# 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, 2015

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

For the transition period from to _______________ to ____________

***Commission file number 000-54830***

# SUNSTOCK, INC.
(Exact name of registrant as specified in its charter)

**SANDGATE ACQUISITION CORPORATION.**
(Former Name of Registrant as Specified in its Charter)

| **Delaware** | **46-1856372** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**111 Vista Creek Circle**
**Sacramento, California 95835**
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: **916-860-9622**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Exchange Act:

**Common Stock, $0.0001 par value 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. [X] Yes [ ] No

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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] Yes [ ] No

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

Large Accelerated filer [ ]    Accelerated filer [ ]    Non-accelerated filer [ ] (do not check if smaller reporting company)    Smaller reporting company [X]

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 last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $-0- as of June 30, 2015

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

| **Class** | **Outstanding at March 30, 2016** |
|---|---|
| Common Stock, par value $0.0001 | 10,692,103 |

Documents incorporated by reference: **None**

**Table of Contents**


| | | |
|---|---|---|
| **PART I** | | |
| Item 1. | Business | 3 |
| Item 1A. | Risk Factors | 8 |
| Item 1B. | Unresolved Staff Comments | 8 |
| Item 2. | Properties | 8 |
| Item 3. | Legal Proceedings | 8 |
| Item 4. | Mine Safety Disclosures | 8 |
| **PART II** | | |
| Item 5. | Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 9 |
| Item 6. | Selected Financial Data | 9 |
| Item 7. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 10 |
| Item 8. | Financial Statements and Supplementary Data | 12 |
| Item 9. | Changes in and Disagreements With Accountants on Accounting and Financial Disclosure | 12 |
| Item 9A | Controls and Procedures | 12 |
| Item 9B. | Other Information | 14 |
| **PART III** | | |
| Item 10. | Directors, Executive Officers and Corporate Governance | 14 |
| Item 11. | Executive Compensation | 15 |
| Item 12. | Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters | 16 |
| Item 13. | Certain Relationships and Related Transactions, and Director Independence | 16 |
| Item 14. | Principal Accounting Fees and Services | 18 |
| **PART IV** | | |
| Item 15. | Exhibits, Financial Statement Schedules | 19 |

## PART I

### Item 1. Business

### Background

The Company has limited operating history and is expected to experience losses in the near term. The Company's independent auditors have issued a report raising substantial doubt about the Company's ability to continue as a going concern.

### Summary

The Company operates a deep discount variety retail store under the name "Dollar Green Stores" ("dollar stores") in Sacramento and intends to expand throughout California to bring in additional revenue streams from the high demand for such stores.

In September 2013, the Company's management developed plans to open and operate two retail stores in Sacramento, California, under the named "Dollar Green Stores." In February 2014, the Company opened its first dollar store in Sacramento, which consists of more than 2,200 square feet of retail store space. The Company opened its second dollar store in May 2014. In August 2014, the Company was forced to close its original store due to its landlord's failure to comply with city building codes. The Company relocated the second store in December 2015 and settled the existing lease at that time. Therefore, the Company currently operates one retail store.

Additionally, the Company began trading precious metals in December 2014 with the purchase 100 ounces of silver. The Company has since purchased gold and is evaluating potentially expanding its ownership of additional precious metals. Though management has limited experience in the precious metals field they have solicited outside experts to contribute to the Company's investment strategies.

The Company also has plans to acquire and operate hotels and residential properties in the high demand areas of California such as Southern California and the Bay Area. The Company entered into an agreement in 2015 but was not successful in completing the transaction and is currently seeking other opportunities in 2016.

### The Business: Discount Retail Stores

The Company owns and operates a discount retail store and expects to expand to add additional dollar store retail locations in strategic locations throughout northern California. These strategic locations will be areas currently underserved by the dollar store channel.

According to Deloitte's general publication *"Dollar Store Strategies for National Brands,"* as the stigma of dollar store shopping wanes, the dollar store channel has developed into a booming, $55.6 million industry in the United States. Through its discount retail stores segment, the Company intends to offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, bathroom and kitchen cleaners, personal grooming products such as soap, hair products, as well as pet supplies, and non-consumable products such as seasonal merchandise, home décor and domestics, and apparel. The Company intends to stock its retail stores with high quality national brands from leading manufacturers, as well as comparable quality private brand selections with prices at substantial discounts to national brands.

According to a 2012 Supermarket News survey conducted in June of 2012, dollar stores sit in prime position to provide great value for everyday items such as cleaning products, personal grooming and many other personal items. The survey quotes one respondent saying that "Dollar stores are capturing paper products and cleaning products away from supermarkets, especially in small markets." Dry food products, snacks, balloons, toys, holiday decorations, reading glasses and other popular items are also a factor in the popularity of dollar stores.

The retail landscape for food, beverage, personal goods, and household goods is evolving rapidly as the range of retail formats expands and consumer preferences change. In the United States, consumers have a vast array of retail choices to purchase their preferred brands and products. For example, some brands are so ubiquitous that the identical product stock-keeping unit (SKU) is available at grocery stores, mass merchandisers, club stores, drug stores, and convenience stores, all within walking distance of each other. Each consumer has a distinct set of stores they shop at, a cadence with which they visit, and a unique selection of products they tend to purchase. Some consumers actively shop across channels comparing prices and offerings. Other consumers primarily shop at a small set of stores, or a single store. Furthermore, each retailer, and often store location, has a specific set of consumer segments they target.

**The Business: Hotel and Residential Properties**

The Company believes the hotel industry accounts for a significant part of the overall economy. The industry is highly segmented with many different brands targeting a vast range of customer needs at various price points. Businesses in the hotel industry generally operate under one or more business models, including hotel management, brand franchising and hotel ownership. Hotels are categorized into three groups: full-service, select-service and limited-service. Full-service hotels typically offer a full range of amenities and facilities, including food and beverage facilities and meeting facilities. Select-service hotels furnish some of the amenities offered at full-service hotels but on a smaller scale and generally do not to have meeting facilities. Limited-service hotels usually offer only lodging, however some provide modest food and beverage facilities such as breakfast buffets or small meeting rooms.

Lodging demand growth is generally related to the strength of the overall economy. Additionally, local demand factors may stimulate business and leisure travel to specific locations. In particular, macroeconomic trends relating to GDP growth, corporate profits, capital investments and employment growth are some of the primary drivers of lodging demand. As the economy continues to improve, the ongoing trend of strong transient demand and growing group business will continue to drive demand for hotels and lodging and allow the industry to achieve increased growth.

**The Market**

The dollar channel is a $55.6 billion industry in the United States. The recent recession and post-recessionary shopping habits have made dollar stores a frequent channel for more consumers—of all incomes. Dollar stores appeal to primarily low- and fixed-income consumers; however, a growing segment of shoppers are high-income consumers, as the stigma of dollar stores seems to be waning. Across consumer segments, dollar-store shopping trips appear to be expanding from merely a fill-in or occasional targeted purchase to a grocery or mass merchandise substitute. To some extent, the growth of dollar stores—in particular multi-price-point dollar stores, where the price of most products exceeds one dollar—is at the expense of mass merchandisers and grocery channels.

This growth in dollar stores is faster than traditional channels, particularly in the sales of personal goods, household goods, food, and beverages. Dollar stores typically offer more variety in food and beverage (including national brands) and the consumer perception of store brand quality improves.

The hotel industry globally and in the United States has improved as the economy has recovered over the past few years. According to the STR Global Census, October 2013 (adjusted to September 2013), U.S. hotel demand has grown at a compound annual growth ("CAGR") rate of 4.9% over the past three years. Hotel supply has lagged at a CAGR of just 0.9%. The Company believes there is ample room to enter this market and that barriers for entry remain relatively low.

**The Company's Presence in the Market**

The Company has targeted strategic locations in northern California that are currently underserved by the dollar store channel. It currently operates one deep discount retail store location in Sacramento, California. The Company plans to grow organically as a participant in the discount retail store industry. The Company will benefit from further expanding its operations and developing its economy of scale, expanding its brand recognition and customer loyalty and increasing its knowledge of industry operations, thereby allowing the Company to optimize its future operations and progressively develop future projects to reach their full potential.

Although the Company intends to begin trading precious metals and has begun acquiring and evaluating potential positions in the market, it does not currently have a presence in the trade of such metals. Likewise, the Company currently has no presence in the hotel or residential property marketplace. It intends to acquire such properties in the near future, thereby establishing a footprint in the market.

**The Business: Precious Metals**

Silver and other precious metals, may be used as an investment. A traditional way of investing in silver is by buying actual bullion bars. In some countries, like Switzerland and Liechtenstein, bullion bars can be bought or sold over the counter at major banks. Another means of buying and trading silver is through silver coins. Silver coins include the one ounce 99.99% pure Canadian Silver Maple Leaf and the one ounce 99.93% pure American Silver Eagle. Likewise, an increasing popular method of trading in silver and precious metals is through exchange-traded products, such as exchange-traded funds, exchange-traded notes and closed-end funds that aim to track the price of silver. Silver exchange-traded products are traded on the major stock exchanges including the London and New York Stock Exchanges.

The Company believes that stimulative monetary policies adopted by the United States, the European Union, China and Japan may cause an increase in inflation. Gold and silver have traditionally served as a hedge against economic uncertainty and high inflation.

At the present time, the Company does not anticipate or foresee a material effect on this line of its business from existing or probable governmental regulations.

**Services and Products**

The Company plans to operate discount retail stores in the basic consumer goods market. Such consumable goods include packaged food comprised of cereals, canned soups, milk, eggs, vegetables, frozen and refrigerated foods, candies, cookies, crackers, salty snacks, carbonated beverages, over-the-counter medicines and personal care products, such as soap, body wash, shampoo, dental hygiene, as well as skin, and foot care products. The Company intends to offer additional products including gifts, party goods, toys, batteries, small electronics, greeting cards, pet supplies, pet food, gardening supplies, durable housewares, kitchen supplies, cookware, consumables, such as paper, plastics, household chemicals, and other items, including seasonal goods, such as Easter, Halloween, and Christmas merchandise.

The Company has begun to establish positions in precious metals and intends to begin trading such metals. Currently, the Company has acquired 21,000 ounces of silver and a small amount of gold.

The Company has yet to identify and acquire hotel or residential properties. Currently, the Company is working with PKF Capital and other commercial brokers to identify potential hotel properties for purchase. Prospective properties include medium-sized hotels and residential apartment complexes.

**Pricing**

At the moment, the Company's business is in the dollar store retail sector. Thus, most products are priced at 99 cents or less. However, about 20% of the products offered at the 2,700 square feet store are priced over $1.00 due to customer requests for specific products.

**Competition**

The Company's discount retail stores are part of a highly competitive industry. The basic consumer packaged goods market encompasses discount stores and many other retailers, including mass merchandise, grocery, drug, convenience, variety and other specialty stores. The Company's direct competitors will include retail companies such as 'Dollar General', 'Family Dollar', 'Dollar Tree', and '99 Cent Only Store' to the extent that these competitors are within a similar geographic area to the Company's stores. These competitors may have greater financial and other resources than does the Company.

The Company intends to differentiate itself from other forms of discount retail stores by targeting low to middle-class consumers in strategic locations in northern California currently underserved by the dollar store channel.

If the Company does enter the hotel and or residential property industry, it will encounter significant competition from other hotel, residential and resort owners and operators. Primary competitors would include branded and independent hotel operating companies, national and international hotel brands and ownership companies.

**Strategic Partners and Suppliers**

The Company believes that strategic partnerships will be a major component of the Company's operating strategy and path to success. The Company hopes to work with several strategic partners in important areas of its business and operations. However, currently, the Company has no such strategic partners.

The Company entered into a Purchase Agreement with Dollar Store Services, Inc. in October 2013. The Company worked with Dollar Store Services, Inc. to develop, design and build out its first retail storefront.

**Marketing Strategy**

The Company has conducted limited advertising and marketing to date as the primary focus of the Company since inception has been to concentrate on beginning its construction and development efforts. The Company has, however, given substantial attention to constructing the marketing strategy and plans that it will use once its project enters the marketplace. The Company plans to market its Dollar Stores through newspaper advertisement and low cost promotional campaigns.

**Operations**

The Company believes that presentation of the stores and customer service are important factors in each customer's experience. Therefore, the Company's personnel regularly check the stores to ensure items are appropriately placed and aisles are organized. The stores are maintained to provide a clean, convenient shopping experience and employees offer friendly, knowledgeable customer service.

**Sales Strategy**

The Company's management has handpicked the products in the stores to offer quality products priced at 99 cents or less. Compared to other dollar stores, the Company offers newer inventory and approximately one and a half times more inventory per square foot than other dollar stores. The Company also incentivizes larger purchases by offering customers a 10% discount if they spend more than $50.00 before tax.

**Revenues and Losses**

Since its inception, the Company has focused its efforts on conducting market research and development, and has devoted little attention or resources to sales and marketing or generating near-term revenues and profits. The Company has limited revenues to date and has not realized any profits as of yet. In order to succeed, the Company needs to develop a viable strategy to market its Dollar Stores and hotels and residential properties once they have been acquired and developed.

The Company has posted limited revenues from operations based on customer sales at its discount retail stores. The Company posted revenues of approximately $69,000 and $166,000 during the years ending December 31, 2015 and 2014, respectively.

The Company has not generated profits and has posted net losses since inception. The Company posted net losses of ($346,763) for the year ended 2014 and ($202,031) for the year ended December 31, 2015.

**Equipment Financing**

The Company has no existing equipment financing arrangements.

**THE COMPANY**

**Change of Control**

The Company was incorporated in the State of Delaware in July 2012, and was formerly known as Sandgate Acquisition Corporation. In July 2013, the Company implemented a change of control by issuing shares to new shareholders, redeeming shares of existing shareholders, electing new officers and directors and accepting the resignations of its then existing officers and directors. In connection with the change in control, the shareholders of the Company and its board of directors unanimously approved the change of the Company's name from Sandgate Acquisition Corporation to Sunstock, Inc.

**Relationship with Tiber Creek Corporation**

The Company previously entered into an engagement agreement with Tiber Creek Corporation, a Delaware corporation ("Tiber Creek"), whereby Tiber Creek would provide assistance to the Company in effecting transactions for the Company to combine with a public reporting company, including: transferring control of such reporting company to the Company; preparing the business combination agreement; effecting the business combination; causing the preparation and filing of forms, including a registration statement, with the Securities and Exchange Commission; assist in listing its securities on a trading exchange; and assist in establishing and maintaining relationships with market makers and broker-dealers.

Under the agreement, Tiber Creek is entitled to receive cash fees from the Company. In addition, the Company's then-current shareholders, Tiber Creek and MB Americus, LLC, a California limited liability company ("MB Americus"), were permitted to retain the aggregate total of 500,000 shares.

In general, Tiber Creek holds interests in inactive Delaware corporations which may be used by issuers (such as the Company) to reincorporate their business in the State of Delaware and capitalize the issuer at a level and in a manner (i.e. the number of authorized shares and rights and preferences of shareholders) that is appropriate for a public company. Otherwise, these corporations are inactive, and Tiber Creek does not conduct any business in such corporations.

**Employees**

Currently, the Company has one employee that receives Compensation and Benefits. This employee has agreed to work for the Company for one year (2015) as a full-time employee, and the Company has agreed to pay the employee 120,000 shares of common stock, an agreement for the year 2016 has not been agreed upon to this date. The other full-time employee and three part-time employees are shareholders of the Company who have agreed to assist the Company without pay until the Company is more stable and has recurring cash flow from operations.

**Item 1A. Risk Factors**

Not Applicable

**Item 1B. Unresolved Staff Comments**

None

**Item 2. Properties**

The Company currently uses the residence of Jason C. Chang for its corporate office at no cost to the company. The Company has no other properties and at this time has no agreements to acquire any properties.

The Company entered into a lease agreement in December 2015 for 2,700 square feet of retail shop space to replace their previous location below. The lease requires combined monthly payments of base rent of $1,950 for six months beginning January 2016 with a one year option.

The Company entered into a lease agreement on October 30, 2013 for 2,239 square feet of retail shop space for this store of which has since been rescinded. The lease required combined monthly payments of base rent of $3,733 for thirty six months beginning February 2014. On April 8, 2014 the Company entered into a sixty-seven month lease agreement for its second retail store. The lease required monthly payments of base rent of $4,756, with free rent for months one through four, month seven, month nine and month eleven. The base rent increased gradually over the term of the lease. This store began operations on May 8, 2014 until December 2015.

On August 21, 2014, the first store was forced to close due to below code electrical wiring the landlord had provided. Perishable inventory at this store was relocated to the second store as nonperishables were moved into storage Related rents and associated costs have ceased with a final settlement of $18,073, which is included in accounts payable in the accompanying balance sheet as of December 31, 2015. On January 27, 2015, the Company filed a lawsuit to recover these costs either through insurance proceeds or landlord settlement.

Rent due under the current lease term of the agreement are as follows:

- $11,700 over 6 months for 2016

**Item 3. Legal Proceedings**

In April 2014, the Company received notice that a shareholder had filed a lawsuit against the Company. The suit pertains to the company reaching approval to list shares of which been culminated. The Company estimates the cost of this lawsuit will be approximately $55,200, and has reflected this amount in accrued litigation on its balance sheet as of December 31, 2015 and 2014.

On January 27, 2015 the Company filed a lawsuit to recover costs associated with the August 2014 closing of the first store due to substandard electrical wiring by the landlord. Currently mediation is set for April 2016.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## PART II

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

On December 9, 2015 the Company began light trading on the NASDAQ bulletin board under the symbol "SSOK".

For December 2015, historical stock price due to limited trading are not available.

Following a business combination, a target company will normally wish to cause the Company's common stock to trade in one or more United States securities markets. The target company may elect to take the steps required for such admission to quotation following the business combination or at some later time.

At such time as it qualifies, the Company may choose to apply for quotation of its securities on the OTC Bulletin Board.

The OTC Bulletin Board is a dealer-driven quotation service. Unlike the Nasdaq Stock Market, companies cannot directly apply to be quoted on the OTC Bulletin Board, only market makers can initiate quotes, and quoted companies do not have to meet any quantitative financial requirements. Any equity security of a reporting company not listed on the Nasdaq Stock Market or on a national securities exchange is eligible.

At such time as it qualifies, the Company may choose to apply for quotation of its securities on the Nasdaq Capital Market.

In general, there is greatest liquidity for traded securities on the Nasdaq Capital Market and less on the OTC Bulletin Board. It is not possible to predict where, if at all, the securities of the Company will be traded following a business combination.

As of December 31, 2015, there are 10,482,103 shares of common stock outstanding of which 7,316,012 shares are owned by officers and directors of the Company. There are approximately 40 holders of our common stock.

The shares of common stock held by current shareholders are considered "restricted securities" subject to the limitations of Rule 144 under the Securities Act. In general, securities may be sold pursuant to Rule 144 after being fully-paid and held for more than 12 months. While affiliates of the Company are subject to certain limits in the amount of restricted securities they can sell under Rule 144, there are no such limitations on sales by persons who are not affiliates of the Company. In the event non-affiliated holders elect to sell such shares in the public market, there is likely to be a negative effect on the market price of the Company's securities. There is no dividend policy currently in place.

**Item 6. Selected Financial Data.**

There is no selected financial data required to be filed for a smaller reporting company.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Overview**

***You should read the following discussion and analysis in conjunction with our Financial Statement and related Notes thereto included in Part II, Item 8 of this Report before deciding to purchase, hold or sell our common stock.***

Sunstock, Inc., formerly Sandgate Acquisition Corporation ("Sunstock") was incorporated on July 23, 2012 under the laws of the State of Delaware to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

Management intends to develop the Company for the acquisition and operation of hotels, discount retail stores, and residential properties in the high demand areas of California, particularly Southern California and the San Francisco Bay Area. In December 2014, the Company entered into the investment in precious metals as listed on their balance sheet ended December 31, 2015 of $302,429. In September 2013, management developed plans to open and operate two retail stores in Sacramento, California. On October 30, 2013, the Company entered into a Purchase Agreement with Dollar Store Services, Inc. to develop, design and build out a retail store which the Company began operating in February 2014. Additionally, the Company entered into a lease agreement on October 30, 2013 for 2,239 square feet of retail shop space for this store in Sacramento, California. The lease required monthly payments for rent and maintenance of $3,733 for thirty six months beginning February 2014.

Management opened an additional retail store in Sacramento, California in May of 2014 and entered into a retail shop lease for sixty-seven months beginning May 2014 for approximately 4,756 square feet. The monthly base rent for this location was $4,756, with seven months of free rent throughout the first eleven months. The base rent gradually increased until the term was to expire in 2019. This lease terminated in December 2015.

As of the date of this report, no business combinations have been entered into or effected. When any such business combination is effected, if any, the Company will file a Form 8-K.

The most likely target companies are those seeking the perceived benefits of a reporting corporation. Such perceived benefits may include facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for incentive stock options or similar benefits to key employees, increasing the opportunity to use securities for acquisitions, providing liquidity for shareholders and other factors.

Business opportunities may be available in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities difficult and complex.

In analyzing prospective business opportunities, Sunstock may consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development, or exploration; specific risk factors not now foreseeable but which may be anticipated; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services, or trades; name identification; and other relevant factors. This discussion of the proposed criteria is not meant to be restrictive of the virtually unlimited discretion of Sunstock to search for and enter into potential business opportunities.

A combination will normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange. In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended.

Sunstock has, and will continue to have, limited capital with which to provide the owners of business entities with any cash or other assets.

As of December 31, 2015, The Company has not posted operating income since inception. It has an accumulated deficit of ($707,470) since inception. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

Tiber Creek Corporation, a corporation solely owned by the former president of the Company, a former majority shareholder of the Company and a current owner of 250,000 shares of the Company, paid, without expectation of repayment at any time, all expenses incurred by Sunstock until the change in control.

**Critical Accounting Policies**

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires making estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

***Inventories:***

Inventories are stated at the lower of cost or market value. We regularly monitor potential excess, or obsolete, inventory by analyzing the usage for parts on hand and comparing the market value to cost. When necessary, we reduce the carrying amount of our inventory to its market value.

***Stock-Based Compensation:***

All share-based payments are recognized in the financial statements based upon their fair values.

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows ASC Topic 505. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is primarily recognized over the term of the consulting agreement. In accordance with FASB guidance, an asset acquired in exchange for the issuance of fully vested, non-forfeitable equity instruments should not be presented or classified as an offset to equity on the grantor's balance sheet once the equity instrument is granted for accounting purposes.

**Results of Operations**

**Comparison of the Years Ended December 31, 2015 and 2014**

As of December 31, 2015, Sunstock has generated revenues of $68,873 on cost of revenue and operating expenses of $232,516 with limited cash flows from operations since inception. For the year ended December 31, 2015, Sunstock had sustained a net loss of ($202,031), and had accumulated a deficit of ($707,470).

Gross profit for the year ended December 31, 2015 was $46,130 under $81,174 for 2014.

Operating expenses were down $238,250 or 56% as compared to $427,937 for the year ended December 31, 2015 over year end 2014. Payroll and Professional fees were a large part of that during the current year at approximately $27,000 and $92,000, respectively.

**Liquidity and Capital Resources**

As of December 31, 2015, the Company had $13,699 in cash, $39,570 in marketable securities, $329,743 in inventories and $2,378 in prepaid expenses. During the year ended December 31, 2015, the Company raised $521,500 in cash from stock sales. The Company also received on its behalf funding from a shareholder of $20,000 during 2015.

**Item 8. Financial Statements and Supplementary Data**

The financial statements for the years ended December 31, 2015 and 2014 are attached hereto.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

In connection with the reorganization of Hartley Moore Accountancy Corporation (the "Former Auditor"), its audit partners have joined Hall and Company, Inc. ("Hall"). The Former Auditor resigned as the independent registered public accounting firm of Sunstock, Inc. (the "Company"), effective February15, 2016. The Former Auditor has been the Company's auditor since October 1, 2014.

As a result of the above, the Audit Committee of the Board of Directors (the "Audit Committee"), and the Board of Directors of the Company, on February15, 2016, approved the resignation of the Former Auditor effective February 15, 2016, and the engagement of Hall as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2015 effective February 15, 2016.

The change in accountants did not result from any dissatisfaction with the quality of professional services rendered by the Former Auditor.

The Company has not consulted with Hall for the fiscal year ended December 31, 2015, and the interim period ending February 15, 2016 regarding the application of accounting principles to any contemplated or completed transactions nor the type of audit opinion that might be rendered on the Company's financial statements, and neither written or oral advice was provided that would be an important factor considered by the Company in reaching a decision as to accounting, auditing or financial reporting issues. There were no matters that were either the subject of a disagreement (as defined in paragraph 304(a)(1)(iv) of Regulation S-K) or a reportable event (as described in paragraph 304(a)(1)(v) of Regulation S-K).

In connection with the audit of the fiscal year ended December 31, 2014, and through February 15, 2016, there were no disagreements with the Former Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement. The Former Auditor's reports on the Company's consolidated financial statements as of and for the year ended December 31, 2014 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except a going concern emphasis of matter paragraph

During the Company's two most recent completed fiscal years, and interim period through February 15, 2016, there were no "reportable events" as such term is described in Item 304(a)(1)(iv) of Regulation S-K with the Former Auditor.

**Item 9A. Controls and Procedures**

Pursuant to Rules adopted by the Securities and Exchange Commission. the Company carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rules. This evaluation was done as of the end of the fiscal year under the supervision and with the participation of the Company's principal executive officer (who is also the principal financial officer). There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the evaluation. Based upon that evaluation, he believes that the Company's disclosure controls and procedures are not effective in gathering, analyzing and disclosing information needed to ensure that the information required to be disclosed by the Company in its periodic reports is recorded, summarized and processed timely. The principal executive officer is directly involved in the day-to-day operations of the Company.

**Management's Report of Internal Control over Financial Reporting**

The Company is responsible for establishing and maintaining adequate internal control over financial reporting in accordance with the Rule 13a-15 of the Securities Exchange Act of 1934. The Company's officer, its president, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2015 based on the criteria establish in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2015, based on those criteria. A control system can provide only reasonably, not absolute, assurance that the objectives of the control system are met and no evaluation of controls can provide absolute assurance that all control issues have been detected.

***Material Weaknesses***:

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified are:

1. Inadequate number of personnel that could accurately and timely record and report the Company's financial statements in accordance with GAAP;

We did not employ an adequate number of people to ensure a control environment that would allow for the accurate and timely reporting of the financial statements.

2. Ineffective controls to ensure that the accounting for transactions are recorded in accordance with GAAP financial statements;

Notwithstanding the existence of these material weaknesses in internal control over financial reporting, we believe that the financial statements in this Annual Report on Form 10-K fairly present, in all material respects, our financial condition in conformity with U.S. generally accepted accounting principles (GAAP). Further, we do not believe the material weaknesses identified had an impact on prior financial statements.

Remediation:

As part of our ongoing remedial efforts, we have and will continue to, among other things:

1. Expanded our accounting policy and controls organization by recently hiring qualified accounting and finance personnel;

2. Increase our efforts to educate both our existing and expanded accounting policy and control organization on the application of the internal control structure;

3. Emphasize with management the importance of our internal control structure;

4. Seek outside consulting services where our existing accounting policy and control organization believes the complexity of the existing exceeds our internal capabilities.

5. Plan to implement improved accounting systems.

We believe that the foregoing actions will improve our internal control over financial reporting, as well as our disclosure controls and procedures. We intend to perform such procedures and commit such resources as necessary to continue to allow us to overcome or mitigate these material weaknesses such that we can make timely and accurate quarterly and annual financial filings until such time as those material weaknesses are fully addressed and remediated.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal controls over financial reporting during its fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

**Item 9B. Other information**

Not applicable.

## PART III

**Item 10. Directors, Executive Officers, and Corporate Governance**

The Directors and Officers of the Company are as follows:

| Name | Age | Positions and Offices Held |
|---|---|---|
| Jason C. Chang | 43 | President, Secretary, Director |
| Dr. Ramnik S. Clair | 65 | Vice President, Director |

**Management of Sunstock**

Sunstock has no full time employees. Jason C. Chang and Dr. Ramnik S. Clair are the officers and directors of Sunstock and shareholders. Mr. Chang, as president of Sunstock, and Mr. Clair as vice president, have allocated time to the activities of Sunstock without compensation.

There are no agreements or understandings for the officer or director to resign at the request of another person and the above- named officer and director is not acting on behalf of nor will act at the direction of any other person.

Set forth below are the names of the directors and officers of the Company, all positions and offices with the Company held, the period during which they have served as such, and the business experience during at least the last five years:

Jason C. Chang, serves as a director, Chief Executive Officer and President of Sunstock. Mr. Chang began his career in the hospitality industry as a child and continuing as an adult working in the family business operating several hotels throughout California. Mr. Chang has now had over 20 years of hospitality management experience. In addition, as an entrepreneur, Mr. Chang has helped fund numerous startup companies, primarily related to the technology sector.

Dr. Ramnik Clair serves as a director and Senior Vice President of Sunstock. Dr. Clair received his medical degree in India and emigrated to the United States in 1983. He completed his medical residency in New York and has subsequently served in his medical practice as a solo practitioner. Dr. Clair intends to assist the Company in building long term relationships with its client base.

**Conflicts of Interest**

Messrs. Chang and Clair are not directors of, or sole beneficial shareholders of any other companies which have filed registration statements on Form 10 for the registration of their common stock pursuant to the Securities Exchange Act.

There are no binding guidelines or procedures for resolving potential conflicts of interest. Failure by management to resolve conflicts of interest in favor of the Company could result in liability of management to the Company. However, any attempt by shareholders to enforce a liability of management to the Company would most likely be prohibitively expensive and time consuming.

Code of Ethics. The Company has not at this time adopted a Code of Ethics pursuant to rules described in Regulation S-K. The Company has two persons who are the only shareholders and who serve as the directors and officers. The Company has no operations or business and does not receive any revenues or investment capital. The adoption of an Ethical Code at this time would not serve the primary purpose of such a code to provide a manner of conduct as the development, execution and enforcement of such a code would be by the same persons and only persons to whom such code applied. Furthermore, because the Company does not have any activities, there are activities or transactions which would be subject to this code. At the time the Company enters into a business combination or other corporate transaction, the current officers and directors will recommend to any new management that such a code be adopted. The Company does not maintain an Internet website on which to post a code of ethics.

*Corporate Governance.*

For reasons similar to those described above, the Company does not have a nominating compensation nor audit committee of the board of directors. At this time, the Company consists of two shareholders who serve as the corporate directors and officers. The Company has no activities, and receives no revenues. At such time that the Company enters into a business combination and/or has additional shareholders and a larger board of directors and commences activities, the Company will propose creating committees of its board of directors, including both a nominating and an audit committee. Because there are only two shareholders of the Company, there is no established process by which shareholders to the Company can nominate members to the Company's board of directors. Similarly, however, at such time as the Company has more shareholders and an expanded board of directors, the new management of the Company may review and implement, as necessary, procedures for shareholder nomination of members to the Company's board of directors.

To the Company's review that no other reports were required, during the fiscal year ended December 31, 2015 all Section 16(a) filing requirements applicable to its officers, directors and greater than 10 percent beneficial owners were complied with.

**Item 11. Executive Compensation**

The Company's officers and directors receive no cash compensation for services rendered to the Company. The officers and directors are not accruing any compensation pursuant to any agreement with the Company. For the year ended December 31, 2015 the Company did not record compensation. For the year ended December 31, 2014 the Company recorded compensation to its CEO for the following:

- During the year ended December 31, 2014, the Company's chief executive officer was granted 1,846,012 shares of common stock for the conversion of $18,460 of amounts due. Based on the estimated fair value of the common shares, the Company recorded approximately $166,000 of compensation expense to the officer; as such shares were considered compensatory for services provided through December 31, 2014.

- In August 2014, the Company entered into a note receivable agreement of approximately $33,000 with the Company's CEO and chairman of the board of directors. At September 30, 2014, the entire balance was due. In November 2014, such amount was reclassified to compensation expense. Effective July 30, 2002, Section 402 of the Sarbanes-Oxley Act of 2002 amended the Securities Exchange Act of 1934 to prohibit U.S. and foreign companies with securities traded in the United States of America from making, or arranging for third parties to make, nearly any type of personal loan to their directors and executive officers. Violations of the Sarbanes-Oxley loan prohibition are subject to the civil and criminal penalties applicable to violations of the Exchange Act.

- During the year ended December 31, 2013, the Company's Chief Executive Officer received $16,000 directly from an investor in connection with the issuance of 75,000 shares of the Company's common stock. During the year ended December 31, 2014, the Company recorded compensation of $16,000; as such amounts were not remitted to the Company by the officer.

No retirement, pension, profit sharing, stock option or insurance programs or other similar programs have been adopted by the Company for the benefit of its employees.

The Company currently does not compensate its directors.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth, as of December 31, 2015, each person known by the Company to be the beneficial owner of five percent or more of the Company's common stock and the director and officer of the Company. The Company does not have any compensation plans and has not authorized any securities for future issuance. Except as noted, the holder thereof has sole voting and investment power with respect to the shares shown.

| Name and Address of Beneficial Owner | Amount of Beneficial Ownership | Percent of Outstanding Stock Stock |
|---|---|---|
| Jason C. Chang<br>111 Vista Creek Circle<br>Sacramento, CA 95835 | 7,046,012 | 76% |
| Dr. Ramnik C. Clair<br>111 Vista Creek Circle<br>Sacramento, CA 95835 | 270,000 | 3% |
| All Executive Officers and<br>Directors as a Group (2 Persons) | 7,316,012 | 79% |

Based upon 10,482,103 Shares outstanding as of the date of December 31, 2015.

**Item 13. Certain Relationships and Related Transactions and Director Independence**

In July 2012, Sunstock issued a total of 20,000,000 shares of common stock pursuant to Section 4(2) of the Securities Act for a total of $2,000 in cash. Of these shares, 19,500,000 were redeemed on July 18, 2013 for an aggregate amount of $1,950.

On July 19, 2013, Sunstock issued 1,000,000 shares of common stock to Jason C. Chang, the Company's Chief Executive Officer and a director, for an aggregate amount of $100.

On October 18, 2013, Sunstock issued 4,200,000 shares of common stock to Jason C. Chang, the Company's Chief Executive Officer and a director, in exchange for $96,244 of loans Mr. Chang made to the Company. On February 1, 2014 the Company issued 1,846,012 common shares to the Company's president, who is also a director and majority shareholder of the Company, at a price of $0.01 per share for an aggregate price of $18,460. Mr. Chang is a 76% shareholder of Sunstock as of December 31, 2014.

On October 21, 2013, Sunstock issued 240,000 shares of common stock to Dr. Ramnik C. Clair, The Company's vice president and a director, for an aggregate amount of $60,000. On March 15, 2014, the Company issued 30,000 shares of the Company's common stock to a director, who is also a Senior Vice President, for a price of $3,000, or $0.10 per share for service rendered. Dr. Clair is a 3% shareholder of Sunstock.

The Company maintains a line of credit with a shareholder as a consultant and holder of approximately 120,000 shares, there was an outstanding balance of $20,000 as of December 31, 2015 with the balance paid in full on March 9, 2016.

The combined parents to Jason C. Chang, the Company's Chief Executive Officer and a director, worked for no compensation for the year ending December 31, 2015 and 2014.

During the year ended December 31, 2014 and 2013, the Company recorded compensation to its CEO for the following.

- During the year ended December 31, 2014, the Company's chief executive officer was granted 1,846,012 shares of common stock for the conversion of $18,460 of amounts due. Based on the estimated fair value of the common shares, the Company recorded approximately $166,000 of compensation expense to the officer; as such shares were considered compensatory for services provided.

- In August 2014, the Company entered into a note receivable agreement of approximately $33,000 with the Company's CEO and chairman of the board of directors. At September 30, 2014, the entire balance was due. In November 2014, such amount was reclassified to compensation expense. Effective July 30, 2002, Section 402 of the Sarbanes-Oxley Act of 2002 amended the Securities Exchange Act of 1934 to prohibit U.S. and foreign companies with securities traded in the United States of America from making, or arranging for third parties to make, nearly any type of personal loan to their directors and executive officers. Violations of the Sarbanes-Oxley loan prohibition are subject to the civil and criminal penalties applicable to violations of the Exchange Act.

- During the year ended December 31, 2013, the Company's Chief Executive Officer received $16,000 directly from an investor in connection with the issuance of 75,000 shares of the Company's common stock. During the year ended December 31, 2014, the Company recorded compensation of $16,000; as such amounts were not remitted to the Company by the officer.

James M. Cassidy is the former president and former director of Sunstock and the sole officer, director and the shareholder of Tiber Creek Corporation, which is a 3% shareholder of Sunstock.

James McKillop is a former vice president and a former director of Sunstock and the sole manager and member of MB Americus LLC, which is a 3% shareholder of Sunstock.

As the organizers and developers of Sunstock, James M. Cassidy and James McKillop may be considered promoters. Mr. Cassidy has provided services to Sunstock without charge consisting of preparing and filing the charter corporate documents and preparing this registration statement. Tiber Creek Corporation, a company of which Mr. Cassidy is the sole director, officer and shareholder, has paid expenses incurred by Sunstock without expectation of repayment. Tiber Creek is a shareholder of Sunstock and may receive benefits in the future if the company is able to effect a business combination beneficial to the company.

Sunstock is not currently required to maintain an independent director as defined by Rule 4200 of the Nasdaq Capital Market nor does it anticipate that it will be applying for listing of its securities on an exchange in which an independent directorship is required. It is likely that neither Mr. Chang nor Dr. Clair would not be considered independent directors if it were to do so.

### Item 14. Principal Accounting Fees and Services

**Audit Fees**

The aggregate fees billed or expected to be billed for each of the last two years for professional services rendered by the independent registered public accounting firms for the audits of the Company’s annual financial statements and review of financial statements included in the Company’s Form 10-K and Form 10-Q reports and services normally provided in connection with statutory and regulatory filings or engagements were as follows:

| | Fiscal Year Ended December 31, 2015 | Fiscal Year Ended December 31, 2014 |
|---|---|---|
| Audit Fees | | |
| Anton & Chia, LLC | $ 2,000 | $ 25,000 |
| Hartley Moore Accountancy Corporation | 21,000 | 19,000 |
| Hall & Company | 18,000 | - |
| | $ 41,000 | $ 44,000 |

AUDIT-RELATED FEES
None.

TAX FEES
None.

ALL OTHER FEES
Includes accounting fees and related SEC filing fees.

AUDIT COMMITTEE POLICIES AND PROCEDURES

The Company does not currently have an audit committee serving and as a result its board of directors performs the duties of an audit committee. The board of directors will evaluate and approve in advance, the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services. The Company does not rely on pre- approval policies and procedures.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

(a) Exhibits

| | |
|---|---|
| 31 | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32 | Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

## 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.

**SUNSTOCK, INC.**

*Dated: April 1, 2016*

By: */s/ Jason C. Chang*
*Jason C. Chang*
*President, Chief Executive Officer and Chairman*
*(Principal Executive and Financial Officer)*

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

**FINANCIAL STATEMENTS**


| | |
|---|---|
| Reports of Independent Registered Public Accounting Firms | F-1 |
| Balance Sheets as of December 31, 2015 and 2014 | F-2 |
| Statements of Operations for the Years Ended December 31, 2015 and 2014 | F-3 |
| Statements of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2015 and 2014 | F-4 |
| Statements of Cash Flows for the Years Ended December 31, 2015 and 2014 | F-5 |
| Notes to Financial Statements | F-6 |

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Sunstock, Inc.

We have audited the accompanying balance sheet of Sunstock, Inc. (the "Company") as of December 31, 2014, and the related statements of operations, changes in equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunstock, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company incurred net losses and used cash in operating activities for the year ended December 31, 2014 and has an accumulated deficit of approximately $505,000 and negative working capital at December 31, 2014. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

*/s/ Hartley Moore Accountancy Corporation*

Hartley Moore Accountancy Corporation
Irvine, California
April 15, 2015

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Stockholders
Sunstock, Inc.

We have audited the accompanying balance sheet of Sunstock, Inc. (the "Company") as of December 31, 2015, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has not posted operating income since inception and has an accumulated deficit of approximately $707,000 at December 31, 2015. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ HALL & COMPANY Certified Public Accountants & Consultants, Inc.*

Irvine, CA
April 1, 2016

**SUNSTOCK, INC.**
**BALANCE SHEETS**

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash | $ 13,699 | $ 1,567 |
| Marketable securities | 39,570 | - |
| Inventory - products | 27,314 | 30,377 |
| Inventory - silver | 302,429 | - |
| Prepaid expenses | 2,378 | 4,064 |
| Total Current Assets | 385,390 | 36,008 |
| Property and equipment-net | 7,729 | 8,947 |
| Security deposits | 2,000 | 4,756 |
| Total assets | $ 395,119 | $ 49,711 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)** | | |
| Current liabilities | | |
| Accounts payable | $ 39,307 | $ 40,068 |
| Accrued litigation | 55,200 | 55,200 |
| Total Current Liabilities | 94,507 | 95,268 |
| Total liabilities | 94,507 | 95,268 |
| Commitments and contingencies | | |
| Stockholders' equity (deficit) | | |
| Preferred stock; $0.0001 par value, 20,000,000 shares authorized; zero shares issued and outstanding | - | - |
| Common stock, $0.0001 par value, 100,000,000 shares authorized; 10,482,103 and 9,231,397 shares issued and outstanding as of December 31, 2015 and December 31, 2014, respectively | 1,048 | 923 |
| Additional paid - in capital | 1,007,034 | 458,959 |
| Accumulated deficit | (707,470) | (505,439) |
| Total stockholders' equity (deficit) | 300,612 | (45,557) |
| Total liabilities and stockholders' equity (deficit) | $ 395,119 | $ 49,711 |

The accompanying notes are an integral part of the financial statements

**SUNSTOCK, INC.**
**STATEMENTS OF OPERATIONS**

| | For the Years ended December 31, 2015 | 2014 |
|---|---|---|
| Revenue | $ 68,873 | $ 166,492 |
| Cost of revenue | 33,829 | 85,318 |
| Gross profit | 35,044 | 81,174 |
| Operating expenses | 189,687 | 427,937 |
| Operating loss | (154,643) | (346,763) |
| Other income (expense): | | |
| Unrealized loss on investments in precious metals | (51,627) | - |
| Realized / unrealized gain (loss) on investments in marketable securities | 5,039 | - |
| Loss before income tax | (201,231) | (346,763) |
| Income tax | 800 | - |
| Net loss | $ (202,031) | $ (346,763) |
| Loss per share - basic and diluted | $ (0.02) | $ (0.04) |
| Weighted average shares - basic and diluted | 10,125,238 | 8,997,320 |

The accompanying notes are an integral part of the financial statements

**SUNSTOCK, INC.**
**Statement of Changes in Stockholders' Equity (Deficit)**

| | Shares | Common Stock | Additional Paid-In Capital | Stock Subscription Receivable | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2013** | 7,044,000 | $ 704 | $ 221,977 | $ (16,000) | $ (158,676) | $ 48,005 |
| Issuance of common shares for conversion of debt | 184,600 | 18 | 18,442 | - | - | 18,460 |
| Issuance of common stock for services | 1,736,412 | 174 | 173,467 | - | - | 173,641 |
| Issuance of common stock for cash | 266,385 | 27 | 45,073 | - | - | 45,100 |
| Subsription receivable issued for services | - | - | - | 16,000 | - | 16,000 |
| Net loss | - | - | - | - | (346,763) | (346,763) |
| **Balance at December 31, 2014** | 9,231,397 | $ 923 | $ 458,959 | $ - | $ (505,439) | $ (45,557) |
| Issuance of common stock for cash | 1,185,584 | 119 | 521,381 | - | - | 521,500 |
| Estimated fair value of common stock issued for services | 65,122 | 6 | 26,694 | - | - | 26,700 |
| Net loss | - | - | - | - | (202,031) | (202,031) |
| **Balance at December 31, 2015** | 10,482,103 | $ 1,048 | $ 1,007,034 | $ - | $ (707,470) | $ 300,612 |

The accompanying notes are an integral part of the financial statements

**SUNSTOCK, INC.**
**STATEMENTS OF CASH FLOWS**

| | For the year ended December 31, 2015 | For the year ended December 31, 2014 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net loss | $ (202,031) | $ (346,763) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Gain on marketable securities, net | (5,039) | - |
| Loss on investment in precious metals | 51,627 | - |
| Loss on fixed asset disposal | 8,095 | |
| Depreciation | 2,084 | 834 |
| Subscriptions receivable issued for services | | 16,000 |
| Common stock issued for services | 26,700 | 173,641 |
| Changes in operating assets and liabilities | | |
| Inventories - products | 3,063 | (30,377) |
| Purchases of marketable secutiries | (2,910,496) | - |
| Proceeds from the sale of marketable securities | 2,875,965 | - |
| Prepaid expenses | 1,686 | 90,912 |
| Deposits | 2,756 | 470 |
| Accounts payable and accrued liabilities | (761) | 22,525 |
| Net cash used in operating activities | (146,351) | (72,758) |
| INVESTING ACTIVITIES | | |
| Inventories - silver | (354,056) | - |
| Purchase of property and equipment | (8,961) | (9,781) |
| Cash used in investing activities | (363,017) | (9,781) |
| FINANCING ACTIVITIES | | |
| Proceeds from loan to shareholder | - | 11,766 |
| Advances on credit line, net | - | 16,608 |
| Proceeds from issuance of common stock | 521,500 | 45,100 |
| Net cash provided by financing activities | 521,500 | 73,474 |
| Net change in cash | 12,132 | (9,065) |
| Cash, beginning of period | 1,567 | 10,632 |
| Cash, end of period | $ 13,699 | $ 1,567 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH | | |
| Estimated fair value of common stock issued for conversion of amounts due from shareholder | $ - | $ 18,460 |
| Common stock issued for debt | $ - | $ 6,838 |
| Common stock issued for shareholder receivable | $ - | $ 11,622 |

The accompanying notes are an integral part of the financial statements

## NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### NATURE OF OPERATIONS

Sunstock, Inc. (formerly known as Sandgate Acquisition Corporation) ("Sunstock" or "the Company") was incorporated on July 23, 2012 under the laws of the State of Delaware to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. Sunstock may attempt to locate and negotiate with a business entity for the combination of that target company with Sunstock. The combination will normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange. In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that Sunstock will be successful in locating or negotiating with any target company. Sunstock has been formed to provide a method for a foreign or domestic private company to become a reporting company with a class of securities registered under the Securities Exchange Act of 1934.

On July 18, 2013, the Company has changed its name from Sandgate Acquisition Corporation to Sunstock, Inc. and filed a Form 8-K with the Securities and Exchange Commission noticing such name change.

On July 18, 2013, Jason Chang and Dr. Ramnik S. Clair were named as the directors of the Company.

On October 30, 2013, the Company entered into a Purchase Agreement with Dollar Store Services, Inc. to develop, design and build out a retail store which the Company opened in February 2014. The Company opened its second retail store in May 2014. On August 21, 2014 the first store was forced to close due to below code electrical wiring the landlord had provided. Perishable inventory at this store was relocated to the second store as nonperishables were moved into storage along with fixed assets. Related rents and associated costs have ceased with a final settlement expected in April of 2016. The Company's second store was relocated in December of 2015 under a six month lease with an option for an additional one year.

### BASIS OF PRESENTATION

The summary of significant accounting policies presented below is designed to assist in understanding the Company's financial statements. Such financial statements and accompanying notes are the representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") in all material respects, and have been consistently applied in preparing the accompanying financial statements.

### USE OF 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by the Company's management include realizability of inventories and value of stock-based transactions.

**CONCENTRATION OF RISK**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash with high quality banking institutions. The Company did not have cash balances in excess of the Federal Deposit Insurance Corporation limit as of December 31, 2015 and 2014.

**INVESTMENTS IN MARKETABLE SECURITIES**

The Company accounts for its investments in marketable securities in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 320. The Company determined the appropriate classification of its investments at the time of purchase and reevaluated such designation at each balance sheet date.

Marketable debt and equity securities that were bought and held principally for the purpose of selling them in the near term were classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Realized gains and losses and declines in value judged to be other than temporary are determined based on the specific identification method and were reported in earnings in the statements of operations. As of December 31, 2015, the Company classifies its securities as trading.

Changes in fair value of securities sold, not yet purchased are recognized in earnings currently and in the same caption as gains and losses on securities.

**INVENTORIES**

Inventories consist of merchandise for sale and are stated at the lower of cost or market determined on a first-in, first-out (FIFO) method. When a purchase contains multiple copies of the same item, they are stated at average cost.

Inventories – silver consists primarily of silver and small amounts of gold held for sale and are stated at cost. Currently, the Company anticipates holding its precious metals as a long term investment. Depending on market conditions, the Company anticipates holding its silver holdings until the market price exceeds $50. Likewise, the Company does not plan to sell its gold holdings unless the market price exceeds $2,500.

At each balance sheet date, the Company evaluates its ending inventory quantities on hand and on order and records a provision for excess quantities and obsolescence. Among other factors, the Company considers historical demand and forecasted demand in relation to the inventory on hand, competitiveness of product offerings, market conditions and product life cycles when determining obsolescence and net realizable value. In addition, the Company considers changes in the market value of components in determining the net realizable value of its inventory. Provisions are made to reduce excess or obsolete inventories to their estimated net realizable values. Once established, write-downs are considered permanent adjustments to the cost basis of the excess or obsolete inventories.

**PRECIOUS METALS**

Inventory – silver: principally includes bullion and bullion coins and are acquired and initially recorded at fair market value. The fair market value of the bullion and bullion coins is comprised of two components: 1) published market values attributable to the costs of the raw precious metal, and 2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources. The Company’s inventory - silver are subsequently recorded at their fair market values on a quarterly basis. The fair value of the inventory is determined using pricing and data derived from the markets on which the underlying commodities are traded. Precious metals commodities inventory are classified in Level 1 of the valuation hierarchy.

The change in fair value of the precious metals was included in the financial statements herein as recorded on the Company’s Statements of Operations as an Unrealized loss on investments on precious metals of ($51,627) at December 31, 2015.

**PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 to 5 years. Any leasehold improvements are depreciated at the lesser of the useful life of the asset or the lease term.

## LONG-LIVED ASSETS

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. No impairment charges were incurred during the years ended December 31, 2015 and 2014. There can be no assurance, however, that market conditions will not change or demand for the Company's services will continue, which could result in impairment of long-lived assets in the future.

## REVENUE RECOGNITION

The Company recognizes revenues in accordance with the FASB ASC Topic 605. Accordingly, the Company recognizes revenues when there is persuasive evidence that an arrangement exists, product delivery and acceptance have occurred, the sales price is fixed or determinable, and collectability of the transaction is assured.

## INCOME TAXES

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the income tax bases of assets and liabilities. A valuation allowance is applied against any net deferred tax asset if, based on available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Therefore, the Company has recorded a full valuation allowance against the net deferred tax assets. The Company's income tax provision consists of state minimum taxes.

The Company recognizes any uncertain income tax positions on income tax returns at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The total unrecognized tax benefit resulting in an increase in deferred tax assets and corresponding increase in the valuation allowance at December 31, 2015 is $79,769. There are no unrecognized tax benefits included in the balance sheet that would, if recognized, affect the effective tax rate.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had $0 accrued for interest and penalties on each of the Company's balance sheet at December 31, 2015.

The Company is subject to taxation in the U.S. and the state of California jurisdictions. The Company's tax years for 2013 and forward for federal and state purposes are subject to examination by the U.S. and state of California tax authorities due to the carry-forward of unutilized net operating losses. The Company does not foresee material changes to its gross uncertain income tax position liability within the next twelve months.

## EARNINGS (LOSS) PER COMMON SHARE

Basic earnings (loss) per share represent income (loss) available to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income (loss) that would result from the assumed issuance. The potential common shares that may be issued by the Company relate to outstanding stock options and have been excluded from the computation of diluted earnings (loss) per share because they would reduce the reported loss per share and therefore have an anti-dilutive effect.

For the years ended December 31, 2015 and 2014 there were no potentially dilutive shares that were excluded from the diluted earnings (loss) per share as their effect would have been antidilutive for the year then ended.

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company measures the fair value of certain of its financial assets on a recurring basis. A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

At December 31, 2015, the Company's financial instruments include cash, marketable securities, accounts payable, and accrued litigation. The carrying amount of cash, accounts payable, and accrued litigation approximates fair value due to the short-term maturities of these instruments.

As of December 31, 2015, the Company's financial instruments include cash, investments in marketable securities, accounts payable, securities sold – not yet purchased and accrued litigation. The carrying amount of cash, accounts payable, and accrued litigation approximates fair value due to the short-term maturities of these instruments. The fair value of the marketable securities as determined based on quoted prices in active markets for identical assets or level 1 inputs.

**NOTE 2 - GOING CONCERN**

The Company has not posted operating income since inception. It has an accumulated deficit of approximately $707,000 as of December 31, 2015. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to meet its obligations and continue its operations for the next fiscal year. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, successfully locating and negotiate with a business entity for the combination of that target company with the Company.

There is no assurance that the Company will ever be profitable. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

**NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued its new lease accounting guidance in Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 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. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and ASC 606, Revenue from Contracts with Customers. The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. Management is currently assessing the impact the adoption of ASU 2016-02 will have on our consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11*, Inventory (Topic 330): Simplifying the Measurement of Inventory. Topic 330*. Inventory, currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The amendments in this Update more closely align the measurement of inventory in U.S. GAAP with the measurement of inventory in IFRS. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company does not believe this update will have a material effect on its consolidated financial statements and related disclosures.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements - Going Concern." The amendments in this update provide guidance in U.S. GAAP about management's responsibilities to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The main provision of the amendments are for an entity's management, in connection with the preparation of financial statements, to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. Management's evaluation should be based on relevant conditions and events that are known or reasonably knowable at the date the consolidated financial statements are issued. When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, the entity should disclose information that enables users of the consolidated financial statements to understand all of the following: (1) principal conditions or events that raised substantial doubt about the entity's ability to continue as a going concern (before consideration of management's plans); (2) management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations; and (3) management's plans that alleviated substantial doubt about the entity's ability to continue as a going concern or management's plans that are intended to mitigate the conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. The amendments in this update are effective for interim and annual reporting periods after December 15, 2016 and early application is permitted. The Company is currently assessing this guidance for future implementation.

**NOTE 4 – PROPERTY AND EQUPMENT**

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Furniture and equipment | $ 8,875 | $ 9,781 |
| Less – accumulated depreciation | (1,146) | (834) |
| | $ 7,729 | $ 8,947 |

Depreciation expense for the year ended December 31, 2015 was $2,084.

**NOTE 5 - RELATED PARTY BALANCES**

During the year ended December 31, 2014, the Company's chief executive officer was granted 1,846,012 shares of common stock for the conversion of approximately $18,000 of amounts due. Based on the estimated fair value of the common shares, the Company recorded approximately $166,000 of compensation expense to the officer; as such shares were considered compensatory for services provided.

In August 2014, the Company entered into a note receivable agreement of approximately $33,000 with the Company's CEO and chairman of the board of directors. At September 30, 2014, the entire balance was due. In November 2014, such amount was reclassified to compensation expense. Effective July 30, 2002, Section 402 of the Sarbanes-Oxley Act of 2002 amended the Securities Exchange Act of 1934 to prohibit U.S. and foreign companies with securities traded in the United States of America from making, or arranging for third parties to make, nearly any type of personal loan to their directors and executive officers. Violations of the Sarbanes-Oxley loan prohibition are subject to the civil and criminal penalties applicable to violations of the Exchange Act.

During the year ended December 31, 2013, the Company's Chief Executive Officer received $16,000 directly from an investor in connection with the issuance of 75,000 shares of the Company's common stock. During the year ended December 31, 2014, the Company recorded compensation of $16,000; as such amounts were not remitted to the Company by the officer.

The Company has not incurred any salaries and related expenses during 2015 and 2014. The parents of the Company's officer have contributed their time without compensation, nor any amounts due. They assist with operating the Company's store (two stores through August 2014). In addition, the Company receives consulting services from a shareholder without any compensation, nor any amounts due. The Company approximates the annual expense would total $60,000 to hire and pay for comparable services. No such amounts have been recorded for the year ended December 31, 2015 and 2014.

During the years ended December 31, 2015 and 2014, the Company was provided a $30,000 non-interest bearing, non-secured line of credit by a shareholder. The line is due on demand. During the year ended December 31, 2015 and 2014, the Company had net borrowings of approximately $20,000 and $17,000 respectively, which are due and payable at December 31, 2015 and 2014 of which is included in accounts payable in the accompanying balance sheets. The line expires in June 2016.

In January 2015, the Company's CEO has provided the Company with a revolving line of credit up to $120,000. All principal and interest (5%) shall be due and payable in January 2016. There were no borrowings under the revolving line during the year ended December 31, 2015. This expired in February 2016 and was not renewed.

**NOTE 6 – COMMITMENTS AND CONTINGIENCIES**

The Company entered into a lease agreement in December 2015 for 2,700 square feet of retail shop space to replace their previous location below. The lease requires combined monthly payments of base rent of $1,950 for six months beginning January 2015 with an option for an additional one year.

The Company entered into a lease agreement on October 30, 2013 for 2,239 square feet of retail shop space for this store of which has since been rescinded. The lease required combined monthly payments of base rent of $3,733 for thirty six months beginning February 2014. On April 8, 2014 the Company entered into a sixty-seven month lease agreement for its second retail store. The lease required monthly payments of base rent of $4,756, with free rent for months one through four, month seven, month nine and month eleven. The base rent increased gradually over the term of the lease. The company recorded deferred rent related to this lease, which approximated $22,000 and was included in accounts payable in the accompanying balance sheet of December 31, 2014. This store began operations on May 8, 2014.

On August 21, 2014 the first store was forced to close due to below code electrical wiring the landlord had provided. Perishable inventory at this store was relocated to the second store as nonperishables were moved into storage along with fixed assets until a new location is expected to open in the first quarter of 2015. Related rents and associated costs have ceased with a final settlement pending. On January 27 2015, the Company filed a lawsuit to recover these costs either through insurance proceeds or landlord settlement.

**LITIGATION**

In December 2013, the Company issued 75,000 shares of common stock to a third party (the "Shareholder") for consideration of $16,000. Such consideration was received directly by Jason Chang, CEO, and was not deposited into the Company's bank account. As the funds had not been received by the Company, such amounts have been recorded as compensation to Mr. Chang as of December 31, 2014 (see Note 5). In April 2014, the Company received notice from the Shareholder that he had filed a lawsuit against the Company and its CEO relating to the delay in the complainants' stock reaching public listing services. The Company had made efforts to settle this issue, without an agreement being reached. As such, the Company has recorded a loss contingency based on its best estimate of all costs to be incurred for the ultimate settlement of this matter. The Company estimates its exposure to be $55,200, and has reflected this amount in accrued litigation on the accompanying balance sheet as of December 31, 2015 and 2014.

**INDEMNITIES AND GUARANTEES**

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the State of Delaware. In connection with its facility leases, the Company has agreed to indemnify its lessors for certain claims arising from the use of the facilities. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.

**NOTE 7 - STOCKHOLDER'S EQUITY (DEFICIT)**

The Company is authorized to issue 100,000,000 shares of common stock and 20,000,000 shares of preferred stock. As of December 31, 2015, 10,482,103 shares of common stock and no preferred stock were issued and outstanding.

During the year ended December 31, 2014, the Company issued 266,385 shares of common stock for aggregate proceeds of $45,100 and 75,000 shares for services provided of approximately $7,500.

During the year ended December 31, 2014, the Company issued 1,846,012 shares of common stock to the Company's CEO in exchange for amounts due approximating $18,000 and compensation for services provided through 2014 of approximately $166,000. The Company recorded such amount as a prepaid expense and amortized the entire amount through December 31, 2014 (see additional discussion at Note 9). The related compensation expense has been recorded in operating expenses in the accompanying statement of operations.

During the year ended December 31, 2015, the Company issued 1,185,584 shares of common stock for cash proceeds of $521,500 and 65,122 shares of common stock for $26,700 of services provided.

**NOTE 8 - INCOME TAXES**

The Company is subject to taxation in the United States of America and the state of California. The provision for income taxes for the year ended December 31, 2015 is summarized below:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Current: | | |
| Federal | $- | $- |
| State | 800 | 800 |
| Total current | 800 | 800 |
| Deferred: | | |
| Federal | 59,885 | 58,996 |
| State | 9,897 | 10,677 |
| Change in valuation allowance | (69,782) | (69,673) |
| Total deferred | - | - |
| Income tax provision | $ 800 | $ 800 |

A reconciliation of income taxes computed by applying the statutory U.S. income tax rate to the Company's loss before income taxes to the income provision is as follows:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| U.S. federal statutory tax rate | 34.00% | 34.00% |
| State tax benefit, net | (0.26)% | (0.15)% |
| Stock based compensation | (4.49)% | (17.06)% |
| Other | - | - |
| Valuation allowance | (29.64)% | (17.01)% |
| Effective income tax rate | (0.40)% | (0.23)% |

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Deferred tax assets: | | |
| NOL's | $ 201,361 | $ 132,077 |
| State taxes | - | - |
| Inventory and other reserves | - | - |
| Depreciation and amortization | 830 | 332 |
| NQ stock option expense | - | - |
| Total deferred tax assets | 202,191 | 132,409 |
| Valuation allowance | (202,191) | (132,409) |
| Net deferred tax assets | $ - | $ - |

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by approximately $70,000 for the year ending December 31, 2015.

As of December 31, 2015, the Company had net operating loss carryforwards for federal income tax purposes of approximately $175,000 which expire beginning in the year 2020. As of December 31, 2015, the Company had net operating loss carryforwards for state income tax purposes of approximately $30,000.

Utilization of the net operating losses may be subject to substantial annual limitation due to federal and state ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such annual limitations could result in the expiration of the net operating losses ad credits before their utilization. The Company has not performed an analysis to determine the limitation of the net operating loss carryforwards.

**NOTE 9 – SUBSEQUENT EVENTS**

In February 2016, the Company issued 210,000 shares of common stock for services provided.

**EXHIBIT 31**

**CERTIFICATION PURSUANT TO SECTION 302**

I, Jason C. Chang, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2015 of Sunstock, Inc. (formerly Sandgate Acquisition 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 evaluations; 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, to the registrant's auditors and the audit committee of 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.

| | |
|---|---|
| *Date: April 1, 2016* | */s/ Jason C. Chang* |
| | *Chief Executive Officer and Chief Financial Officer* |

**EXHIBIT 32**

**CERTIFICATION PURSUANT TO SECTION 906**

Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned officer of Sunstock Inc. (formerly Sandgate Acquisition Corporation (the "Company")), hereby certify to my knowledge that:

The Report on Form 10-K for the year ended December 31, 2015 of the Company fully complies, in all material respects, with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 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.

| | |
|---|---|
| *Date: April 1, 2016* | */s/ Jason C. Chang* |
| | *Chief Executive Officer and Chief Financial Officer* |