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

# FORM 10-Q

(Mark One)

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

**For the quarterly period ended March 31, 2017**

OR

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

For the transition period from ________________ to ________________

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

# 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)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [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" 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] |
| | Emerging growth company [ ] |

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

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

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

| **Class** | **Outstanding at May 22, 2017** |
|---|---|
| Common Stock, par value $0.0001 | 3 0,853,638 |

Documents incorporated by reference: None

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## PART I — FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

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

| | | March 31, 2017 | | December 31, 2016 |
|---|---|---|---|---|
| | | (Unaudited) | | |
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash | $ | 718 | $ | 16,601 |
| Other receivable | | - | | 1,000 |
| Subscription receivable | | 6,000 | | - |
| Inventory - products | | 2,331 | | 4,681 |
| Inventory - silver | | 413,374 | | 358,178 |
| Prepaid services | | 101,200 | | 27,170 |
| Prepaid expenses | | 6,600 | | 6,600 |
| Total Current Assets | | 530,223 | | 414,230 |
| Property and equipment-net | | 3,844 | | 5,091 |
| Total assets | $ | 534,067 | $ | 419,321 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| Current liabilities | | | | |
| Accounts payable | $ | 57,272 | $ | 56,411 |
| Accrued litigation | | 82,660 | | 82,660 |
| Total Current Liabilities | | 139,932 | | 139,071 |
| Total liabilities | | 139,932 | | 139,071 |
| Commitments and contingencies | | | | |
| Stockholders' equity | | | | |
| 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; 30,853,638 and 18,927,638 shares issued and 29,844,888 and 17,071,388 outstanding as of March 31, 2017 and December 31, 2016, respectively | | 3,085 | | 1,892 |
| Additional paid - in capital | | 19,939,247 | | 7,324,620 |
| Accumulated deficit | | (19,548,197) | | (7,046,262) |
| Total stockholders' equity | | 394,135 | | 280,250 |
| Total liabilities and stockholders' equity | $ | 534,067 | $ | 419,321 |

The accompanying notes are an integral part of the financial statements

**SUNSTOCK, INC.**
**CONDENSED STATEMENTS OF OPERATIONS**
(Unaudited)

| | For the three months ended March 31, 2017 | 2016 |
|---|---|---|
| Revenues | $ 3,596 | $ 13,408 |
| Cost of revenue | 2,550 | 6,703 |
| Gross profit | 1,046 | 6,705 |
| Operating expenses | 12,554,701 | 81,893 |
| Operating loss | (12,553,655) | (75,188) |
| Other income (expense): | | |
| Unrealized gain (loss) on investments in precious metals | 51,720 | 36,038 |
| Realized gain (loss) on investments in marketable securities | - | 5,046 |
| Loss before income tax | (12,501,935) | (34,104) |
| Income tax | - | - |
| Net loss | $ (12,501,935) | $ (34,104) |
| Loss per share - basic and diluted | $ (0.52) | $ (0.00) |
| Weighted average number of common shares | 23,984,832 | 10,642,982 |

The accompanying notes are an integral part of the financial statements.

**SUNSTOCK, INC.**
**CONDENSED STATEMENTS OF CASH FLOWS**
(Unaudited)

| | For the three months ended March 31, 2017 | For the three months ended March 31, 2016 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net loss | $ (12,501,935) | $ (34,104) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Realized gain on marketable securities, net | - | (5,046) |
| Unrealized (gain) loss on investment in precious metals | (51,720) | (36,038) |
| Depreciation | 1,247 | 874 |
| Common stock issued for services including amortization of prepaid consulting | 12,528,130 | 50,440 |
| Changes in operating assets and liabilities | | |
| Inventories - products | 2,350 | 1,759 |
| Prepaid expenses and services | 720 | - |
| Accounts payable | 861 | (17,286) |
| Net cash used in operating activities | (20,347) | (39,401) |
| INVESTING ACTIVITIES | | |
| Inventories - silver | (3,476) | - |
| Proceeds from sales of marketable securites | | 44,616 |
| Cash provided by (used in) investing activities | (3,476) | 44,616 |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of common stock | 7,940 | - |
| Net cash provided by financing activities | 7,940 | - |
| Net change in cash | (15,883) | 5,215 |
| Cash, beginning of period | 16,601 | 13,699 |
| Cash, end of period | $ 718 | $ 18,914 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH | | |
| Common stock issued as prepaid consulting | $ 110,400 | $ 403,500 |
| Shares issued under stock subscription receivable | $ 6,000 | $ - |

The accompanying notes are an integral part of the financial statements.

**SUNSTOCK, INC.**
**NOTES TO CONDENSED FINANCIAL STATEMENTS**
(Unaudited)

## 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 operations to date have been limited to issuing shares of its common stock. 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.

In December 2014, the Company purchased 100 ounces of silver. In 2015, the Company purchased additional precious metals for $302,429 and shifting more of its capital to the acquisition of precious metals. The Company holds physical coins and bullion rather than contracts for delivery of precious metals or certificates. In time of economic crisis, there may be no guarantee of the delivery of precious metals as contracts and certificates may exceed available stock.

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.

### BASIS OF PRESENTATION

The condensed balance sheet as of December 31, 2016, which has been derived from audited financial statements and the interim unaudited condensed financial statements as of March 31, 2017 and 2016 have been prepared in accordance with Accounting Principles Generally Accepted in the United States of America (U.S. GAAP) for interim financial information and with the instructions to Securities and Exchange Commission (“SEC”) Form 10-Q and Article 8 of SEC Regulation S-X. These condensed financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Therefore, these unaudited condensed financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ended December 31, 2016, included in the Company’s Form 10-K.

The condensed financial statements included herein as of and for the three months ended March 31, 2017 and 2016 are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of the Company’s management, are necessary to present fairly the condensed financial position of the Company as of March 31, 2017, the condensed results of its operations and cash flows for the three months ended March 31, 2017 and 2016 and the condensed cash flows for the three months ended March 31, 2017 and 2016. The results of operations for three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year or any future interim periods.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with U.S. 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 but are not limited to valuation of marketable securities, realizability of inventories and value of stock-based transactions.

**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.

**REVENUE RECOGNITION**

The Company recognizes revenues in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Certification (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.

**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 which excluded unvested restricted stock. 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.

As of March 31, 2017, there were no potentially dilutive shares that were excluded from the diluted earnings (loss) per share as their effect would have been antidilutive for each of the periods presented.

**STOCK BASED COMPENSATION**

ASC 718 "Compensation - Stock Compensation" prescribes accounting and reporting standards for all stock-based payment awards to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights, may be classified as either equity or liabilities. The Company determines if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (a) the option to settle by issuing equity instruments lacks commercial substance or (b) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction is recognized as a liability; otherwise, the transaction is recognized as equity.

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

**NOTE 2 - GOING CONCERN**

The Company has not posted operating income since inception. It has an accumulated deficit of approximately $19,548,197 as of March 31, 2017. 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 obligaons, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

These Condensed 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 negotiating with an acquisition target.

There is no assurance that the Company will ever be profitable. The condensed 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**

See Note 3 of our Annual Report on Form 10-K as of and for the year ended December 31, 2016 for a description of recent accounting pronouncements, including expected dates of adoption and estimated effects on our unaudited condensed financial statements.

**NOTE 4 - RELATED PARTY BALANCES**

During the period ended March 31, 2017 and year ended December 31, 2016, the Company was provided a non-interest bearing, non-secured line of credit by a shareholder. The line is due on demand. At March 31, 2017 and year ended December 31, 2016, the Company had net borrowings of approximately $30,000, which are due and payable at March 31, 2017 and December 31, 2016 which is included in accounts payable in the accompanying condensed balance sheets. See Note 6 for shares of stock issued to related parties.

## NOTE 5 - 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 running through June of 2017.

## 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 has settled on the amount $82,660 up from the December 31,2015 accrued amount of $55,200 has reflected these amounts in accrued litigation on the accompanying balance sheet as of March 31, 2017 and December 31, 2016. Repayment of which is anticipated in the second quarter of 2017.

## 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. 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 running through June of 2017.

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 sheet.

## NOTE 6 - STOCKHOLDER'S EQUITY

The Company is authorized to issue 100,000,000 shares of common stock and 20,000,000 shares of preferred stock.

During 2016, the Company issued an aggregate of 330,000 shares of fully vested non-forfeitable shares of common stock to certain consultants of the Company to be earned over a one-year period. The shares were valued at $403,500 (based on the closing market price on the measurement date) of which $720 was received in cash and the remaining $402,780 have been recorded as prepaid consulting. The Company has amortized the final portion of this prepaid expense of $26,450 during the quarter ended March 31, 2017.

**NOTE 6 - STOCKHOLDER'S EQUITY (Continued)**

During the year ended December 31, 2016, the Company issued an aggregate of 6,660,000 shares of restricted common stock to certain employees for future services (See Note 7 of our Annual Report on Form 10-K as of and for the year ended December 31, 2016 for details). During the three months ended March 31, 2017, the Company recorded $1,241,730 in stock based compensation expense related to the vesting terms of such restricted shares.

During the three months ended March 31, 2017, the Company received $4,440 for the issuance of 306,000 shares of common stock.

During the first quarter ended March 31, 2017 the Company issued 120,000 shares of Common Stock to to a consultant for legal services to be rendered through February 28, 2018. The fair value of the stock was determined to be $116,400, of which, $6,000 is included in subscription receivable, and the remaining $110,400 was recorded as prepaid consulting. During the three months ended March 31, 2017, the Company amortized $9,200 to stock based compensation expense based on the vesting term.

During the quarter ended March 31, 2017, the company's CEO, Jason Chang was awarded 11.5 million shares of the Company's common stock for services valued at $11,253,250 of which $2,500 was received in the cash and the remaining $11,250,750 was recorded as stock based compensation expense in the accompanying statement of operations.

The following table summarizes the restricted stock activity during the quarter ended March 31, 2017:

| | Shares | Weighted-Average Remaining Vesting Life (Years) | Weighted-Average Per Share Fair Value |
|---|---|---|---|
| Balance, December 31, 2016 | - | - | - |
| Granted | 3,860,000 | - | $ 1.30 |
| | | | |
| Balance, March 31, 2017 | 3,860,000 | 0.24 | $ 1.30 |
| | | | |
| Vested, end of period | 2,911,250 | - | $ 1.29 |

Awards of restricted stock vest ratably over the term of the respective employment agreements.

As of March 31, 2017, the total unrecognized compensation costs related to non-vested stock-based compensation arrangements was approximately $1,254,000 and the weighted average period of years expected to recognize those costs was 0.24 years.

**NOTE 7 - SUBSEQUENT EVENTS**

In April, the Company signed a letter of intent to acquire a hotel located in Central California. The hotel purchase price is approximately $7,000,000 with final closing in the second quarter of 2017.

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

**Overview**

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 commenced their investment in precious metals. At March 31, 2017 the Company has $413,374 in the investment account.

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.

As of March 31, 2017, The Company has not posted operating income since inception. It has an accumulated deficit of ($19,548,197) 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.

***Going Concern***

As of March 31, 2017, The Company has not posted operating income since inception. It has an accumulated deficit of ($19,548,197) 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.

***Critical Accounting Policies***

There have been no material changes from the critical accounting policies as previously discussed in our Annual Report on Form 10-K for the year ended December 31, 2016.

Recently Adopted Accounting Pronouncements

In March 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-09, Improvements to Employee Share-Based Payment Accounting, which amends ASC Topic 718, Compensation - Stock Compensation. The ASU involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, forfeitures, classification of awards as either equity or liabilities and classification on the statement of cash flows. Certain of these changes are required to be applied retrospectively, while other changes are required to be applied prospectively. ASU 2016-09 is effective for public business entities for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. Early adoption will be permitted in any interim or annual period, with any adjustments reflected as of the beginning of the fiscal year of adoption. As a result of the adoption of this ASU as of January 1, 2017, we have made an entity-wide accounting policy election to account for forfeitures when they occur. There is no cumulative-effect adjustment as a result of the adoption of this ASU as our estimated forfeiture rate prior to adoption of this ASU was 0%. The adoption of this ASU did not have a material impact on our condensed financial statements and related disclosures.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes. Current U.S. GAAP requires an entity to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in this update apply to all entities that present a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this update. The amendments in this update will align the presentation of deferred income tax assets and liabilities with International Financial Reporting Standards (IFRS) and are effective for fiscal years after December 15, 2016, including interim periods within those annual periods. The adoption of this ASU as of January 1, 2017 did not have a material impact on our condensed financial statements and related disclosures.

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 ASU 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 adoption of this ASU as of January 1, 2017 did not have a material impact on our condensed financial statements and related disclosures.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This ASU 2014-15 describes how an entity should assess its ability to meet obligations and sets rules for how this information should be disclosed in the condensed consolidated financial statements. The standard provides accounting guidance that will be used along with existing auditing standards. The ASU 2014-15 is effective for the annual period ending after December 15, 2016. Early application is permitted. The adoption of this ASU as of January 1, 2017 did not have a material impact on our condensed financial statements and related disclosures.

**Results of Operations**

Discussion of the Three Months ended March 31, 2017 and 2016

The Company generated revenues during the three months ended March 31, 2017 of $3,596 as compared to $13,408 in revenues posted for the three months ended March 31, 2016. The decrease in revenues is primarily due to the reduced emphasis on retail sales to hotel management focus.

For the three months ended March 31, 2017 and 2016 cost of sales was $2,550 and $6,703, respectively, which was driven by the decrease in revenues as disclosed above. Operating expenses increased to $12,554,701 for the three months ended March 31, 2017 from $81,893 for the same period of 2016 primarily as a result of share-based compensation and amortization of prepaid services.

During the three months ended March 31, 2017, the Company posted an operating loss of $12,553,655 as compared to an operating loss of $75,187 for the three months ended March 31, 2016, such increase is primarily related to an increase in expenses related to increase operating expenses, share-based compensation and amortization of prepaid services.

The unrealized gain on investments in precious metals of $51,720 during the three months ended March 31, 2017, is related to the increase in the market value of the underlying assets held as of March 31, 2017.

Liquidity and Capital Resources

As of March 31, 2017, the Company had $718 in cash and $2,331 in inventory – products and $413,374 in inventory - silver.

During the three months ended March 31, 2017, the Company received proceeds of $7,940 from the sale of common stock.

Off-balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be considered material to investors.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information not required to be filed by Smaller reporting companies.

## ITEM 4. 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 March 31, 2017 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 March 31, 2017, 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;

During the three months ended March 31, 2017, adjustments were made to the general ledger, which collectively could have a material effect on the financial statements.

Notwithstanding the existence of these material weaknesses in internal control over financial reporting, we believe that the financial statements in this Quarterly Report on Form 10-Q 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; and

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 current fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

In April 2014, the Company received notice that a shareholder had filed a lawsuit against the Company. The Company has settled the cost of this lawsuit at $82,660, and has reflected this amount in accrued litigation in the accompanying balance sheet as of March 31, 2017.

There are no other litigation pending or threatened by or against the Company.

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

None

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

**ITEM 5. OTHER INFORMATION**

(a) Not applicable.

(b) Item 407(c)(3) of Regulation S-K:

During the quarter covered by this Report, there have not been any material changes to the procedures by which security holders may recommend nominees to the Board of Directors.

**ITEM 6. EXHIBITS**

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

## SIGNATURES

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

**SUNSTOCK, INC.**

*Dated: May 23, 2017*

By: */s/ Jason C. Chang*

*Jason C. Chang*
*President, Chief Financial Officer*
*(Principal Executive and Accounting Officer)*

**EXHIBIT 31.1**

**CERTIFICATION PURSUANT TO SECTION 302**

I, Jason C. Chang, certify that:

1. I have reviewed this Form 10-Q for the period ended March 31, 2017 of Sunstock, Inc.

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.

**SUNSTOCK, INC.**

*Dated: May 23, 2017*

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

**EXHIBIT 32.1**

**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. (the "Company"), hereby certify to my knowledge that:

The Report on Form 10-Q for the period ended March 31, 2017 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.

**SUNSTOCK, INC.**

*Dated: May 23, 2017*

By: */s/ Jason C. Chang*

*Jason C. Chang*
*President, Chief Financial Officer*
*(Principal Executive and Accounting Officer)*