April 11, 2014 we entered into a Share Exchange Agreement and Plan of Reorganization (the "Share Exchange Agreement") with VapAria Solutions and its shareholders pursuant to which we agreed to acquire 100% of the outstanding capital stock of VapAria Solutions from the shareholders in exchange for certain shares of our capital stock. On July 31, 2014 all conditions precedent to the closing were satisfied, including the reconfirmation by the investors of the prior purchase of 1,000,000 shares of our common stock pursuant to the requirements of Rule 419 of the Securities Act, and the transaction closed. At closing, we issued the VapAria shareholders 36,000,000 shares of our common stock and 500,000 shares of our 10% Series A convertible preferred stock in exchange for the common stock and the VapAria Solutions Preferred Stock owned by the VapAria shareholders. The VapAria shareholders were either accredited or sophisticated investors who had access to information concerning our company. The issuances were exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(a)(2) of that act. As a result of the closing of this transaction, VapAria Solutions is now a wholly owned subsidiary of our company and its business and operations represent those of our company. Following the closing of this transaction, in August 2014 we changed the name of our company to "VapAria Corporation."

ITEM 1.A RISK FACTORS.

Before you invest in our securities, you should be aware that there are various risks. You should consider carefully these risk factors, together with all of the other information included in this annual report before you decide to purchase our securities. If any of the following risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially adversely affected.

Risks Related to our Business

We have a history of losses, do not generate any revenues and do not have sufficient working capital to fund our operations and pay our obligations.

We reported a net loss of $583,084 and $156,538 for 2018 and 2017, respectively, and we have a working capital deficit of $760,388 at December 31, 2018. We do not have any revenue generating operations, do not presently expect to launch our first products until late 2019 or 2020 and will need to raise significant capital to pay our operating expenses and satisfy our obligations as they become due, in addition to continuing to implement our business plan. If we are unable to secure the necessary capital, our ability to continue our operations will be in jeopardy.

Our auditors have raised substantial doubts as to our ability to continue as a going concern.

Our financial statements have been prepared assuming we will continue as a going concern. We have experienced losses from operations, which losses have caused an accumulated deficit of $2,162,171 at December 31, 2018. The report of our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2018 contains an explanatory paragraph regarding our ability to continue as a going concern based upon our recurring losses, minimal cash and no source of revenues which are sufficient to cover our operating costs. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. We do not have any external sources of capital and our working capital is not sufficient to pay our operating expenses and satisfy our obligations as they become due. There are no assurances that we will be able to raise sufficient capital to implement our business plan in order to permit us to begin generating revenues and cash flow to a level which supports profitable operations and provides sufficient funds to pay our obligations. If we are unable to meet those obligations, we could be forced to cease operations in which event investors would lose their entire investment in our company.

We may have difficulty raising capital, which could deprive us of necessary revenues.

We have not generated any revenues to date and, subject to the availability of sufficient capital, do not expect to launch our first products until late in 2019, owing to our recent focus on regulatory approved products. We are presently dependent on advances from a related party to provide funds for our operations. In order to support our initiatives, we will need to raise funds through public or private debt or equity financing, collaborative relationships or other arrangements with well capitalized companies. Our ability to raise additional financing depends on many factors beyond our control, including the risks associated with investing in a pre-revenue company with no assurances our products can be commercialized, the lack of a public market for our common stock and the development or prospects for development of competitive technology by others. Sufficient additional financing many not be available to us or may be available only on terms that would result in further dilution to the current owners of our common stock. If we are unsuccessful in raising additional capital, or the terms of raising such capital are unacceptable, we may never be able to effectively monetize our intellectual property assets. In that event, we may have to modify our business plan and/or significantly curtail our planned activities and other operations.

We have a limited operating history and have not developed or launched any products.

We are a company with a limited operating history. We have only recently completed the development of prototypes of new products using our proprietary technology and we have not generated any revenues. We are subject to the substantial risk of failure facing businesses seeking to develop and commercialize new products and technologies. Certain factors that could, alone or in combination, affect our ability to successfully develop and market our products, include:

- our ability to build and finance our products at our targeted scale on a cost-effective basis and in the time frame we anticipate;
- technical challenges developing our commercial production processes or systems that we are unable to overcome;
- reliance on third-party manufacturers for fabricating and assembling our products;
- our ability to obtain financing;
- our ability to meet our potential customers' requirements or specifications;
- our ability to secure and maintain all necessary regulatory approvals and to comply with applicable laws and regulations for our products;
- our ability to establish new relationships, or maintain and expand our existing relationships, with strategic partners, including strategic partners that will manufacture our products; and
- actions of direct and indirect competitors or that may seek to compete with the products that we develop.

Our management does not devote their full time to our company and certain of our officers and directors may have conflicts of interest.

We do not have any employees as of the date of this report. While our executive officers devote such time to us as they deem reasonable and necessary to discharge the business of our company, our officers have professional interests in a variety of activities other than those relevant to us and do not devote their full time and attention to our company. Accordingly, conflicts may arise in the allocation of time between our company and one or more of these activities. While we expect that our Board and management will exercise their fiduciary obligation to our company, there are no assurances any conflicts of interest which may arise will be resolved in our favor.

We will rely exclusively on third parties to formulate and manufacture our products.

We have no experience in the formulation or manufacturing of the products we intend to develop and do not intend to establish our own manufacturing facilities. We will rely on one or more third-party contractors to manufacture our products. Our anticipated future reliance on a limited number of third-party manufacturers exposes us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all;
- our third-party manufacturers might be unable to formulate and manufacture our products in the volume and quality required to meet our needs;
- our contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to successfully produce, store and distribute our products; and
- our manufacturers may fail to comply with federal or state regulations.

Each of these risks could delay our product development or result in higher costs or deprive us of potential product revenues.

Certain of our proposed products will be subject to FDA oversight.

Our current business strategies call for us to develop certain products that now fall under the regulatory authority of the FDA. Our product candidates could be required to undergo costly and time-consuming rigorous non-clinical and clinical testing and we may be required to obtain regulatory approval prior to the sale and marketing of any of our products. In addition, under the recently proposed budget, the Trump Administration is proposing a significant increase in the fees we would incur for product review by the FDA. While we believe that the features of certain of our products may enable us to secure FDA fast track approval, there are no assurances our beliefs are correct. The results of this testing or issues that develop in the review and approval by any regulatory agency, including the FDA, may subject us to unanticipated delays or prevent us from marketing any proposed products we may develop.

We have no experience selling, marketing or distributing products and have no internal capability to do so.

We currently have no sales, marketing or distribution capabilities. We do not anticipate having the resources in the foreseeable future to allocate to the sales and marketing of our proposed products. Our future success depends, in part, on our ability to enter into and maintain collaborative relationships for such capabilities, the collaborator's strategic interest in the products under development and such collaborator's ability to successfully market and sell any such products. We intend to pursue collaborative arrangements regarding the sales and marketing of our products, however, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if able to do so, that our collaborators will have effective sales forces. To the extent that we decide not to, or are unable to, enter into collaborative arrangements with respect to the sales and marketing of our proposed products, significant capital expenditures, management resources and time will be required to establish and develop an in-house marketing and sales force with technical expertise. There can also be no assurance that we will be able to establish or maintain relationships with third party collaborators or develop in-house sales and distribution capabilities. To the extent that we depend on third parties for marketing and distribution, any revenues we receive will depend upon the efforts of such third parties, and there can be no assurance that such efforts will be successful. In addition, there can also be no assurance that we will be able to market and sell our proposed products in the United States or overseas.

We may not be successful in establishing and maintaining strategic partnerships, which could adversely affect our ability to develop and commercialize our proposed products.

We intend to enter into strategic partnerships in the future, including alliances with other consumer product companies, to enhance and accelerate the development and commercialization of our proposed products. We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for any future proposed products and programs because our research and development pipeline may be insufficient, our proposed products and programs may be deemed to be at too early of a stage of development for collaborative effort and/or third parties may not view our product candidates and programs as having the requisite potential to demonstrate safety and efficacy. Even if we are successful in our efforts to establish strategic partnerships, the terms that we agree upon may not be favorable to us and we may not be able to maintain such strategic partnerships if, for example, development or approval of a product candidate is delayed or sales of an approved product are disappointing.

If we ultimately determine that entering into strategic partnerships is in our best interest but either fail to enter into, are delayed in entering into or fail to maintain such strategic partnerships:

- the development of certain of our proposed products may be terminated or delayed;
- our cash expenditures related to development of certain of our proposed products would increase significantly and we may need to seek additional financing;
- we may be required to hire additional employees or otherwise develop expertise, such as sales and marketing expertise, for which we have not budgeted;
- we will bear all of the risk related to the development of any such products; and
- the competitiveness of any product that is commercialized could be reduced.

To the extent we elect to enter into licensing or collaboration agreements to partner our product candidates, our dependence on such relationships may adversely affect our business.

Our commercialization strategy for certain of our proposed products may depend on our ability to enter into agreements with collaborators to obtain assistance and funding for the development and potential commercialization of these product candidates. Supporting diligence activities conducted by potential collaborators and negotiating the financial and other terms of a collaboration agreement are long and complex processes with uncertain results. Even if we are successful in entering into one or more collaboration agreements, collaborations may involve greater uncertainty for us, as we have less control over certain aspects of our collaborative programs than we do over our proprietary development and commercialization programs. We may determine that continuing a collaboration under the terms provided is not in our best interest, and we may terminate the collaboration. Our collaborators could delay or terminate their agreements, and our proposed products subject to collaborative arrangements may never be successfully commercialized.

Chong Corporation may be unable to protect its intellectual property, which is licensed to us.

We rely on the availability of protection for the proprietary aspects of the Chong Corporation technology and information which we license under the December 2013 Agreement and the January 2016 License Agreements. Our future success depends, in part, on the ability of Chong Corporation to defend and enforce their issued patents and other intellectual property rights, obtain additional patents or other intellectual property protection where warranted, and pursue adequate and meaningful protection of the proprietary aspects of our technology and information. The existing patent applications or any applications filed in the future may not be allowed, and the failure of Chong Corporation to secure these patents may limit their ability to protect the intellectual property rights these applications were intended to cover. Any issued patents may be challenged, invalidated or circumvented to avoid infringement liability. Any of the Chong Corporation patents, issued or pending, may not provide us with any competitive advantage or may be challenged by third parties. The loss of any rights under the December 2013 Agreement and/or the January 2016 License Agreements would be materially adverse to our company and our ability to continue our business would be in jeopardy.

The technology we license may be found to infringe third-party intellectual property rights.

Third parties may in the future assert claims or initiate litigation related to their patent, copyright, trademark and other intellectual property rights in technology that is important to us. The asserted claims and/or litigation could include claims against us, our licensors or our suppliers alleging infringement of intellectual property rights with respect to our proposed products or components of those products. Regardless of the merit of the claims, they could be time consuming, result in costly litigation and diversion of technical and management personnel, or require us to develop a non-infringing technology or enter into license agreements. We cannot assure you that licenses will be available on acceptable terms, if at all. Furthermore, because of the potential for significant damage awards, which are not necessarily predictable, it is not unusual to find even arguably unmeritorious claims resulting in large settlements. If any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, operating results and financial condition could be materially adversely affected. If our proposed products, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs and we may have to:

- obtain licenses, which may not be available on commercially reasonable terms, if at all;
- abandon proposed products;
- redesign our proposed products or processes to avoid infringement;
- stop using the subject matter claimed in the patents held by others;
- pay damages; and
- defend litigation or administrative proceedings which may be costly whether we win or lose, and which could result in a substantial diversion of our financial and management resources.

Risk related to our common stock

There is no public market for our common stock. In the event we establish a market for our common stock, it is likely that the market for that common stock will be limited.

There is no public market for our common stock. We delayed seeking a market maker in 2017 and 2018, pending the enhancement of our prototypes, the initiation of certain clinical studies and our progress in discussions with certain third parties. While we expect during 2019 to seek a market maker to file the appropriate documents with the Financial Industry Regulatory Authority, Inc. (FINRA) to obtain a quotation of our common stock in the over the counter market, the timing and success thereof is presently unknown. Even if we are successful in establishing a public market for our common stock, it is likely that the market will be limited and sporadic and generally at very low volumes until such time, if ever, as we are able to develop a following for our common stock. An active market for our common stock may never develop.

Delaware law contains anti-takeover provisions that could deter takeover attempts that could be beneficial to our stockholders.

Provisions of Delaware law could make it more difficult for a third-party to acquire us, even if doing so would be beneficial to our stockholders. Section 203 of the Delaware General Corporation Law may make the acquisition of our company and the removal of incumbent officers and directors more difficult by prohibiting stockholders holding 15% or more of our outstanding voting stock from acquiring us, without our board of directors' consent, for at least three years from the date they first hold 15% or more of the voting stock.

The conversion of our outstanding 10% Series A convertible preferred stock will be dilutive to our stockholders.

In connection with the acquisition of VapAria Solutions in July 2014, we issued Chong Corporation 500,000 shares of our 10% Series A convertible preferred stock. The designations, rights and preferences of the 10% Series A convertible preferred stock provide, in part, each share of 10% Series A convertible preferred stock is automatically convertible into shares of our common stock on a one for one basis on the fifth anniversary of the date of issuance, or earlier in the event of a change of control of our company. The conversion of the shares of 10% Series A convertible preferred stock in shares of our common stock will be dilutive to our stockholders.

The payment of dividends on the shares of 10% Series A convertible preferred stock is dilutive to our stockholders.

The designations, rights and preferences of our outstanding 10% Series A convertible preferred stock provide that a 10% annual dividend is payable in shares of our common stock at a rate of one share of common stock for each 10 shares of preferred stock. These dividends are payable on December 31 of each year. The payment of dividends on the shares of 10% Series A convertible preferred stock will be dilutive to our existing stockholders and could adversely impact the market price of our common stock, should a market be developed of which there is no assurance.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable to a smaller reporting company.

ITEM 2. DESCRIPTION OF PROPERTY.

We maintain our corporate offices at 5550 Nicollet Avenue, Minneapolis, MN 55419. We lease these premises from 5550 Nicollet LLC, an affiliate of Mr. Chong, under the terms of a three-year lease initially expiring in December 2017, as previously extended, at an annual rent of $9,000. In December 2017, we renewed the lease for an additional 12-month term ending December 31, 2018 at the annual rental of $9,300 and in December of 2018 we extended the lease to December 31, 2019 at the annual rental of $9,300.

ITEM 3. LEGAL PROCEEDINGS.

We are not a party to any pending or threatened litigation.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable to our company.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

There is no public market for our common stock. As of March 25, 2019, there were approximately 115 record owners of our common stock.

Dividend policy

We have never paid cash dividends on our common stock. Under Delaware law, we may declare and pay dividends on our capital stock either out of our surplus, as defined in the relevant Delaware statutes, or if there is no such surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If, however, the capital of our company, computed in accordance with the relevant Delaware statutes, has been diminished by depreciation in the value of our property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, we are prohibited from declaring and paying out of such net profits and dividends upon any shares of our capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Even if permitted under Delaware law, we do not have any present intention of declaring or paying dividends on our common stock in the foreseeable future.

Recent sales of unregistered securities

None, except as previously reported.

Purchases of equity securities by the issuer and affiliated purchasers

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable to a smaller reporting company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations for 2018 and 2017 and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Cautionary Statement Regarding Forward Looking Information, Item 1A. Business and Item 1A. Risk Factors in this report. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

Overview

We are a pre-clinical specialty pharmaceutical company. Prior to forming VapAria Solutions in 2010, our management had more than 25 years' collective experience in vaporization and vapor delivery of medicants, having been partners in a joint venture with pioneers in the industry and having undertaken significant work internationally researching and developing products, shepherding them through the patent process and introducing them into the U.S. wholesale and retail supply chain.

Our management, through the Chong Corporation, a common control entity that is the licensor of the intellectual property rights we acquired in December 2013 and January 2016, has built an extensive and robust portfolio of intellectual property that includes patented and patent-pending methods of vaporization and patented and patent-pending medicants and herbal remedies identified for their effectiveness and suitability to address the markets identified above. Throughout 2018 in addition to discussions with third party financing sources, we engaged in substantive discussions with several international companies which expressed interest in our licensed technology. These discussions involved demonstrations of our fully functional, programmed prototypes.

On May 30, 2018, the FDA announced the launch of the Devices to Prevent and Treat Opioid Use Disorder Challenge to spur the development of medical devices, including digital health and diagnostic devices, to help combat the opioid crisis and to help prevent and treat opioid use disorder, a serious health condition which can be an outcome of opioid drug use. The FDA's Center for Devices and Radiological Health accepted applications for this challenge from June 1, 2018 through September 30, 2018. The FDA's focus in this challenge is the development of medical devices that lead to the prevention and treatment of opioid use disorder.

In the second quarter of 2018, we described and included these studies in a submission to the FDA under this challenge. We believed and continued to believe that we have a device design that would address certain of the issues surrounding opioid abuse and diversion in the US and throughout the world. However, in November 2018, we were advised that our submission to the FDA's Innovation Challenge: Devices to Prevent and Treat Opioid Use Disorder was not selected as a part of the challenge and we were encouraged by FDA staff to submit the device and its anticipated use to the FDA's Breakthrough Devices Program. We are still evaluating this opportunity and expect to decide relative to such a submission in mid-2019.

Historically we have relied upon related party loans from Chong Corporation that, as of December 31, 2018, totaled $627,044. In 2018, the loan increased by $78,500 and these proceeds were used to pay expenses associated with research, development and design, and ordinary business expenses associated with identifying, meeting with and negotiating with potential business partners and our general operating expenses, including the payment of our obligations. Our management has worked without cash compensation. We estimate that we will need to raise between $1 million and $2 million over the next 12 months to continue to implement our business plan.

We may seek to raise the necessary capital through future public or private debt or equity offerings of our securities, although we do not have any commitments from any third parties to provide any capital to us. While we believe that the exclusive rights to the proprietary technology on which our business is predicated could provide us with a significant competitive advantage if we can bring one or more products to market, our ability to accomplish that in the near term is dependent on a successful prototype and positive pre-clinical assessments of the prototype. Given the current lack of a public market for our common stock, our status as a pre-clinical stage company and the difficulties small companies experience in accessing the capital markets, we expect to encounter difficulties in pursuing public or private capital raises. We may also seek to minimize our capital needs by securing partnerships or joint ventures with well capitalized companies in the pharmaceutical or OTC consumer products industries. Until we are able to raise all or a portion of the necessary capital, our ability to continue to implement our business plan will be in jeopardy.

Going concern

For 2018 we reported a net loss of $583,084 and net cash used in operations of $84,681. At December 31, 2018 we had cash on hand of $1,477 and an accumulated deficit of $2,162,171. The report of our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2018 contains an explanatory paragraph regarding our ability to continue as a going concern based upon our minimal cash and no source of revenues which are sufficient to cover our operating costs. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. There are no assurances we will be successful in our efforts to raise capital, develop a source of revenues, report profitable operations or to continue as a going concern, in which event investors would lose their entire investment in our company.

Results of operations

We did not generate any revenues from our operations in the 2018 or 2017 periods. Our total operating expenses for 2018 increased 288%, over those reported in 2017. General and administrative expenses, which include amortization, compensation, rent, and website hosting expenses, increased by $474,954 in 2018 compared to 2017 due almost entirely to higher levels of compensation in 2018 related to stock options awarded to management. No such awards were granted in 2017. Research and development expenses decreased 71% in 2018 compared to the previous year due the fact that device prototype development was largely completed in 2016 and have only required refinements during 2018 and 2017. Year to year, professional fees were relatively flat, declining by 7.3% in 2018 compared to 2017.

We expect that our operating expenses will increase as we continue to develop our business and we devote additional resources towards promoting that growth, most notably reflected in anticipated increases in general overhead, salaries for personnel and technical resources, as well as increased costs associated with our SEC reporting obligations. However, as set forth elsewhere in this report, our ability to continue to develop our business and achieve our operational goals is dependent upon our ability to raise significant additional working capital. As the availability of this capital is unknown, we are unable to quantify at this time the expected increases in operating expenses in future periods.

Liquidity and capital resources

Liquidity is the ability of a company to generate sufficient cash to satisfy its needs for cash. As of December 31, 2018, we had $1,477 in cash and cash equivalents and a working capital deficit of $760,388 as compared to $7,658 in cash and cash equivalents and a working capital deficit of $669,674 at December 31, 2017. Our current liabilities increased $84,454 at December 31, 2018 from December 31, 2017, reflecting increases in interest payable, accrued expenses and in the loan amount from a related party. Our sole source of operating capital during 2018 came from additional borrowing from a related party which loaned us an additional $78,500.

We do not have any commitments for capital expenditures. Our working capital is not sufficient to fund our operations for at least the next 12 months and to satisfy our obligations as they become due. In December 2017, the holder of a $50,000, principal amount, note agreed to the extension of the due date of the note from December 31, 2017 to July 31, 2018. The remaining note in the principal amount of $40,000 is convertible into 500,000 shares of our common stock at the option of the holder and was due on July 31, 2018. On July 31, 2018 the holders of the $50,000 note payable and the $40,000 unsecured convertible note each agreed to extend the respective maturity dates to January 31, 2019 and on January 31, 2019, each holder agreed to extend the maturity date to August 31, 2019. We also owe a related party $627,044 which is due on demand. We do not have the funds necessary to repay these obligations or to fund the costs associated with filing a registration statement if the noteholder converts the note and exercises its registration rights. As described earlier in this report, we will need to raise between $1,000,000 and $2,000,000 in additional capital during the next 12 months. As we do not have any firm commitments for all or any portion of this necessary capital, there are no assurances we will have sufficient funds to fund our operating expenses and continued development of our products and to satisfy our obligations as they become due. In that event, our ability to continue as a going concern is in jeopardy.

Net Cash Used in Operating Activities

We used $84,681 of cash in our operating activities in 2018 compared to $157,826 used in 2017, a decrease of 46.3%. The decrease is due to lower research and development costs incurred in the current period compared to the same period one year ago.

Net Cash Provided by (Used in) Investing Activities

There was no net cash provided by (used in) investing activities in either the 2018 or 2017.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for 2018 and 2017 consisted of borrowings of $78,500 and $161,000 respectively from Chong Corporation, a common control entity.

Critical accounting policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition, accounts receivable allowances and impairment of long-lived assets. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 2 to our audited consolidated financial statements for 2018 appearing later in this report.

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02 " *Leases* ," which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We have reviewed the provisions of this ASU and determined there will not be any impact on our results of operations, cash flows or financial condition.

In June 2018, the FASB issued ASU 2018-07, *Improvements to Non-Employee Share-Based Payment Accounting* , which simplifies the accounting for share-based payments granted to non-employees for goods and services. Under the literature, most of the guidance on such payments to non-employees would be aligned with the requirements for share-based payments granted to employees currently under ASC 718, *Compensation - Stock Compensation* . Board members are the only non-employees that the Company grants to, who are treated as "employees" under ASC 718. The guidance is effective for public companies for fiscal years, and interim fiscal periods within those fiscal years, beginning after December 15, 2018. The Company does not believe that the adoption of ASU 2018-07 will have a significant impact on the Company's condensed consolidated financial statements.

Off balance sheet arrangements

As of the date of this report, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term "off-balance sheet arrangement" generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable for a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Please see our consolidated financial statements beginning on page F-1 of this annual report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures . We are required to maintain "disclosure controls and procedures" as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on their evaluation as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were not effective to ensure that the information relating to our company, required to be disclosed in our Securities and Exchange Commission reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Vice President, to allow timely decisions regarding required disclosure as a result of material weaknesses in our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting . Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013). Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of these controls. Based on this assessment and having no employees at this time our management has concluded that as of December 31, 2018, our internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles as a result of material weaknesses. These material weaknesses in our internal control over financial reporting result from limited segregation of duties and limited multiple levels of review in the financial close process.

The existence of the continuing material weaknesses in our internal control over financial reporting increases the risk that a future restatement of our financials is possible. In order to remediate these material weaknesses, we will need to expand our accounting resources. We will continue to monitor and evaluate the effectiveness of our disclosure controls and procedures and our internal control over financial reporting on an ongoing basis, however, we do not expect that the deficiencies in our disclosure controls will be remediated until such time as we have remediated the material weaknesses in our internal control over financial reporting. We had expected to expand our accounting resources in 2018, but that has now been delayed into 2019.

Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table provides information on our executive officers and directors:

Name	Age	Positions
Alexander Chong	54	Chairman of the Board of Directors, Chief Executive Officer
William P. Bartkowski	67	President, Chief Operating Officer
Daniel Markes	57	Vice President, Chief Financial Officer, director
Roger Nielsen	72	Vice President, Secretary, director

Alexander Chong. Mr. Chong has served as Chairman of the Board and Chief Executive Officer since July 2014. He has also served as Chairman of the Board and Chief Executive Officer of our subsidiary, VapAria Solutions, since its inception in March 2010. Mr. Chong is an experienced entrepreneur and businessman. Since founding the company in 1993, he has also served as the Chairman of Plexus International, a consulting and training organization with 14 international offices and its principal office located in Minneapolis, Minnesota. Mr. Chong has also served as Chief Executive Officer and a member of the board of directors of Chong Corporation, a Minnesota-based company with investment interests in technology and a variety of Asia-based opportunities since 2007. He has broad experience in international business and manufacturing quality. Mr. Chong also has experience serving on boards of directors of privately-held companies in the role of an independent director, as well as identifying key joint venture partners and negotiating and securing international distribution agreements with large multi-national companies. In connection with the developer of the original e-cigarette, Mr. Chong oversaw U.S. patent filings and developed the first disposable e-cigarette offered for distribution and sale in the U.S. Mr. Chong received a B.S. in Chemistry from Boston University. Mr. Chong's role as a founder of VapAria Solutions and his significant professional experience in our business sector were factors considered by the board of directors in concluding that he should be serving as a director of our company.

William P. Bartkowski. Mr. Bartkowski has served as an executive officer of our company since July 2014. He has also served as President and Chief Operating Officer of our subsidiary, VapAria Solutions, since its inception in March 2010. Mr. Bartkowski has had a three-decade career in banking, consulting and marketing. Since 2008 Mr. Bartkowski has been engaged as a business consultant. From 1988 to 1995 he was an executive officer of Metropolitan Financial Corp., a NYSE listed company and from 1996 to 2004 Mr. Bartkowski was a partner in Neuger, Henry, Bartkowski, a public relations firm. He has been involved with the electronic cigarette business since late 2006. In that capacity he has organized, directed and optimized marketing, consumer focus group testing, market analysis and sales testing and he has negotiated and finalized plans and agreements with major U.S. distributors and retailers with respect to electronic cigarettes. Mr. Bartkowski has also been involved extensively in U.S. and international regulatory and legal issues affecting electronic cigarettes and tobacco issues. He previously provided investor relations and capital markets advisory services, including capital formation and M&A counsel for more than a dozen public companies. From April of 2013 until November of 2015 Mr. Bartkowski served on the board of directors and was an officer of the Smoke Free Alternatives Trade Association (SFATA), a leading international advocacy group for keeping e-cigarettes innovative, accessible and unencumbered by burdensome laws and regulations. Mr. Bartkowski received a B.A. in English from the University of Mary, an M.A. in English from North Dakota State University and a PhD in Adult Education.

Daniel Markes . Mr. Markes has served as an executive officer and member of the board of directors of our company since July 2014. He has also served as Vice President, Chief Financial Officer and a member of the board of directors of our subsidiary, VapAria Solutions, since its inception in March 2010. Mr. Markes is an experienced businessman and financial executive and his background includes having served in various capacities as controller, human resources director, business development specialist and member of the board of directors of a number of organizations throughout his professional career. Since 1997 Mr. Markes has been Director, Human Resources, Finance and Administration with Minneapolis-based Plexus Corporation founded by Mr. Chong. He also is an officer of Chong Corporation, serving as its Treasurer/Chief Financial Officer, as well as serving as an officer of 5550 Nicollet LLC, an entity affiliated with Mr. Chong. Mr. Markes received a BBA degree from Brock University. Mr. Markes' experience as a businessman and a financial executive were factors considered by the board of directors in concluding that he should be serving as a director of our company.

Roger Nielsen. Mr. Nielsen has served as an executive officer of our company since July 2014 and a member of our board of directors since April 2015. He has also served as Vice President of our subsidiary, VapAria Solutions, since its inception in March 2010. Mr. Nielsen is an experienced businessman with broad and lengthy experience in international commerce and world-wide distribution. Mr. Nielsen is a member of the Board of Directors and Director, Procurement and Facilities, with Minneapolis-based Plexus Corporation founded by Mr. Chong, serving as an officer and director of that company since 1993. Mr. Nielsen and Mr. Chong have worked closely together for over 25 years in various international businesses. He has established global distribution centers throughout Asia Pacific, negotiated and closed distribution agreements with major international manufacturers for export and directed and managed international logistics for a number of global distribution networks. Mr. Nielsen studied Business Administration at Dana College. Mr. Nielsen's experience in international commerce and world-wide distribution activities were factors considered by the board of directors in concluding that he should be serving as a director of our company.

There are no family relationships between any of the executive officers and directors.

Board of Directors

Each director is elected at our annual meeting of stockholders and holds office until the next annual meeting of stockholders, or until his successor is elected and qualified. If any director resigns, dies or is otherwise unable to serve out his or her term, or if the Board increases the number of directors, the Board may fill any vacancy by a vote of a majority of the directors then in office, although less than a quorum exists. A director elected to fill a vacancy shall serve for the unexpired term of his or her predecessor. Vacancies occurring by reason of the removal of directors without cause may only be filled by vote of the stockholders.

Board leadership structure and board's role in risk oversight

The board of directors is comprised of members of our management and we do not have any independent directors. Mr. Chong, our Chief Executive Officer, also serves as Chairman of the Board. Given the early stage of our company, our Board believes the current leadership structure is appropriate for our company. As our company grows, we expect to expand our board of directors through the appointment of independent directors.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputation risk. Management is responsible for the day-to-day management of the risks we face and have responsibility for the oversight of risk management in their dual roles as directors.

Committees of the board of directors; stockholder nominations; audit committee financial expert

We have not established any committees comprised of members of our board of directors, including an Audit Committee, a Compensation Committee or a Nominating Committee, or any committee performing similar functions. The functions of those committees are being undertaken by our board of directors as a whole.

We do not have a policy regarding the consideration of any director candidates which may be recommended by our stockholders, including the minimum qualifications for director candidates, nor has our board of directors established a process for identifying and evaluating director nominees, nor do we have a policy regarding director diversity. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our stockholders, including the procedures to be followed. Our Board has not considered or adopted any of these policies as we have never received a recommendation from any stockholder for any candidate to serve on our board of directors. Given the early stage of our business, we do not anticipate that any of our stockholders will make such a recommendation in the near future. While there have been no nominations of additional directors proposed, in the event such a proposal is made, all members of our Board will participate in the consideration of director nominees. In considering a director nominee, it is likely that our Board will consider the professional and/or educational background of any nominee with a view towards how this person might bring a different viewpoint or experience to our Board.

None of our directors is an "audit committee financial expert" within the meaning of Item 401(e) of Regulation S-K. In general, an "audit committee financial expert" is an individual member of the audit committee or board of directors who:

- understands generally accepted accounting principles and financial statements;
- is able to assess the general application of such principles in connection with accounting for estimates, accruals and reserves;
- has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity to our financial statements;
- understands internal controls over financial reporting; and
- understands audit committee functions.

Our securities are not quoted on an exchange that has requirements that a majority of our Board members be independent, and we are not currently otherwise subject to any law, rule or regulation requiring that all or any portion of our board of directors include "independent" directors, nor are we required to establish or maintain an Audit Committee or other committee of our board of directors.

Code of Ethics and Conduct

We have adopted a Code of Ethics and Conduct which applies to our board of directors, our executive officers and our employees. The Code of Ethics and Conduct outlines the broad principles of ethical business conduct we adopted, covering subject areas such as:

- conflicts of interest;
- corporate opportunities;
- public disclosure reporting;
- confidentiality;
- protection of company assets;
- health and safety;
- conflicts of interest; and
- compliance with applicable laws.

A copy of our Code of Ethics and Conduct is available without charge, to any person desiring a copy, by written request to us at our principal offices at 5550 Nicollet Avenue, Minneapolis, MN 55419.

Director compensation

Our directors do not receive compensation for their services as directors.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act, requires our executive officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common shares and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% stockholders are required by the Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) reports they file. Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us under Rule 16a-3(d) of the Securities Exchange Act during the year ended December 31, 2018 and Forms 5 and amendments thereto furnished to us with respect to the year ended December 31, 2018, as well as any written representation from a reporting person that no Form 5 is required, we are not aware that any officer, director or 10% or greater stockholder failed to file on a timely basis, as disclosed in the aforementioned Forms, reports required by Section 16(a) of the Exchange Act of during the year ended December 31, 2018.

ITEM 11. EXECUTIVE COMPENSATION.

The following table summarizes all compensation recorded by us in the past two years for:

- our principal executive officer or other individual serving in a similar capacity;
- our two most highly compensated named executive officers at December 31, 2018 whose annual compensation exceeded $100,000; and
- up to two additional individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer at December 31, 2018.

For definitional purposes, these individuals are sometimes referred to as the "named executive officers."

Summary Compensation Table

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	No equity incentive plan compensation ($)	Non-qualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Alexander Chong,	2018	0	0	0	332,420	0	0	0	332,420
Chief Executive Officer [1]	2017	0	0	0	0	0	0	0	0

[1] The amounts included in the "Option Awards" column represent the aggregate grant date fair value of stock options to purchase 2,100,000 shares at an exercise price of $0.20 in December 2018 computed in accordance with ASC Topic 718. The assumptions made in the valuations of the option awards are included in Note 2 of the notes to our consolidated financial statements appear later in this report.

How the executive's compensation is determined

Mr. Chong, who has served as our Chief Executive Officer since July 2014, does not presently receive cash compensation for his services to us. The amount of compensation we may pay to Mr. Chong from time to time is in the discretion of the board of directors of which he is one of three members. In December of 2018 the board awarded Mr. Chong an option grant of 2,100,000 shares at an exercise price of $0.20 per share. No options were granted during 2017.

Outstanding equity awards at fiscal year-end

The following table provides information concerning unexercised options, stock that has not vested and equity incentive plan awards for each named executive officer outstanding as of December 31, 2018:

	OPTION AWARDS					STOCK AWARDS			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Alexander Chong	2,100,000	-	-	1.00	12/31/20	-	-	-	-
	2,100,000	-	-	0.25	12/31/21	-	-	-	-
	2,100,000			0.20	12/31/23				

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

At March 25, 2019, we had 75,310,000 shares of our common stock issued and outstanding which is our only class of voting securities. The following table sets forth information regarding the beneficial ownership of our common stock as of March 25, 2019 by:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- our named executive officers, directors and director nominees as a group.

Unless otherwise indicated, the business address of each person listed is in care of 5550 Nicollet Avenue, Minneapolis, MN 55419. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse **.**

	Common Stock	
Name and Address of Beneficial Owner	**Shares**	**%**
Alexander Chong [(1)]	46,050,000	55.40%
William P. Bartkowski [(2)]	900,000	≤1%
Daniel Markes [(3)]	2,780,000	3.3%
Roger Nielsen [(4)]	2,800,000	3.3%
All officers and directors as a group (four persons) [(1)(2)(3)(4)]	47,120,000	62.0%

(1) Includes: (i) 23,400,000 shares of our common stock held of record by Alexander Chong Chinhak LLC; (ii) 25,000,000 shares of our common stock held of record by Chong Corporation; (iii) 500,000 shares of our common stock issuable upon the conversion of 500,000 shares of our 10% Series A convertible preferred stock held of record by Chong Corporation; (iv) 2,100,000 shares of our common stock underlying options held by Mr. Chong with an exercise price of $1.00 per share; (v) an additional 2,100,000 shares held with an exercise price of $0.25 per share and (vi) an additional 2,100,000 shares held with an exercise price of $0.20. Mr. Chong has voting and dispositive control over the shares held of record by both of these entities.

(2) Includes (i) 300,000 shares of our common stock underlying options with an exercise price of $1.00 per share; (ii) 300,000 shares of our common stock with an exercise price of $0.25 per share and (iii) and additional 300,000 shares with an exercise price of $0.20,

(3) Includes: (i) 300,000 shares of our common stock underlying options with an exercise price of $1.00 per share; (ii) 300,000 shares of our common stock with an exercise price of $0.25 per share and (iii) an additional 300,000 shares with an exercise price of $0.20; and (iv) 1,000,000 shares of our common stock owned by Paula Markes, his spouse.

(4) Includes (i) 300,000 shares of our common stock underlying options with an exercise price of $1.00 per share; (ii) 300,000 shares of our common stock with an exercise price of $0.25 per share and (iii) an additional 300,000 shares with an exercise price of $0.20.

Securities authorized for issuance under equity compensation plans

The following table sets forth securities authorized for issuance under any equity compensation plans approved by our stockholders as well as any equity compensation plans not approved by our stockholders as of December 31, 2018.

Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Plans not approved by our stockholders:	0	-	-
Plans approved by stockholders:			
2014 Equity Compensation Plan	9,000,000	$ 0.48	1,400,000

2014 Equity Compensation Plan

On August 19, 2014, our board of directors adopted our 2014 Equity Compensation Plan (the "2014 Plan") initially covering 10,000,000 shares of common stock. On August 19, 2014 the holders of a majority of our issued and outstanding common stock approved the adoption of the 2014 Plan. The 2014 Plan also contains an "evergreen formula" pursuant to which the number of shares of common stock available for issuance under the 2014 Plan will automatically increase on the first trading day of January each calendar year during the term of the 2014 Plan, beginning with calendar year 2015, by an amount equal to 1% of the total number of shares of common stock outstanding on the last trading day in December of the immediately preceding calendar year, up to a maximum annual increase of 100,000 shares of common stock. The purpose of the 2014 Plan is to enable us to offer to our employees, officers, directors and consultants, whose past, present and/or potential contributions to our company have been, are or will be important to our success, an opportunity to acquire a proprietary interest in our company. The 2014 Plan is administered by our board of directors. Plan options may either be:

- incentive stock options (ISOs),
- non-qualified options (NSOs),
- awards of our common stock, or
- rights to make direct purchases of our common stock which may be subject to certain restrictions.

Any option granted under the 2014 Plan must provide for an exercise price of not less than 100% of the fair market value of the underlying shares on the date of grant, but the exercise price of any ISO granted to an eligible employee owning more than 10% of our outstanding common stock must not be less than 110% of fair market value on the date of the grant. The plan further provides that with respect to ISOs the aggregate fair market value of the common stock underlying the options which are exercisable by any option holder during any calendar year cannot exceed $100,000. The term of each plan option and the manner in which it may be exercised is determined by the board of directors or the compensation committee, provided that no option may be exercisable more than 10 years after the date of its grant and, in the case of an incentive option granted to an eligible employee owning more than 10% of the common stock, no more than five years after the date of the grant. In the event of any stock split of our outstanding common stock, the board of directors in its discretion may elect to maintain the stated amount of shares reserved under the plan without giving effect to such stock split. Subject to the limitation on the aggregate number of shares issuable under the plan, there is no maximum or minimum number of shares as to which a stock grant or plan option may be granted to any person.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

As described earlier in this report under Item 1. Business, we are a party to the December 2013 Agreement with Chong Corporation, a common control entity. In addition, during 2016 we entered into January 2016 License Agreements with Chong Corporation related to certain additional patents and patent pending technology.

As described earlier in this report under Item 2. Description of Property, we lease our principal executive offices from an affiliate of Mr. Chong.

During 2014 Chong Corporation loaned us $36,544 for working capital, and during 2015 we repaid $10,000 of this advance. During 2015 Chong Corporation lent us an additional $137,000, and we repaid $10,000 of this advance. In 2016 Chong lent us an additional $214,000, in 2017 $161,000 and $78,500 in 2018. The loans are unsecured, non-interest bearing and are due on demand.

Director independence

None of our directors is considered "independent" within the meaning of meaning of Rule 5605 of the NASDAQ Marketplace Rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table shows the fees that were billed for the audit and other services provided by MaloneBailey LLP for 2018 and 2017.

	2018	2017
Audit Fees	$ 18,500	$ 18,000
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
Total	$ 18,500	$ 18,000

Audit Fees — This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees — This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission and other accounting consulting.

Tax Fees — This category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees — This category consists of fees for other miscellaneous items.

Our board of directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the Board approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of the Board. Any such approval by the designated member is disclosed to the entire Board at the next meeting. The audit and tax fees paid to the auditors with respect to 2018 were pre-approved by the entire board of directors.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial statements.

- Report of Independent Registered Public Accounting Firm;
- Consolidated balance sheets at December 31, 2018 and 2017;
- Consolidated statements of operations for the years ended December 31, 2018 and 2017;
- Consolidated statements of changes in stockholders' deficit for the years ended December 31, 2018 and 2017;
- Consolidated statements cash flows for the years ended December 31, 2018 and 2017 and;
- Notes to consolidated financial statements.

(b) Exhibits.

		Incorporated by Reference			Filed or Furnished
No.	**Exhibit Description**	**Form**	**Date Filed**	**Number**	**Herewith**
2.1	Share Exchange Agreement and Plan of Reorganization dated April 11, 2014 by and between OICco Acquisition IV, Inc., VapAria Corporation and the listed shareholders	8-K	4/11/14	2a	
3.1	Amended and Restated Certificate of Incorporation	S-1	6/30/10	3(c)	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation	8-K	8/21/14	3.4	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation	10-Q	11/19/16	3.5	
3.4	Bylaws	S-1	3/29/10	3(b)	
10.1	Promissory Note in the principal amount of $50,000 from VapAria Corporation to Donald J. Bores	S-1	6/9/14	10(c)	
10.2	Exclusive License and Option to License Agreement dated December 31, 2013 by and between Chong Corporation and VapAria Corporation	S-1	5/1/14	10-b	
10.3	Intellectual Property Assignment Agreement dated August 1, 2010 between Alexander C. Chong, William P. Bartkowski and Chong Corporation	S-1	6/9/14	10(d)	
10.4	2014 Equity Compensation Plan	8-K	8/21/14	10.7	
10.5	Agreement to extend due date of promissory note to Donald J. Bores	10-K	4/14/15	10.5	
10.6	Convertible note dated July 14, 2014 in the principal amount of $40,000 together with Addendum dated September 1, 2014 and Addendum dated December 1, 2014	10-K	4/14/15	10.6	
10.7	Commercial Lease dated December 15, 2013 by and between 5550 Nicollet, LLC and VapAria Corporation	10-K	4/14/15	10.7	
10.8	Note Extension Agreement dated June 30, 2015 by Donald J. Bores.	10-Q	8/13/15	10.8	

10.9	License Agreement dated January 28, 2016 by and between VapAria Corporation and Chong Corporation for the 228 patent	8-K	1/29/16	10.9	
10.10	License Agreement dated January 28, 2016 by and between VapAria Corporation and Chong Corporation for the 040 patent	8-K	1/29/16	10.10	
10.11	License Agreement dated January 28, 2016 by and between VapAria Corporation and Chong Corporation for the 617 patent application	8-K	1/29/16	10.11	
10.12	License Agreement dated January 28, 2016 by and between VapAria Corporation and Chong Corporation for the 939 patent application	8-K	1/29/16	10.12	
10.13	License Agreement dated January 28, 2016 by and between VapAria Corporation and Chong Corporation for the 279 patent application	8-K	1/29/16	10.13	
10.14	Agreement dated December 13, 2015 to extend due date of promissory note to Donald J. Bores	10-K	4/8/16	10.14	
10.15	Agreement to Extend dated June 30, 2016 for promissory note due Donald J. Bores Sr.	10-Q	8/5/16	10.15	
10.16	Addendum dated July 31, 2016 to Convertible Note due Holdings, Inc.	10-Q	8/5/16	10.16	
10.17	Agreement to extend commercial lease by and between 5550 Nicollet, LLC and VapAria Corporation	10-K	4/17/17	10.17	
10.18	Agreement dated December 31, 2016 to extend due date of promissory note to the estate of Donald J. Bores	10-K	4/17/17	10.18	
10.19	Agreement to extend dated August 16, 2017 due Artemisa Holdings, Inc.	10-Q	11/9/17	10.1	
10.20	Agreement to extend dated August 31, 2017 for promissory note due Donald J. Bores, Sr.	10-Q	11/9/17	10.2	
10.21	Lease extension dated December 31, 2017 with Chong Corporation	10-K	3/29/18	10.21	
10.22	Addendum dated July 31, 2018 to extend the due date of the Promissory Note to Donald J. Bores to January 31, 2019	10-Q	8/7/18	10.22	
10.23	Addendum dated January 31, 2019 to extend the due date of the Promissory Note to Donald J. Bores to August 31, 2019	10-Q	8/7/18	10.23	
10.24	Addendum dated July 31, 2018 to extend the due date of the Promissory Note to Artemisa Holdings, Inc. to January 31, 2019				
10.25	Addendum date January 31, 2019 to extend the due date of the Promissory Note to Artemisa Holdings, Inc. to August 31, 2019				
10.26	Lease extension				
14.1	Code Conduct and Ethics	10-K	4/14/15	14.1	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer				Filed
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer				Filed
32.1	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer				Filed
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				Filed

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VapAria Corporation

March 29, 2019

By: */s/ Alexander Chong*
Alexander Chong, Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Alexander Chong his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) and supplements to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Name	Positions	Date
/s/ Alexander Chong Alexander Chong	Chief Executive Officer, Chairman of the Board of Directors, principal executive officer	March 29, 2019
/s/ William P. Bartkowski William P. Bartkowski	President, Chief Operating Officer	March 29, 2019
/s/ Daniel Markes Daniel Markes	Vice President, Chief Financial Officer, director, principal financial and accounting officer	March 29, 2019
/s/ Roger Nielsen Roger Nielsen	Vice President, secretary, director	March 29, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
VapAria Corporation
Minneapolis, MN

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of VapAria Corporation and its subsidiary as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2013.
Houston, Texas
March 29, 2019

VapAria Corporation
Consolidated Balance Sheets

	December 31	
	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,477	$ 7,658
Prepaid expenses	2,065	2,144
Total Current Assets	3,542	9,802
Intellectual property, net	222,071	239,555
TOTAL ASSETS	$ 225,613	$ 249,357
LIABILITIES & STOCKHOLDERS' DEFICIT		
LIABILITIES		
Current Liabilities		
Accounts payable	$ 6,304	$ 8,700
Accrued expenses	350	-
Interest payable	40,232	32,232
Note payable	50,000	50,000
Convertible note	40,000	40,000
Loan from related party	627,044	548,544
Total Current Liabilities	763,930	679,476
TOTAL LIABILITIES	763,930	679,476
STOCKHOLDERS' DEFICIT		
Preferred Stock: $0.0001 par value; 10,000,000 shares authorized; 10% Series A Convertible Preferred Stock; 500,000 shares authorized; 500,000 shares issued and outstanding at December 31, 2018 and 2017	50	50
Common Stock: $0.0001 par value; 200,000,000 shares authorized; 75,310,000 shares and 75,260,000 shares issued and outstanding at December 31, 2018 and 2017	7,531	7,526
Additional paid-in capital	1,616,273	1,131,392
Accumulated deficit	(2,162,171)	(1,569,087)
TOTAL STOCKHOLDERS' DEFICIT	(538,317)	(430,119)
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	$ 225,613	$ 249,357

See accompanying notes to consolidated financial statements

VapAria Corporation
Consolidated Statements of Operations

	Year ended December 31	
	2018	2017
Operating Expenses		
General and administrative	$ 502,967	$ 28,013
Research and development	18,307	62,441
Professional fees	53,410	57,625
Total Operating Expenses	574,684	148,079
Other (Expense)	(8,400)	(8,459)
Net (Loss)	$ (583,084)	$ (156,538)
	)	)
Preferred dividends	(10,000	(11,500
Net loss available to common stockholders	(593,084)	(168,038)
Basic and diluted loss per common share	(0.01)	(0.00)
Basic and diluted weighted average shares outstanding	75,261,644	75,235,753

See accompanying notes to consolidated financial statements

VapAria Corporation
Consolidated Statements of Changes in Stockholders' Deficit
For the years ended December 31, 2018 and December 31, 2017

	Series A Preferred Stock		Common Stock				
	Number of shares	$0.0001 Par Value	Number of Shares	$0.0001 Par Value	Additional Paid in Capital	Accumulated Deficit	Total
Balance December 31, 2016	500,000	$ 50	75,210,000	$ 7,521	$ 1,119,897	$ (1,401,049)	$ (273,581)
C ommon stock issued for dividend	-	-	50,000	5	11,495	(11,500)	$ -
Net loss	-	-	-	-	-	(156,538)	$ (156,538)
Balance December 31, 2017	500,000	$ 50	75,260,000	$ 7,526	$ 1,131,392	$ (1,569,087)	$ (430,119)
Common stock issued for dividend	-	-	50,000	5	9 ,995	(10,000)	$ -
Stock options granted	-	-	-	-	474,886	-	$ 474,886
Net loss	-	-	-	-	-	(583,084)	$ (583,084)
Balance December 31, 2018	500,000	$ 50	75,310,000	$ 7,531	$ 1,616,273	$ (2,162,171)	$ (538,317)

See accompanying notes to consolidated financial statements

VapAria Corporation
Consolidated Statements of Cash Flows

	Year ended December 31	
	2018	2017
Cash flows from operating activities		
Net loss	$ (583,084)	$ (156,538)
Adjustments to reconcile net loss to net cash used in operations:		
Amortization expense	17,484	17,484
Stock options expense	474,886	-
Changes in operating assets and liabilities:		
Prepaid expenses	79	1,596
Accounts payable	(2,396)	(28,368)
Accrued expenses	350	-
Interest payable	8,000	8,000
Net cash used by operating activities	(84,681)	(157,826)
Cash flows from financing activities		
Borrowing on debt with related party	78,500	161,000
Net Cash provided by financing activities	78,500	161,000
Net change in cash and cash equivalents	(6,181)	3,174
Cash and cash equivalents, beginning of period	7,658	4,484
Cash and cash equivalents, end of period	$ 1,477	$ 7,658
Supplementary disclosure of non-cash activities:		
Dividends on Preferred Series A Stock	10,000	11,500
Supplementary Information		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

See accompanying notes to consolidated financial statements

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF BASIS OF PRESENTATION

Nature of Business

VapAria Corporation ("we", "our", "us", the "Company") was incorporated under the laws of the State of Delaware on December 21, 2009 under the name OICco Acquisition IV, Inc.

On April 11, 2014 the Company entered into that certain Share Exchange Agreement and Plan of Reorganization (the "Agreement") with VapAria Solutions, Inc., a Minnesota corporation formerly known as VapAria Corporation ("VapAria Solutions"), and the shareholders of VapAria Solutions (the "VapAria Solutions Shareholders") pursuant to which we agreed to acquire 100% of the outstanding capital stock of VapAria Solutions from the VapAria Solutions Shareholders in exchange for certain shares of our capital stock. On July 31, 2014 all conditions precedent to the closing were satisfied, including the reconfirmation by the investors of the prior purchase of 1,000,000 shares of our common stock pursuant to the requirements of Rule 419 of the Securities Act of 1933, as amended (the "Securities Act"), and the transaction closed.

At closing, we issued the VapAria Solutions Shareholders 36,000,000 shares of our common stock and 500,000 shares of our 10% Series A Convertible Preferred Stock in exchange for the common stock and preferred stock owned by the VapAria Solutions Shareholders.

As a result of the closing of this transaction, VapAria Solutions became a wholly owned subsidiary of our company and its business and operations represent those of our company.

On August 19, 2014 the board of directors of the Company and the holders of a majority of its issued and outstanding common stock approved a Certificate of Amendment to our Amended and Restated Certificate of Incorporation changing the name of our company to VapAria Corporation. The name change was effective on August 19, 2014. Our Board determined it was in our best interests to change our corporate name to better reflect our business and operations following our recent acquisition of VapAria Solutions.

The Company is a specialty pharmaceutical company engaged in the research, design and development of methods and medicants to address chronic conditions with novel, vapor-centric approaches to pain management, appetite suppression, smoking cessation and various sleep disorders.

The Company has limited operations and, as of December 31, 2018, had no employees.

The Company has a fiscal year end of December 31.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Estimates – The preparation of financial statements in conformity with GAAP 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.

Reclassifications – Certain reclassifications may have been made to our prior year's consolidated financial statements to conform to current year presentation. These reclassifications had no effect on our previously reported results of operations or accumulated deficit.

Consolidation – The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, VapAria Solutions, Inc. All material intercompany balances and transactions have been eliminated.

Cash equivalents – All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Earnings per Share Information – Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 260 "Earnings Per Share" provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share.

Income Tax – Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. These assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse.

The Company has net operating loss carryforwards available to reduce future taxable income. Future tax benefits for these net operating loss carryforwards are recognized to the extent that realization of these benefits is considered more likely than not. To the extent that the Company will not realize a future tax benefit, a valuation allowance is established.

Long Lived Assets – Assessing long-lived assets for impairment will require us to make assumptions and judgments regarding the carrying value of these assets. We will evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The assets will be considered to be impaired if we determine that the carrying value may not be recoverable based upon our assessment of the following events or changes in circumstances:

If we believe our assets to be impaired, the impairment we will recognize will be the amount by which the carrying value of the assets exceeds the fair value of the assets. Any write down will be treated as permanent reductions in the carrying amount of the asset and an operating loss would be recognized. In addition, we base the useful lives and related amortization or depreciation expense on our estimate of the useful lives of the assets. If a change were to occur in any of the above-mentioned factors or estimates, our reported results could materially change. There was no impairment at December 31, 2018 and December 31, 2017.

Intangible Assets – Acquired intangible assets other than goodwill are amortized over their useful lives unless the lives are determined to be indefinite. Acquired intangible assets are carried at cost, less accumulated amortization. For intangible assets purchased in a business combination or received in a non-monetary exchange, the estimated fair values of the assets received (or, for non-monetary exchanged, the estimated fair values of the assets transferred if more clearly evident) are used to establish the cost basis, except when neither of the values of the assets received or the assets transferred in non-monetary exchanges are determinable within reasonable limits. Valuation techniques consistent with the market approach, income approach and/or cost approach are used to measure fair value. Amortization of finite-lived intangible assets is computed over the useful life of the respective assets.

Intellectual Property - Intellectual property assets primarily represent rights acquired under technology licenses and are generally amortized on a straight-line basis over periods of benefit, ranging up to 17 years. For the fiscal year ended December 31, 2018, the Company amortized $17,484 the same as the previous year, related to the value of its patent portfolio, acquired in 2013 and 2016 from an affiliate (see Note 5).

Accrued Research and Development Expenses – As part of the process of preparing our financial statements we are required to estimate our accrued expenses, including research and development expenses. This process involves reviewing quotations and contracts, identifying services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at the time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows in accruing service fees we estimate the time-period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we will adjust the accrual accordingly. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the cost of these services, our actual expenses could differ from our estimates. We do not anticipate the future settlement of existing accruals to differ materially from our estimates. Research and development expenses are expensed as incurred.

Stock-based Compensation - The Company accounts for stock-based compensation in accordance with the provision of ASC 718, "Compensation-Stock Compensation". ASC 718 requires companies to measure the cost of employee services received in exchange for an award of equity instruments, including stock options, based on the grant-date fair value of the award and to recognize it as compensation expense over the period the employee is required to provide service in exchange for the award, usually the vesting period. We granted 3,000,000 options to the management team in 2018 which were valued at $474,886. There were no options were granted in 2017.

The Company accounts for stock-based compensation in accordance with the provision of ASC 505, "Equity Based Payments to Non-Employees", which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instruments vest.

Fair Value of Financial Instruments - Fair value is an estimate of the exit price, representing the amount that would be received to, sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction cost. Fair value measurement under generally accepted accounting principles provides for use of a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.

- Level 3: Unobservable inputs reflect the assumptions that the Company develops based on available information about what market participants would use in valuing the asset or liability. The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts payable and debt are a reasonable estimate of fair value because of the short period of time between origination of such instruments and their expected realization and, if applicable, the stated rate of interest is equivalent to rates currently available

Beneficial Conversion Features – The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible note payable and may not be settled in cash upon conversion, is treated as a discount to the convertible note payable. This discount is amortized over the period from the date of issuance to the date the note is due using the effective interest method. If the note payable is retired prior to the end of its contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the common shares at the commitment date to be received upon conversion.

Recent Accounting Pronouncements – In February 2016, the FASB issued ASU 2016-02 " *Leases* ," which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We do anticipate that there will be any impact on our results of operations, cash flows or financial condition.

In June 2018, the FASB issued ASU 2018-07, *Improvements to Non-Employee Share-Based Payment Accounting* , which simplifies the accounting for share-based payments granted to non-employees for goods and services. Under the literature, most of the guidance on such payments to non-employees would be aligned with the requirements for share-based payments granted to employees currently under ASC 718, *Compensation - Stock Compensation* . Board members are the only non-employees that the Company grants to, who are treated as "employees" under ASC 718. The guidance is effective for public companies for fiscal years, and interim fiscal periods within those fiscal years, beginning after December 15, 2018. The Company does not believe that the adoption of ASU 2018-07 will have a significant impact on the Company's condensed consolidated financial statements.

NOTE 3 – GOING CONCERN

The Company's financial statements are prepared in accordance with GAAP applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company has recurring losses, has limited cash and no source of revenue sufficient to cover its operations costs and allow it to continue as a going concern. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company will be dependent upon the raising of additional capital. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

NOTE 4 – INCOME TAXES

We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we reported no activity the first two years and have experienced operating losses in 2018 and 2017. Under ACS 740 "Income Taxes", when it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

The 2017 Tax Cuts and Jobs Act reduced the corporate tax rate from 35% to 21% for tax years beginning after December 31, 2017. For net operating losses (NOLs) arising after December 31, 2017, the 2017 Act limits a taxpayer's ability to utilize NOL carryforwards to 80% of taxable income. In addition, NOLs arising after 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation. The component of the Company's deferred tax asset as of December 31, 2018 and 2017 are as follows:

	December 31, 2018	December 31, 2017
Net opening loss carryforward	$ 454,056	$ 329,508
Valuation allowance	(454,056)	(329,508)
Net deferred asset	$ -	$ -

The Company did not pay any income taxes during the years ended December 31, 2018 or 2017.

The Company's cumulative net operating loss carryforward as of December 31, 2018 amounted to $2,162,172 and will expire between December 31, 2033 and December 31, 2037.

NOTE 5 – STOCKHOLDER'S EQUITY

In December 2018, the Company declared and issued 50,000 shares of our common stock to Chong Corporation as a 2017 dividend on our 10% Series A convertible preferred stock. The stock was valued at $0.20 per share.

Comparatively, in June 2017, we declared and issued 50,000 shares of our common stock to Chong Corporation as a 2016 dividend on our 10% Series A convertible preferred stock. The stock was valued at $0.23 per share.

On December 31, 2018, the Company had 75,310,000 shares of common stock issued and outstanding.

Preferred Stock

Under the terms of the 10% Series A Convertible Preferred Stock the Company pays the holder a 10% annual dividend in common stock and the preferred becomes convertible to common stock five years from issuance at a conversion rate of one share of the Company's common stock for each share of the 10% Series A Convertible Preferred Stock. The 10% Series A convertible preferred stock is not redeemable at the holder's option and has no voting rights.

The Company analyzed the embedded conversion option for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the conversion option should be classified as equity.

Stock Options

In line with the Company's 2014 Equity Compensation Plan, 3,000,000 non-qualified stock options were granted to management. These options were fully vested at the grant date and have an exercise price of $0.20 per share and a term of 5 years with respect to Mr. Chong, an owner of more than 10% of the Company's outstanding common stock, and 10 years for the other members of management. The fair market value of the options at the grant date was determined to be $474,886 which was expensed immediately. The options were valued using the Black-Scholes option pricing model with the following assumptions: 1) a current stock price per share of $0.20, based on the price of companies with profiles similar to ours; 2) expected terms ranging from 2.5 - 5 years; 3) computed volatility of 156.57 – 156.73%; and, 4) the risk free rate of return of 2.62%. No stock options were granted in 2017.

As of December 31, 2018, the Company had 9,000,000 outstanding and exercisable options at a weighted exercise price of $0.48, a weighted average remaining term of 4.83 years and an intrinsic value of zero.

NOTE 6 – RELATED PARTY TRANSACTIONS

In 2018 the Company borrowed $78,500 from Chong Corporation, a common control entity. The balance outstanding at December 31, 2018 is $627,044. The loan is unsecured, noninterest bearing and due on demand.

We maintain our corporate offices at 5550 Nicollet Avenue, Minneapolis, MN 55419. We lease these premises from 5550 Nicollet LLC, an affiliate of Mr. Chong. In December 2018, we renewed the lease for an additional 12-month term ending December 31, 2019 at the annual rental of $9,300. Rent was $9,300 and $9,180 for each of the years ended December 31, 2018 and December 31, 2017 respectively. As of December 31, 2018, $3,875 is due to 5550 Nicollet LLC.

See other related party transactions in note 9 – Commitment and Contingencies.

NOTE 7 – NOTE PAYABLE

As of December 31, 2018, the Company has a note payable in the amount of $50,000 due to an individual. The note was issued on May 30, 2013 and bears eight per cent (8%) annual interest. The note was amended with an August 31, 2018 due date which was further extended to January 31, 2019. On January 31, 2019, the maturity date of the principal and accrued interest on the note was further extended to August 31, 2019.

The Company analyzed the modification of the term under ASC 470-60 “Trouble Debt Restructurings” and ASC 470-50 “Extinguishment of Debt”. The Company determined the modification is not substantial and the transaction should not be accounted for as an extinguishment with the old debt written off and the new debt initially recorded at fair value with a new effective interest rate.

NOTE 8 – CONVERTIBLE NOTE

The Company assumed an unsecured convertible note for $40,000 that was issued on July 14, 2014 as part of the share exchange with the VapAria Solutions Shareholders. Following amendment to the date of maturity, the note now matures on August 31, 2019 and continues to bear interest at 10% per annum. The note is convertible into shares of our common stock at $0.08 per share. The Company analyzed the conversion option in the notes for derivative accounting treatment under ASC Topic 815, “Derivatives and Hedging,” and determined that the instrument does not qualify for derivative accounting. The Company therefore performed an analysis to determine if the conversion option was subject to a beneficial conversion feature and determined that the instrument does not have a beneficial conversion feature.

The note was originally due on September 1, 2014. The Company entered into a note amendment on September 1, 2014 and the due date was extended to December 1, 2014. Further amendments resulted in extending due dates to December 31, 2015, July 31, 2016, August 31, 2017, December 31, 2017, August 31, 2018, and January 31, 2019. The most recent amendment entered into in January 2019 extends the due date to August 31, 2019. The Company analyzed the modification of the term under ASC 470-60 “Trouble Debt Restructurings” and ASC 470-50 “Extinguishment of Debt”. The Company determined the modification is not substantial and the transaction should not be accounted for as an extinguishment with the old debt written off and the new debt initially recorded at fair value with a new effective interest rate.

NOTE 9 – COMMITMENT AND CONTINGENCIES

Relating to the December 2013 License Agreement with Chong Corporation, a common control entity, beginning in the calendar year in which the first licensed products or licensed services takes place, but not prior to January 1, 2015, the Company is required to pay to Chong Corporation, a common control a entity, a 3% royalty for revenues with a $50,000 annual minimum royalty commitment.

The December 2013 License Agreement with Chong Corporation also requires us to pay for the costs associated with maintaining the patent applications and patents licensed to us. For the fiscal years ended December 31, 2018 and 2017 respectively, Chong did not report that it incurred any costs associated with this December 2013 License Agreement.

The Estate of Donald J. Bores ("Lender")
1792 Cranberry Isles Way
Apopka, FL 32712

Promissory Note of May 30, 2013

Agreement to Extend the Due Date beyond the January 31, 2019 Extension to August 31, 2019

On this date of January 31, 2019, the estate of Donald J. Bores, Sr., the Lender, agrees to extend the due date of the $50,000 promissory note entered into on May 30, 2013, then extended to July 1, 2014, then to December 31, 2014, then to June 30, 2015, then to December 31, 2015, then to June 30, 2016, then to December 31, 2016 then to August 31, 2017, then to December 31, 2017, then to July 31 2018 then to January 31, 2019 and now to August 31, 2019, under the same terms and conditions as originally drafted.

Terms of Repayment: This Note, all principal and accrued interest is now due and payable on or before August 31, 2019. In the event it is paid prior to the due date, the principal and all accrued interest to the date will constitute payment in full.

Choice of Law: All terms and conditions of this Note shall be interpreted under the laws of the state of Minnesota.

Signed and Acknowledged

By: _____
Executor for the Estate of

Donald J. Bores
Lender
1792 Cranberry Isles Way
Apopka FL, 32712

ADDENDUM

This is an addendum to the Convertible Note, dated July 14, 2014, issued by the maker, OICCO Acquisition Iv Inc., now known as VapAria Corporation, to the payee, Artemisa Holdings, Inc., in the principal amount of US $40,000, at the annual interest rate of 10% and payable on September 1, 2014 (the "Note").

On September 1, 2014, the parties agreed to extend the maturity date of the note from September 1, 2014 to December 1, 2014, upon the same terms and conditions set forth in the Note.

Then on December 1, 2014, the parties agreed to extend the maturity date of the note to December 31, 2015, upon the same terms and conditions set forth in the Note.

Then on December 31, 2015, the parties agreed to extend the maturity date of the note to July 31, 2016, upon the same terms and conditions set forth in the Note.

Then on July 31, 2016, the parties agreed to extend the maturity date of the note to December 31, 2016, upon the same terms and conditions set forth in the Note.

Then on December 31, 2016, the parties agreed to extend the maturity date of the note to August 31, 2017, upon the same terms and conditions set forth in the Note.

Then on August 31, 2016, the parties agreed to extend the maturity date of the note to December 31, 2017, upon the same terms and conditions set forth in the Note.

Then on December 31, 2017, the parties agreed to extend the maturity date of the note to July 31, 2018.

NOW, as of the date below, the parties have agreed to extend the maturity date of the note to January 31, 2019, with all terms and conditions of the Note remaining in full force and effect.

Dated: July 31, 2018

Maker: VapAria Corporation

By _____

William P. Bartkowski
President and COO

Payee: Artemisa Holdings

BY: _____

Gary Spaniak

ADDENDUM

This is an addendum to the Convertible Note, dated July 14, 2014, issued by the maker, OICCO Acquisition Iv Inc., now known as VapAria Corporation, to the payee, Artemisa Holdings, Inc., in the principal amount of US $40,000, at the annual interest rate of 10% and payable on September 1, 2014 (the "Note").

On September 1, 2014, the parties agreed to extend the maturity date of the note from September 1, 2014 to December 1, 2014, upon the same terms and conditions set forth in the Note.

Then on December 1, 2014, the parties agreed to extend the maturity date of the note to December 31, 2015, upon the same terms and conditions set forth in the Note.

Then on December 31, 2015, the parties agreed to extend the maturity date of the note to July 31, 2016, upon the same terms and conditions set forth in the Note.

Then on July 31, 2016, the parties agreed to extend the maturity date of the note to December 31, 2016, upon the same terms and conditions set forth in the Note.

Then on December 31, 2016, the parties agreed to extend the maturity date of the note to August 31, 2017, upon the same terms and conditions set forth in the Note.

Then on August 31, 2016, the parties agreed to extend the maturity date of the note to December 31, 2017, upon the same terms and conditions set forth in the Note.

Then on December 31, 2017, the parties agreed to extend the maturity date of the note to July 31, 2018.

Then, on July 31, 2018, the parties agreed to extend the maturity date of the note to January 31, 2019, with all terms and conditions of the Note remaining in full force and effect.

And now, the parties have agreed to extend the maturity of the note to August 31, 2019, with all terms and conditions of the Note remaining in full force and effect.

Dated: January 31, 2019

Maker: VapAria Corporation

By _____
William P. Bartkowski
President and COO

Payee: Artemisa Holdings

BY: _____
Gary Spaniak

Exhibit 10.26

Lease Renewal/Extension

19 December 2018

5550 Nicollet, LLC agrees to extend the Commercial Lease of VapAria Corporation, Lessee, for a one (1) year period to expire December 31, 2019.

The annual rate for this additional period is nine thousand three hundred dollars ($9,300) to be paid monthly in equal payments of $775.

For 5550 Nicollet, LLC

Lessor

For VapAria Corporation

Lessee

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification

I, Alexander Chong, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2018 of VapAria Corporation.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

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

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

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

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

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

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

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

March 29, 2019

/s/ Alexander Chong

Alexander Chong, Chief Executive Officer, principal executive officer

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification

I, Daniel Markes, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2018 of VapAria Corporation.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

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

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

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

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

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

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

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

March 29, 2019

/s/ Daniel Markes

Daniel Markes, Chief Financial Officer, principal financial and accounting officer

EXHIBIT 32.1

Section 1350 Certification

In connection with the Annual Report of VapAria Corporation (the "Company") on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, Alexander Chong, Chief Executive Officer of the Company, and I, Daniel Markes, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial conditions and results of operations of the Company.

March 29, 2019 *\/s\/ Alexander Chong*

Alexander Chong, Chief Executive Officer, principal executive officer

March 29, 2019 *\/s\/ Daniel Markes*

Daniel Markes, Chief Financial Officer, principal financial and accounting officer

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