

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

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2018

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

For the transition period from _____ to _____

Commission File No. 000-55611

Hubilu Venture Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

47-3342387
(I.R.S. Employer
Identification No.)

205 South Beverly Drive, Suite 205, Beverly Hills, CA 90212
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (310) 308-7887

Common Stock, no par value per share
(Title of Each Class)

None
(Name of Each Exchange on Which Registered)

Securities registered under Section 12(g) of the Exchange Act: Common Stock, \$0.001 par value

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes 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 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 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No [check "yes" if statement is accurate.]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated
filer

Accelerated filer

Non-accelerated filer (Do not
check if smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of August 22, 2019 was \$604,400.

The number of shares of the registrant's common stock issued and outstanding as of August 22, 2019 was 25,952,125.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The information contained in this Report includes some statements that are not purely historical and that are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as such, may involve risks and uncertainties. These forward-looking statements relate to, among other things, expectations of the business environment in which we operate, perceived opportunities in the market and statements regarding our mission and vision. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. You can generally identify forward-looking statements as statements containing the words “anticipates,” “believes,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “might,” “plans,” “possible,” “potential,” “predicts,” “projects,” “seeks,” “should,” “will,” “would” and similar expressions, or the negatives of such terms, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The forward-looking statements contained herein are based on various assumptions, many of which are based, in turn, upon further assumptions. Our expectations, beliefs and forward-looking statements are expressed in good faith on the basis of management’s views and assumptions as of the time the statements are made, but there can be no assurance that management’s expectations, beliefs or projections will result or be achieved or accomplished.

In addition to other factors and matters discussed elsewhere herein, the following are important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements: technological advances, impact of competition, dependence on key personnel and the need to attract new management, effectiveness of cost and marketing efforts, acceptances of products, ability to expand markets and the availability of capital or other funding on terms satisfactory to us. We disclaim any obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

For a discussion of the risks, uncertainties, and assumptions that could affect our future events, developments or results, you should carefully review the “Risk Factors” set forth under “Item 1. Description of Business” below. Considering these risks, uncertainties and assumptions, the future events, developments or results described by our forward-looking statements herein could turn to be materially different from those we discuss or imply.

PART I

Item 1. Description of Business.

Organization

We were incorporated in the State of Delaware as a for-profit company on March 2, 2015 and established a fiscal year end of December 31. On March 4, 2015, we filed a Certificate of Correction to the Certificate of Incorporation to correct our name to Hubilu Venture Corporation from Hubilu Venture Corp. On March 5, 2015, our incorporator adopted our bylaws and appointed our sole director. We were formed to provide consulting and advisory services to real estate professionals and investors to assist them in finding properties and evaluating them for purchase or leasing. We are not a real estate brokerage firm and do not engage in real estate brokerage activities.

Our services are focused on the research and analysis of real estate properties and advising clients on the best use of their real estate assets. On August 18, 2016 we established a real estate acquisitions’ division seeking to raise money and acquire real estate assets.

On March 5, 2015, we issued 25,000,000 shares of our common stock, valued at \$0.001 per share, to our founder, David Behrend for \$75,000 in cash or \$0.003 per share. On April 30, 2015, Mr. Behrend transferred his shares to Jacaranda Investments, Inc., a Wyoming corporation, which he owns 100% of, in exchange for 30,000 shares of Jacaranda’s common shares. From April 7, 2015 to May 7, 2015, we sold and issued 235,000 shares of our common stock at a price of \$0.10 per share for \$23,500 to 40 accredited investors. On May 4, 2015, we issued 191,500 shares of our common stock, valued by our sole director at \$0.10 per share, or \$19,150, to 12 individuals for services rendered to us. Six of these individuals had already purchased shares of our common stock at the price of \$0.10 per share. On October 1, 2016, we issued 100,000 shares to 5 individuals for share-based compensation, valued by our sole director at \$0.10 per share, for compensation of \$50,000 for services rendered to us by them. Presently, we estimate our monthly burn rate is approximately \$12,000 per month, which consists of general and administrative expenses, consulting fees, professional fees, property taxes, rent, repairs and maintenance, transfer agent and filings fees and utilities. We believe that our revenues will cover our burn rate over the next 12 months. We believe that we may require approximately \$50,000 in either cash or from sale of our common stock, preferred stock, convertible note debt, or advances from our majority shareholder, which has agreed to advance our working capital, if necessary, to accomplish the goals set out in our plan of operation. We also intend to use our common stock to accomplish these goals to conserve our cash if we can negotiate the payment for services with our shares.

Our principal business, executive and registered statutory office is located at 205 South Beverly Drive, Suite 205, Beverly Hills, CA 90212 and our telephone number is (310) 308-7887 and email contact is info@hubilu.com. Our URL address is www.hubilu.com.

Business

We were formed as a real estate consulting and acquisition firm that commenced operations in March 5, 2015, and, until June 2015, was limited to organizational and business development activities. In June 2015, we entered into our first consulting agreement with a client. As a real estate advisory and consulting company, we assist real estate investor professionals, as well as established companies, with advisory and consulting services focused on providing research, analysis and acquisition opportunities to them. Our mission is to assist investors and professionals in the early stage analysis of market opportunities and the evaluation of properties prior to them committing capital for the purchase or the leasing of real estate properties. We are not real estate brokers and do not intend to offer brokerage services.

Commencing in June 2015, we engaged our first client, 112 South Eucalyptus Avenue, LLC, to assist it in evaluating the best use of its property.

Real Estate Acquisitions

On August 18, 2016, we launched a real estate acquisition division to acquire real estate for our company.

In 2017, we acquired 2 rental properties. See footnotes 4 & 5 to our audited financial statements.

On September 15, 2017, we hired Earn By SEO, which specializes in Search Engine Optimization and Social Media Optimization, to enhance our Hubilu.com website to drive traffic and expand our investor and social media presence. This company also assisted us with launching our student housing rental site, Hubiluhousing.com, which went live on March 16, 2018. This was a needed adjunct to assist with our aggressive marketing of rentals and also allow our students ease to locate and sign rental contracts, which is all online now.

On January 4, 2018, we started to accept Crypto currency as a form of rental payment for our properties.

On March 7, 2018, we contracted with Pacific Green Homes to install solar technology on our property located at 3711 S. Western Ave in Los Angeles. The solar panels were installed and became operational on May 26, 2018. This has reduced our electric operating costs, resulting in greater returns for our investors.

On May 31, 2018 we acquired Sunza Investments, LLC, and its real property asset located at 3910 Walton Street in Los Angeles.

On September 27, 2018, through our subsidiary, Sunza Investments, LLC, we acquired a real property asset located at 3910 Wisconsin Ave in Los Angeles.

On December 31, 2018, we acquired Lantana Investments, LLC, and its real property asset located at 1557 W. 29th Street in Los Angeles.

Subsequent Events

On March 8, 2019 we entered into an agreement to acquire Kapok Investments, LLC, and its real property asset located at 1981 Estella Ave, Los Angeles. Purchase is scheduled to close in Q4, 2019.

On March 22, 2019 we entered into an agreement to acquire 100% of Elata Investments, LLC, and its real property asset located at 1267 W. 38th Street, Los Angeles. On July 12th, 2019, the acquisition was completed for \$600,000. The terms of the Hubilu membership interest purchase was subject to two loans as follows:

- A \$415,000 first position note owing by Elata, whose terms of payments due were interest only, payable on unpaid principal at the rate of 5.50% per annum. Interest only payable in monthly installments of \$1,902.08 or more on the 20th day of each month beginning on the 20th day of August, 2019 and continuing until the 19th day of March 2023, at which time the entire principal balance together with interest due thereon, shall become due and payable.
- A \$185,000 second position note owing by Elata, whose terms of payments due were interest only, payable on unpaid principal at the rate of 2.25% per annum. Interest only payable in monthly installments of \$346.87 or more on the 20th day of each month beginning on the 20th day of August 2019 and continuing until the 19th day of March 2023, at which time the entire principal balance together with interest due thereon, shall become due and payable.

Real Estate Consulting:

Market Opportunity

We believe the real estate consulting and advisory industries are sectors of the U.S. economy, which have seen increased activity since interest rates are at their current levels. We believe that an attractive opportunity exists for a public company focused on assisting real estate investors and users in evaluating real estate opportunities and we intend to provide services. We are focusing on the commercial and residential rental real estate market.

Historically, the U.S. real estate industry has tended to be cyclical. The real estate market experienced a significant downturn from the 2007 peak to a trough in 2009, representing the most severe downturn in property sales since at least 1990. Since 2009, real estate sales for transactions of \$1 million and above have increased by 97% and dollar volume has increased by 235%. The Los Angeles housing market forecast for the 3 years ending in 2021 is positive according to LittleBigHomes.com which estimates that the rising housing market prices in Los Angeles is 6 % annually during this period. If the Housing Market forecast is correct, home values will be higher at the end of 2021 than at the end of 2018. This cyclical upturn has been, and we believe will continue to be, primarily driven by attractive yields, improving property fundamentals and the availability and cost of financing.

Attractive Yields. According to CBRE Research and Reports, average commercial real estate yields (capitalization rates) for the four major property types currently range from 2.00% to 7.00%, which compare equally to alternative investments such as stocks and bonds, while being secured by real assets. We believe these steady growth yields will continue to drive capital inflows for commercial and residential real estate investments.

Improving Property Fundamentals. Property median rents continue to improve in the Los Angeles multifamily property market, which finished in Q4 of 2018 at \$ 1,898/unit, up 0.8% from Q4 of 2017, and has risen every quarter since Q2 2010. Reis forecasts Los Angeles to grow 4.3% during 2019. We expect further increases in occupancy and rental rates in all four primary commercial real estate sectors of multifamily, retail, office and industrial properties.

Availability and Cost of Financing. The availability and low cost of debt financing has been a significant contributor to the recent improvement in the U.S. capital markets and the U.S. commercial real estate market. Low interest rates and improved access to capital are key factors fueling investment sales activity.

We are focusing our business on the private client segment, as we believe it represents the largest and most active market segment in the commercial real estate investment industry. We believe private clients, many of whom are individuals and partnerships, are impacted by life or partnership changes that often override market and macroeconomic conditions. Due to these personal and partnership drivers, we believe properties in this segment exhibit a high turnover rate. We believe private clients often take advantage of rising prices to dispose of assets, refinance, acquire and/or exchange assets into new opportunities. The attractive financial results for property investment provide the opportunity for redeployment of capital, which supports a high number of sales transactions. Additionally, the private client segment is highly fragmented with many buyers, sellers and properties in different geographic regions and sectors.

We believe it is also the most underserved market segment and intend to offer our consulting services to private clients. We believe our competition will come from brokerage firms, consulting departments of accounting and consulting firms and other real estate advisory firms.

Our Business Strategy – Consulting

- We intend to provide consulting and advisory services to our clients for fee-based compensation. We will negotiate our fees on a case-by-case basis and intend to offer hourly rates and flat fees for our services. We intend to help provide our clients with the research and analysis to minimize their time to evaluate properties. We believe that our services will reduce time, costs and accelerate the time to enable the client to purchase or lease real estate without the pressure of commission sales professionals.
- Apply a structured consulting and asset management process to our clients. Web-based technology is becoming increasingly capital-efficient, and our model is optimized to leverage this trend using the Internet and various online research tools.

We will provide a variety of services to client companies, including the following:

- Analysis of current trends and transactions;
- Consulting on structure and financing including corporate formation services;
- Investment analysis of properties;
- Marketing, branding and public relations with respect to leasing and branding;
- Formulating operating strategies for the properties;
- Formulating other strategies designed to maximize property values, including tenant analysis;
- Relocation services;
- Introductions to potential joint venture partners; and
- Assisting in financial modeling.

We believe that the services we offer to our future clients will be quality, value added services that will enable long term success for them and us.

We intend to derive income from our clients for the performance of these services. We also intend to acquire and operate additional residential rental properties and derive income from management fees and operating income.

Financing Strategy

Our ability to increase our revenues and market our services will dependent on additional outside financing, advances from our majority shareholder and reinvesting our profits. Primary responsibility for the overall planning and management of our services will rest with our management. For each service, we plan to offer, management will need to assess the market and our needs to offer such consulting or advisory services at cost-effective prices to real estate investors and users. All decisions will be subject to budgetary restrictions and our business control. We cannot provide any guarantee that we will be able to ever offer services on cost-effect terms.

Competition

The real estate advisory and consulting services industry is highly competitive. We compete with a variety of companies, many of which have greater financial and other resources than us, are subsidiaries or divisions of larger organizations. In particular, the industry is characterized by a small number of large, dominant organizations that perform this service, such as real estate brokerage firms, accounting firms, law firms, consultants as well as many companies that have greater financial and other resources than us.

The major competitive factors in our business are the timeliness and quality of service, the quality of work product the clients desire and price. Our ability to compete effectively in providing customer service and quality services depends primarily on the level of training of our future staff, the utilization of computer software and equipment and the ability to deliver our services in an effective and timely manner. We believe we will compete effectively in these areas.

Many of our competitors have substantially greater financial, technical, managerial, marketing and other resources than we do, and they may compete more effectively than we can. If our competitors offer services at lower prices than we do, we may have to lower the prices we charge, which will adversely affect our results of operations. Furthermore, many of our competitors can obtain more experienced employees than we can.

Real Estate Acquisitions/ Business Acquisitions:

Market Opportunity

Acquire Student housing properties adjacent to USC campus and other high-end universities which offer recession proof stability and top of the market value on rents.

Off Campus Student Housing began in the mid 1990’s as an infancy industry with high growth potential, with many real estate investors capitalizing on the premium rents and lack of housing on university campuses.

Why Student Housing is Growing:

- o Stable and Rising College Enrollment
- o Demand Exceeds Supply
- o Students Desire Homelike Amenities
- o Lower Off-Campus Housing Costs
- o Capital Constraints on Universities
- o Recession Proof Industry
- o Premium Market Rents Year Round

USC Students are using the four Metro Stations in walking distance of USC Campus to access Downtown Los Angeles, including Staples Center, LA Live, Nightlife Clubs and Bars, Entertainment Centers, Shopping Opportunities.

Average monthly rents of a unit in the USC area rose from approximately \$750 in 2005 to \$1,500 in 2018 and student enrollment at USC has grown from 32,000 in 2005 to 47,500 in 2018, with 27,500 being graduate students.

There are also opportunities to develop multi-family properties within walking distance of the newly constructed Los Angeles Metro/subway stations, taking advantage of upside density, zoning changes, and higher rents.

- In addition to on-demand car service availability, tenants benefit by being near the LA Metro/subway stations, eliminating the need and costs for personal vehicles and parking.
- Development opportunities will increase as the City encourages more density around the LA Metro/subway systems to help minimize vehicle congestion and pollution levels.
- Increased rents and development opportunities will result in higher values and a greater return on investment
- Acquisitions of profitable high growth businesses in the industries of Business Services (Property Management, Clean Tech (Green), Healthcare Services, I.T./Cloud) and e-Commerce (B2B, B2C) operating in Southern California.

In addition to investing in real estate, we intend to diversify our investment portfolio and expand our revenue sources to include the acquisitions of profitable high growth businesses to increase our cash flow, including Property Management, CleanTech (Green), Healthcare, Intelligent Technology/Cloud, and e-Commerce (B2B, B2C).

Our Business Strategy

- Seek out and acquire Real Estate which management believes has limited downside risk, is recession proof, and is in the path of growth to facilitate high rental income upside and equity appreciation.
- Purchase single family and multi-family properties and portfolios, either at discounted prices or which require cosmetic renovations, to maximize cash flow and equity appreciation in the shortest possible time.
- Undertake development projects that involve material construction and/or renovations to realize the highest and best use upside value with significant long term investment returns.
- Acquire business opportunities that bring in high cash flow, with low risk, that expands our portfolio, offset our current and expanding operating costs, and allow us to grow our real estate acquisition division.
- Focus on below-market or other non-listed opportunities
- Our goal is to acquire 10 properties over the next 12 months

Financing Strategy

Our ability to increase our revenues, net profit and cash flow will dependent on our ability to acquire more properties, additional bank and outside financing, advances from our majority shareholder and reinvesting our profits. Primary responsibility for the overall planning and management of our services will rest with our management. For each acquisition, management will need to assess the market and the ability to make a profit from rental income less expenses and cost of capital of the potential acquisitions.

Competition

The real estate student housing acquisition and rental industry is highly competitive. We compete with a variety of individuals and companies, many of which have greater financial and other resources than us or are subsidiaries or divisions of larger organizations. In particular, the industry is characterized by a small number of large, dominant organizations that perform this service.

The major competitive factors in our business is our ability to compete effectively in providing students, quality housing at an affordable price, maintaining properties in excellent condition and obtaining market rents from tenants. We believe we will compete effectively in these areas.

Many of our competitors have substantially greater financial, technical, managerial, marketing and other resources than we do, and they may compete more effectively than we can. If our competitors offer services at lower rental prices than we do, we may have to lower the prices we charge, which will adversely affect our results of operations.

Intellectual Property Rights

We do not currently have any intellectual property rights.

Our Website

Our website is located at www.hubilu.com and, provides a description of our company, our services, mission statement along with our contact information including our address, telephone number and e-mail address.

Dependence on Customers

We are pursuing a real estate acquisition strategy as well as seeking new customers.

Trademarks and Patents

We do not have any registered trademarks or patents.

Need for any Government Approval of Principal Services

We are also subject to federal, state and local laws and regulations generally applied to businesses, such as payroll taxes on the state and federal levels. Sales of the services we intend to provide to customers may be subject to U.S. and local government regulations.

Research and Development

We have not spent any money on research and development activities.

Employees

Presently, we do not have any employees other than our officers and sole director who devote their time as needed to our business and expect to devote 40 hours per week.

Summary

We have and continue to provide consulting services for several clients and are now seeking real estate acquisitions to complement our 5 existing properties. We anticipate that our revenues will increase as we secure additional clients and acquire properties in the next twelve months. We have signed agreements to acquire 2 more companies, including their rental properties, and are actively searching for a cash flowing business to acquire.

The closing of these contemplated transactions is subject to due diligence clear title. We believe that our revenues will cover our operating costs over the next 12 months; however, our majority shareholder has agreed to advance us necessary working capital, if necessary. We currently have three officers and a sole director. These individuals allocate time and personal resources to us on a part-time basis and devote approximately 40 hours per week to us.

As of the date of this Report, we have 25,952,125 shares of \$0.001 par value common stock issued and outstanding, which is owned by 69 shareholders. We have 500,400 shares of our Series 1 convertible preferred stock issued and outstanding as of March 31, 2019, which is held by 12 shareholders. The aggregate market value of our common stock based on the most recent price quoted on the OTC Markets of \$0.80 per share is \$20,761,700. Our stockholders' deficit as of December 31, 2018 is \$588,865.

Item 1A. Risk Factors

We are subject to those financial risks generally associated with startup enterprises. Since we have sustained losses since Date of Incorporation, we will require financing to fund our development activities and to support our operations and will independently seek additional financing. However, we may be unable to obtain such financing. We are also subject to risk factors specific to our business strategy and the entertainment industry.

RISKS ASSOCIATED WITH OUR COMPANY AND INDUSTRY

Since we are a real estate consulting and acquisitions company, we have just begun to generate revenues and lack an established operating history, an investment in the shares offered herein is highly risky and could result in a complete loss of your investment if we are unsuccessful in our business plans.

Although we have revenues from the rental properties owned by our subsidiaries, we have an accumulated deficit of \$913,315. Such prospects must be considered given the substantial risks, expenses and difficulties encountered by new entrants into the real estate consulting industry. Our ability to achieve and maintain profitability and positive cash flow is highly dependent upon several factors, including our ability to secure clients and acquire profitable real estate properties. Based upon current plans, we expect to incur operating losses in future periods as we incur expenses associated with our business. Further, we cannot guarantee that we will be successful in increasing our revenues or in achieving or sustaining positive cash flow at any time in the future. Any such failure could result in the possible closure of our business or force us to seek additional capital through loans or additional sales of our equity securities to continue business operations, which would dilute the value of any shares you purchase in this offering.

As a public company, we must comply with numerous financial reporting and legal requirements, including those pertaining to audits and internal control. The costs of this compliance could be significant. If our revenues are insufficient, and/or we cannot satisfy many of these costs through the issuance of our shares, we may be unable to satisfy these costs in the normal course of business that would result in our being unable to continue as a going concern.

Our financial statements for the year ended December 31, 2018 disclose that we can continue as a going concern. However, if necessary, our officers may be unable or unwilling to loan or advance us any funds.

Our future is dependent upon our ability to obtain financing and upon future profitable operations from our consulting services. We plan to seek additional funds through private placements of our common or preferred stock. Private placements of our common or preferred stock may involve substantial dilution to our existing shareholders. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue in existence.

Our officers and directors have limited experience in the real estate consulting industry, which could prevent us from successfully obtaining clients for the Consulting part of our business plan and impede our ability to earn Consulting revenue.

Our officers and directors have experience in the real estate industry but limited experience in the consulting sector. While our president has been an agent, broker, property manager and principal, he has limited experience in real estate consulting to third parties. Our management's lack of experience could hinder their ability to successfully consult on real estate projects that will result in clients retaining our services. It is likely that our management's inexperience with real estate consulting will hinder our ability to earn revenue. Each potential investor must carefully consider the lack of experience of our officers and directors before purchasing our common stock.

Our officers and directors have limited experience in operating a public company, which could prevent us from successfully implementing our business plan and impede our ability to earn revenue.

Our officers and directors have limited experience in operating a public company. While they have experience in operating companies, their limited experience in operating a public company could hinder their ability to successfully comply with the reporting and other requirements imposed on public companies. It is likely that our management's limited experience with operating a public company will hinder our ability to earn revenue and comply with various reporting requirements. Each potential investor must carefully consider the lack of experience of our officers and directors before purchasing our common stock.

Key management personnel may leave us, which could adversely affect our ability to continue operations.

We are entirely dependent on the efforts of David Behrend, our president, chief executive officer and sole director as well as our offices. The loss of our officers and sole director, or of other key personnel hired in the future, could have a material adverse effect on the business and its prospects. There is currently no employment contract by and between any office/director and us. Also, there is no guarantee that replacement personnel, if any, will help us to operate profitably. They have been and continue to expect to be able to commit approximately 40 hours per week of their time, to the development of our business plan in the next six months. If management is required to spend additional time with their outside employment, they may not have sufficient time to devote to us and we would be unable to develop our business plan resulting in the business failure.

We do not maintain key person life insurance on our officers and sole director.

If we are unable to obtain additional funding our business operation will be harmed, and if we do obtain additional funding, our then existing shareholders may suffer substantial dilution.

We have limited financial resources. As of December 31, 2018, we had \$2,310 of cash on hand and total assets of \$3,385,071. If we are unable to develop our business or secure additional funds our business would fail, and our shares may be worthless. We may seek to obtain debt financing as well. There is no assurance that we will not incur debt in the future, that we will have sufficient funds to repay any indebtedness, or that we will not default on our debt obligations, jeopardizing our business viability. Furthermore, we may not be able to borrow or raise additional capital in the future to meet our needs, or to otherwise provide the capital necessary to conduct our business. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. The inability to obtain additional capital will restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our business plans and possibly cease our operations. Any additional equity financing may involve substantial dilution to our then existing shareholders.

In the future, we may seek additional financing through the sale of our common or preferred stock resulting in dilution to existing shareholders.

The most likely source of future financing presently available to us is through the sale of shares of our common or preferred stock. Any sale of common or preferred stock will result in dilution of equity ownership to existing shareholders. This means that, if we sell shares of our common or preferred stock, more shares will be outstanding and each existing shareholder will own a smaller percentage of the shares then outstanding, which will result in a reduction in the value of an existing shareholder's interest. To raise additional capital, we may have to issue additional shares, which may substantially dilute the interests of existing shareholders. Alternatively, we may have to borrow large sums, and assume debt obligations that require us to make substantial interest and capital payments.

We cannot guarantee we will be successful in generating revenue in the future or be successful in raising funds through the sale of shares to pay for our business plan and expenditures. Failure to generate additional revenue may cause us to go out of business, which may result in the complete loss of your investment.

Competition in the real estate consulting industry is strong.

The marketplace in which we compete is intensely competitive and subject to rapid change. Our competitors include well established enterprises. Some of these competitors are based globally. We anticipate that we will face additional competition from new entrants that may offer significant performance, price, creative or other advantages over those offered by us. Many of these competitors have greater name recognition and resources than us.

Additionally, potential competitors with established market shares and greater financial resources may introduce competing projects. Thus, there can be no assurance that we will be able to compete successfully in the future or that competition will not have a material adverse effect on our operations. Increased competition could result in lower than expected operating margins or loss of the ability to engage distributors of their productions, either of which would materially and adversely affect our business, results of operation and financial condition.

We operate in a regulated industry and changes in regulations or violations of regulations may result in increased costs or sanctions that could reduce our revenues and profitability.

The real estate consulting industry is subject to extensive and complex federal and state laws and regulations related to safety, conduct of operations, and payment for services. If we fail to comply with the laws and regulations that are directly applicable to our business, we could suffer civil and/or criminal penalties or be subject to injunctions and delays in production schedules orders.

Federal and state governments may regulate certain aspects of the real estate industry. Our ability to cost effectively market our services as they related to real estate projects could be affected by such regulations. The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by courts or regulatory bodies could require us to incur significant compliance costs, cause the development of the affected markets to become impractical and otherwise have a material adverse effect on our business, results of operations and financial condition.

Our officers and sole director are required to commit time to our affairs and, accordingly, may have conflicts of interest in allocating management time among various business activities. During other business activities, they may become aware of business opportunities that may be appropriate for presentation to us, as well as the other entities with which they are affiliated. As such, there may be conflicts of interest in determining to which entity a business opportunity should be presented.

To resolve such potential conflicts of interest, our officers and sole director have agreed that any opportunities that they are aware of independently or directly through their association with us (as opposed to disclosure to them of such business opportunities by management or consultants associated with other entities) would be presented by them solely to us.

We cannot provide assurances that our efforts to eliminate the potential impact of conflicts of interest will be effective.

Since the effective date of our registration statement, we are required to file periodic reports with the SEC pursuant to the Exchange Act and the rules and regulations promulgated thereunder. To comply with these requirements, our independent registered public accounting firm must review our financial statements on a quarterly basis and audit our financial statements on an annual basis. Moreover, our legal counsel should review and assist in the preparation of such reports. The costs charged by these professionals for such services cannot be accurately predicted now because factors such as the number and type of transactions that we engage in and the complexity of our reports cannot be determined now and will have a major effect on the amount of time to be spent by our auditors and attorneys. However, the incurrence of such costs will obviously be an expense to our operations and thus have a negative effect on our ability to meet our overhead requirements and earn a profit. We may be exposed to potential risks resulting from any new requirements under Section 404 of the Sarbanes-Oxley Act of 2002. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market ever develops, could drop significantly.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that:

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

Our internal controls may be inadequate or ineffective, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

We have only one director. Accordingly, we cannot establish board committees comprised of independent members to oversee functions like compensation or audit issues. In addition, since we only have one director, he has significant control over all corporate issues. We do not have an audit or compensation committee comprised of independent directors. Our sole director performs these functions and is not an independent director. Thus, there is a potential conflict in that sole director is also engaged in management and participates in decisions concerning management compensation and audit issues that may affect management performance.

Until we have a larger board of directors that would include some independent members, if ever, there will be limited oversight of our director's decisions and activities and little ability for minority shareholders to challenge or reverse those activities and decisions, even if they are not in the best interests of minority shareholders.

If our real estate property prices and rents begin to fall, or we do not generate revenues from tenant rentals to cover our property expenses, our business would fail.

Real estate projects involve substantial risks, because it requires that we spend significant funds based entirely on our preliminary evaluation of a rental income from potential tenants. It is impossible to predict the success of any project. The ability of a real estate project to be commercially successful can depend upon a variety of unpredictable factors, including:

- Tenants or investors taste, which is always subject to change;
- The quantity and popularity of other real estate projects in the vicinity;
- The competition for real estate and rental units

We will rely upon consultants for web-further enhancement and maintenance of our website and the consultant may not maintain it in a manner that is necessary to promote and recruit personnel and potential clients effectively.

We have developed a website that will help us attract personnel and clients. It is a basic website to located at www.hubilu.com. We intend to use the website as a promotional and recruiting tool for potential clients as well as a tool for soliciting projects to consult on with real estate owners. We intend to constantly monitor and make improvements to our website. If we do not further develop our website, we may not be able to adequately access clients or projects to develop consulting revenues.

RISKS RELATED TO THE OWNERSHIP OF OUR SECURITIES

Investors may lose their entire investment if we fail to implement our business plan.

As a real estate consulting and acquisition company that commenced operations in June 2015, and we expect to face substantial risks, uncertainties, expenses and difficulties. We were formed on March 2, 2015. We have a limited demonstrable operations record, on which you can evaluate our business and prospects. As of the date of this Annual Report on Form 10K, our operations have been devoted to implementing our business plan, acquiring 6 properties, and looking for investment opportunities whereby we can acquire real property and operate it. Our revenues have also included some minor consulting engagements, which include related parties. We cannot guarantee that we will be successful in accomplishing our objectives. Taking these facts into account, our independent auditors have expressed concern about our ability to continue as a going concern in the independent auditors' report to the financial statements. In addition, our lack of operating capital could negatively impact the value of our common shares and could result in the loss of your entire investment.

Participation is subject to risks of investing in micro capitalization companies.

Micro capitalization companies generally have limited product lines, markets, market shares and financial resources. The securities of such companies, if traded in the public market, may trade less frequently and in more limited volume than those of more established companies. Additionally, in recent years, the stock market has experienced a high degree of price and volume volatility for the securities of micro capitalization companies. Micro capitalization companies that trade in the over-the-counter markets have experienced wide price fluctuations not necessarily related to the operating performance of such companies.

There has not been any established trading market for our common stock, and there is currently a limited public market for our securities. Our shares are quoted on the OTC Pink. There can be no assurances as to whether:

- (i) any market for our shares will develop;
- (ii) the prices at which our common stock will trade; or
- (iii) the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

In addition, our common stock is unlikely to be followed by any market analysts, and there may be few institutions acting as market makers for our common stock. Either of these factors could adversely affect the liquidity and trading price of our common stock. Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these Risk Factors, investor perception of us and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

Because of the anticipated low price of the securities being registered, many brokerage firms may not be willing to effect transactions in these securities. Purchasers of our securities should be aware that any market that develops in our stock would be subject to the penny stock restrictions.

The trading of our securities will be in the over-the-counter market, which is commonly referred to as the OTC Markets. Thus, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the price of our securities.

Rule 3a51-1 of the Exchange Act establishes the definition of a “penny stock,” for purposes relevant to us, as any equity security that has a minimum bid price of less than \$4.00 per share or with an exercise price of less than \$4.00 per share, subject to a limited number of exceptions that are not available to us. It is likely that our shares will be a penny stock for the immediately foreseeable future. This classification severely and adversely affects any market liquidity for our common stock.

For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker or dealer approve a person’s account for transactions in penny stocks and the broker or dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased. To approve a person’s account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience and objectives of the person and make a reasonable determination that the transactions in penny stocks are suitable for that person and that that person has sufficient knowledge and experience in financial matters to evaluate the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth:

- the basis on which the broker or dealer made the suitability determination, and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also must be made about the risks of investing in penny stock in both public offerings and in secondary trading and commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Additionally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may not wish to engage in the above-referenced necessary paperwork and disclosures and/or may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of selling shareholders or other holders to sell their shares in any secondary market and have the effect of reducing the level of trading activity in any secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities, if our securities become publicly traded. In addition, the liquidity for our securities may decrease, with a corresponding decrease in the price of our securities. Our shares probably will be subject to such penny stock rules for the foreseeable future and our shareholders will, in all likelihood, find it difficult to sell their securities.

Our management believes that the market for penny stocks has suffered from patterns of fraud and abuse. Such patterns include:

- Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- “Boiler room” practices involving high pressure sales tactics and unrealistic price projections by sales persons;

- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- Wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

There is currently a limited public market for our common stock, and there can be no assurance that any established public market would develop in the foreseeable future. Transfer of our common stock may also be restricted under the securities or securities regulations laws promulgated by various states and foreign jurisdictions, commonly referred to as “Blue Sky” laws. Absent compliance with such individual state laws, our common stock may not be traded in such jurisdictions. Because the securities registered hereunder have not been registered for resale under the blue-sky laws of any state, the holders of such shares and persons who desire to purchase them in any trading market that might develop in the future, should be aware that there may be significant state blue-sky law restrictions upon the ability of investors to sell the securities and of purchasers to purchase the securities. These restrictions prohibit the secondary trading of our common stock. We currently do not intend to and may not be able to qualify securities for resale in at least 17 states which do not offer manual exemptions (or may offer manual exemptions) and require shares to be qualified before they can be resold by our shareholders. Accordingly, investors should consider the secondary market for our securities to be a limited one.

Because insiders control our activities, they may cause us to act in a manner that is most beneficial to them and not to outside shareholders, which could cause us not to take actions that outside investors might view favorably, and which could prevent or delay a change in control.

David Behrend, our chairman, chief executive officer and president, controls Jacaranda Investments, Inc., which owns 25,000,000 common shares representing 96.33% of the outstanding common stock. Thus, it effectively controls all matters requiring director and stockholder approval, including the election of directors, the approval of significant corporate transactions, such as mergers and related party transactions. This insider also can delay or perhaps even block, by its ownership of our stock, an unsolicited tender offer. This concentration of ownership could have the effect of delaying, deterring or preventing a change in control of our company that you might view favorably.

Our sole director has authority, without action or vote of the shareholders, to issue all or part of the authorized but unissued common shares. Such issuances may be issued to parties or entities committed to supporting existing management and the interests of existing management which may not be the same as the interests of other shareholders. Our ability to issue shares without shareholder approval serves to enhance existing management’s ability to maintain control of us.

Our Certificate of Incorporation at Article Ten provides for indemnification as follows: “No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law, (i) for breach of the director’s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Tenth shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.”

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with our activities, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter if it were to occur is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares, if such a market ever develops.

Except for the 235,000 shares that were registered pursuant to our registration statement, 359,500 shares that had the restrictive legend removed under Rule 144 and 254,265 shares held by our majority shareholder that had the restrictive legend removed under Rule 144, the remaining outstanding shares of common stock (25,103,360 shares are “restricted securities” as defined under Rule 144 promulgated under the Securities Act and may only be sold pursuant to an effective registration statement or an exemption from registration, if available. Rule 144 provides that a person who is not an affiliate and has held restricted securities for a prescribed period of at least six (6) months if purchased from a reporting issuer or twelve (12) months if purchased from a non-reporting Company, may, under certain conditions, sell all or any of his shares without volume limitation, in brokerage transactions. Affiliates, however, may not sell shares more than 1% of the Company’s outstanding common stock every three months. Because of revisions to Rule 144 which became effective on February 15, 2008, there is no limit on the amount of restricted securities that may be sold by a non-affiliate (i.e., a stockholder who has not been an officer, director or control person for at least 90 consecutive days) after the restricted securities have been held by the owner for the prescribed period. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

We have never paid cash dividends on our common stock. We do not expect to pay cash dividends on our common stock at any time in the foreseeable future. The future payment of dividends directly depends upon our future earnings, capital requirements, financial requirements and other factors that our sole director will consider. Since we do not anticipate paying cash dividends on our common stock, return on your investment, if any, will depend solely on an increase, if any, in the market value of our common stock. We pay a 5% dividend on our Series 1 convertible preferred stock, which is paid in kind.

The Sarbanes-Oxley Act of 2002, as well as rule changes proposed and enacted by the SEC, the New York and American Stock Exchanges and the Nasdaq Stock Market, because of Sarbanes-Oxley, requires the implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities that are listed on those exchanges or the Nasdaq Stock Market. Because we are not presently required to comply with many of the corporate governance provisions and because we chose to avoid incurring the substantial additional costs associated with such compliance any sooner than legally required, we have not yet adopted these measures.

Because our sole director is not an independent director, we do not currently have independent audit or compensation committees. Thus, this sole director has the ability, among other things, to determine his own level of compensation. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest, if any, and similar matters and investors may be reluctant to provide us with funds necessary to expand our operations.

We intend to comply with all corporate governance measures relating to director independence as and when required. However, we may find it very difficult or be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management because of Sarbanes-Oxley Act of 2002. The enactment of the Sarbanes-Oxley Act of 2002 has resulted in a series of rules and regulations by the SEC that increase responsibilities and liabilities of directors and executive officers. The perceived increased personal risk associated with these recent changes may make it costlier or deter qualified individuals from accepting these roles.

You may have limited access to information regarding our business because our obligations to file periodic reports with the SEC could be automatically suspended under certain circumstances.

As of the effective date of our registration statement, October 27, 2015, we became subject to certain informational requirements of the Exchange Act, as amended and we are required to file periodic reports (i.e., annual, quarterly and special reports) with the SEC which will be immediately available to the public for inspection and copying. Except during the year that our registration statement becomes effective, these reporting obligations may (in our sole discretion) be automatically suspended under Section 15(d) of the Exchange Act if we have less than 300 shareholders and do not file a registration statement on Form 8A. We filed a Form 8A. However, we will not be required to furnish proxy statements to security holders and our director, officers and principal beneficial owners will not be required to report their beneficial ownership of securities to the SEC pursuant to Section 16 of the Exchange Act until we have both 500 or more security holders and greater than \$10 million in assets. This means that your access to information regarding our business will be limited.

We will incur ongoing costs and expenses for SEC reporting and compliance; without revenue, we may not be able to remain in compliance, making it difficult for investors to sell their shares, if at all.

To be eligible for quotation on the OTC Markets, we must remain current in our filings with the SEC. Market makers are not permitted to begin quotation of a security whose issuer does not meet this filing requirement. Securities already quoted on the OTC Markets that become delinquent in their required filings will be removed following a 30 or 60 day grace period if they do not make their required filing during that time. For us to remain in compliance we will require future revenues to cover the cost of these filings, which could comprise a substantial portion of our available cash resources. If we are unable to generate sufficient revenues to remain in compliance it may be difficult for you to resell any shares you may purchase, if at all.

For all the foregoing reasons and others set forth herein, an investment in our securities in any market that may develop in the future involves a high degree of risk.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We currently own 4 limited liability companies, which each own a residential rental property, except for Sunza Investments, LLC which owns 2 properties. All properties are located in Los Angeles, California. The first property is a 2,433 square foot residential rental located on a 4,373 square foot lot and consists of 9 rooms. The second property is a 2,406 square foot residential rental located on a 4,320 square foot lot and consists of 8 single units and one 2 bedroom unit. The third is a 1,674 square foot residential rental located on 3,582 square foot lot and consists of 6 rooms. The fourth is a 1,527 square foot residential rental located on a 5,396 square foot lot and consists of 8 rooms. The fifth is a 1,280 square foot residential rental located on a 2,924 square foot lot and consists of 7 rooms.

From April 2015 to February 2016, our executive, administrative and operating offices were located at 9777 Wilshire Boulevard, Suite 804, Beverly Hills, CA 90212. We did not have a written lease with the landlord and an unrelated third party provided us with space, on a month-to-month basis, for no cost. On March 4, 2016, we executed a written lease for 750 square feet of space for \$2,200 per month. Our majority shareholder advanced us the first month prorated rent of \$1,703 and \$6,600 for the landlord’s security deposit and has continue to advance us funds for working capital, which we use to pay our rent. Our current lease is on a month to month basis and is \$2,300 per month.

Item 3. Legal Proceedings

We are not involved in any legal proceedings nor are we aware of any pending or threatened litigation against us. None of our officers or director is a party to any legal proceeding or litigation. None of our officers or director has been convicted of a felony or misdemeanor relating to securities or performance in corporate office.

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

Our Common Stock is quoted on the OTC Pink under the symbol “HBUV.” For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Quarter	Fiscal 2018	
	High	Low
First Quarter Ended March 31	\$ 2.50	\$ 0.70
Second Quarter Ended June 30	\$ 1.45	\$ 0.80
Third Quarter Ended September 30	\$ 1.55	\$ 0.70
Fourth Quarter Ended December 31	\$ 2.00	\$ 0.55

We have 500,400 shares of our Series 1 convertible preferred stock that is convertible into shares of our common stock. The conversion provisions are discussed in our footnotes to our financial statements. In general, under Rule 144, a holder of restricted common shares who is an affiliate at the time of the sale or any time during the three months preceding the sale can resell shares, subject to the restrictions described below.

If we have been a public reporting company under the Exchange Act for at least 90 days immediately before the sale, then at least six months must have elapsed since the shares were acquired from us or one of our affiliates, and we must remain current in our filings for an additional period of six months; in all other cases, at least one year must have elapsed since the shares were acquired from us or one of our affiliates.

The number of shares sold by such person within any three-month period cannot exceed the greater of:

- 1% of the total number of our common shares then outstanding; or
- The average weekly trading volume of our common shares during the four calendar weeks preceding the date on which notice on Form 144 with respect to the sale is filed with the SEC (or, if Form 144 is not required to be filed, the four calendar weeks preceding the date the selling broker receives the sell order) This condition is not currently available to the Company because its securities do not trade on a recognized exchange.

Conditions relating to the manner of sale, notice requirements (filing of Form 144 with the SEC) and the availability of public information about us must also be satisfied.

25,103,360 of the presently outstanding shares of our common stock are “restricted securities” as defined under Rule 144 promulgated under the Securities Act and may only be sold pursuant to an effective registration statement or an exemption from registration, if available. The SEC has adopted final rules amending Rule 144, which have become effective on February 15, 2008. Pursuant to the new Rule 144, one year must elapse from the time a “shell company,” as defined in Rule 405 of the Securities Act and Rule 12b-2 of the Exchange Act, ceases to be a “shell company” and files a Form 8-K addressing Item 5.06 with such information as may be required in a Form 10 registration statement with the SEC, before a restricted shareholder can resell their holdings in reliance on Rule 144. Form 10 information is equivalent to information that a company would be required to file if it were registering a class of securities on Form 10 under the Exchange Act. Under the amended Rule 144, restricted or unrestricted securities that were initially issued by a reporting or non-reporting shell company or a company that was at any time previously a reporting or non-reporting shell company can only be resold in reliance on Rule 144 if the following conditions are met:

1. the issuer of the securities that was formerly a reporting or non-reporting shell company has ceased to be a shell company;
2. the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
3. the issuer of the securities has filed all reports and material required to be filed under Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding twelve months (or shorter period that the Issuer was required to file such reports and materials), other than Form 8-K reports; and
4. at least one year has elapsed from the time the issuer filed the current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

We do not believe we are classified as a “shell company” under Rule 405 of the Securities Act Rule 12b-2 of the Exchange Act.

Current Public Information

In general, for sales by affiliates and non-affiliates, the satisfaction of the current public information requirement depends on whether we are a public reporting company under the Exchange Act:

- If we have been a public reporting company for at least 90 days immediately before the sale, then the current public information requirement is satisfied if we have filed all periodic reports (other than Form 8-K) required to be filed under the Exchange Act during the 12 months immediately before the sale (or such shorter period as we have been required to file those reports).
- If we have not been a public reporting company for at least 90 days immediately before the sale, then the requirement is satisfied if specified types of basic information about us (including our business, management and our financial condition and results of operations) are publicly available.

However, no assurance can be given as to:

- the likelihood of a market for our common shares developing,
- the liquidity of any such market,
- the ability of the shareholders to sell the shares, or
- the prices that shareholders may obtain for any of the shares.

No prediction can be made as to the effect, if any, that future sales of shares or the availability of shares for future sale will have on the market price prevailing from time to time. Sales of substantial amounts of our common shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the common shares.

Common Stock Currently Outstanding

As of December 31, 2018, we have 25,730,500 shares of our common stock outstanding.

Series 1 Preferred Stock Currently Outstanding

As of December 31, 2018, we have 500,400 shares of our Series 1 convertible preferred stock outstanding. (December 31, 2017: 460,400 Series 1 convertible preferred stock).

Holder

As of the date of this Report, we had 69 stockholders of record of our common stock and 12 stockholders of record on our Series 1 convertible preferred stock.

Dividends

We have not declared any cash dividends on our common stock since our Date of Incorporation and do not anticipate paying any dividends in the foreseeable future. We plan to retain future earnings, if any, for use in our business. Any decisions as to future payments of dividends will depend on our earnings and financial position and such other facts, as our Director deems relevant.

The holders of our Series 1 convertible preferred stock are entitled to a 5% paid-in-kind dividend on their shares.

Transfer Agent

Globex Stock Transfer, LLC, is our independent stock transfer agent.

Recent Sales of Unregistered Securities

Common stock

On August 19, 2016, we issued 99,500 shares of our common stock, valued at \$0.10 per share, for \$9,950, to 5 consultants as stock-based compensation. The shares were issued to accredited investors in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On August 30, 2016, we issued 30,000 shares of our common stock, valued at \$0.10 per share, for \$3,000, to a consultant as stock-based compensation. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On September 14, 2016, we issued 1,500 shares of our common stock, valued at \$0.10 per share, for \$150, to a consultant as stock-based compensation. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On October 1, 2016, we issued 50,000 shares of our common stock, valued at \$0.10 per share, for \$5,000, to 5 officers as stock-based compensation. The shares were issued to a accredited investors in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On January 5, 2018, we issued 144,000 shares of our common stock, valued at \$0.95 per share, for \$136,800, to a consultant as stock-based compensation. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 1, 2018, we issued 30,000 shares of our common stock, valued at \$1.00 per share, for \$30,000, to a consultant as stock-based compensation. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 1, 2018, we issued 15,000 shares of our common stock, valued at \$1.00 per share, for \$15,000, to 3 officers as stock-based compensation. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 1, 2018, we issued 15,000 shares of our common stock, valued at \$1.00 per share, for \$15,000 to 3 consultants as stock-based compensation. The shares were issued to a non- accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 1, 2019, we issued 50,000 shares of our common stock, valued at \$0.30 per share, for \$15,000, to a consultant as stock-based compensation. The shares were issued to a non- accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 1, 2019, we issued 121,625 shares of our common stock, valued at \$0.30 per share, for \$36,488, to 2 officers as stock-based compensation. The shares were issued to accredited investors in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

Preferred Stock

On September 13, 2016, we issued 1,800 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share, valued at \$1,800, for \$1,800 in cash. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On September 16, 2016, we issued 5,000 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share, valued at \$5,000 in exchange for \$5,000 in cash. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On September 27, 2016, we issued 3,600 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share, valued at \$3,600, in exchange for \$3,600 in cash. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On April 10, 2017, we issued 283,500 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share valued at \$283,500 to our majority shareholder in exchange for membership interests in one of our limited liability companies. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On April 10, 2017, we issued 27,000 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share, valued at \$27,000 to a trust, in exchange for its membership interests in one of our limited liability companies. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On April 10, 2017, we issued 139,500 shares of our Series 1 Preferred Stock, at a price of \$1.00 per share, valued at \$139,500 to a related party, who is now deceased, in exchange for a portion of the membership interest in one of our limited liability companies. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On January 25, 2018, we issued 10,000 shares of our Series 1 Preferred Stock at a price of \$1.00 per share valued at \$10,000. The proceeds were for working capital. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On January 25, 2018, we issued 10,000 shares of our Series 1 Preferred Stock at a price of \$1.00 per share valued at \$10,000. The proceeds were for working capital. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On March 14, 2018, we issued 10,000 shares of our Series 1 Preferred Stock at a price of \$1.00 per share valued at \$10,000. The proceeds were for working capital. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

On March 14, 2018, we issued 10,000 shares of our Series 1 Preferred Stock at a price of \$1.00 per share valued at \$10,000. The proceeds were for working capital. The shares were issued to an accredited investor in a transaction that is exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

The Preferred Stock has the following rights and privileges:

Voting – The holders of the Preferred Stock shall be entitled to the number of votes equal to the number of shares of common stock into which such shares of Preferred Stock could be converted.

Change – Each share of Preferred Stock, is convertible at the option of the holder, into shares of common stock, at the lesser of \$0.50 per share or a ten percent (10%) discount to the average closing bid price of the common stock 5 days prior to the notice of conversion. The Preferred Stock is also subject to certain adjustments for dilution, if any, resulting from future stock issuances, including for any subsequent issuance of common stock at a price per share less than that paid by the holders of the Preferred Stock.

Dividends – The holders of the Preferred Stock in preference to the holders of common stock, are entitled to receive, if and when declared by the Board of Directors, dividends at the rate of \$0.05 per share per annum, in kind, which shall accrue quarterly. Such dividends are cumulative. No such dividends have been declared to date. In addition, the holders of the Preferred Stock are entitled to receive a dividend, in kind equal, to any dividend paid on common stock, when and if declared by the board, on the basis of the number of common shares into which a share of Preferred Stock may be convertible.

Liquidation – In the event of any liquidation, dissolution, winding-up or sale or merger of the Company, whether voluntarily or involuntarily, each holder of Preferred Stock is entitled to receive, in preference to the holders of common stock, a per-share amount equal to the original issue price of \$1.00 (as adjusted, as defined), plus all declared but unpaid dividends.

The Preferred Stock matures on September 30, 2019. We intend to extend the conversion date to September 30, 2020.

Additional Information

Copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, are available free of charge on the Internet at www.sec.gov. All statements made in any of our filings, including all forward-looking statements, are made as of the date of the document, in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

Item 6. Selected Financial Data

Not required under Regulation S-K for “smaller reporting companies.”

Item 7. Management’s Discussion and Analysis of Financial Conditions and Results of Operations

This Annual Report on Form 10-K contains forward-looking statements. Our actual results could differ materially from those set forth because of general economic conditions and changes in the assumptions used in making such forward-looking statements. The following discussion and analysis of our financial condition and results of operations should be read together with the audited consolidated financial statements and accompanying notes and the other financial information appearing elsewhere in this Report. The analysis set forth below is provided pursuant to applicable Securities and Exchange Commission regulations and is not intended to serve as a basis for projections of future events. Refer also to “Risk Factors” and “Cautionary Note Regarding Forward Looking Statements” in Item 1 above.

The following is management’s discussion and analysis of financial condition and results of operations and is provided as a supplement to the accompanying financial statements and notes to help provide an understanding of our financial condition, results of operations and cash flows during the periods included in the accompanying financial statements.

In this Annual Report on Form 10-K, “Company,” “the Company,” “us,” and “our” refer to Hubilu Venture Corporation, a Delaware corporation, unless the context requires otherwise.

We intend the following discussion to assist in the understanding of our financial position as of December 31, 2018 and 2017 and our results of operations for the year ended December 31, 2018 and 2017. You should refer to the Financial Statements and related Notes in conjunction with this discussion.

Results of Operations

General

We are a startup enterprise that commenced operations on March 5, 2015, which, until June 2015, has been limited to organizational and business development activities. We are real estate advisory and consulting company that assists real estate investor professionals, as well as established companies, with advisory and consulting services focused on providing research, analysis and acquisition opportunities to them. Our mission is to assist investors and professionals in the early stage analysis of market opportunities and the evaluation of properties prior to them committing capital for the purchase or the leasing of real estate properties. We intend to focus our initial marketing efforts in the commercial markets; however, we will also look at residential and income producing markets. We intend to use the Internet as well as the services of independent sales consultants to market our services to investors and professionals in Southern California with our initial efforts focused in Beverly Hills and Los Angeles. We have had limited operations and have limited financial resources. Our auditors indicated in their report on our financial statements (the “Report”) that “the Company’s lack of business operations and early losses raise substantial doubt about our ability to continue as a going concern.” Our operations from March 2, 2015 (Date of Incorporation) to August 2019 were devoted primarily to development, operational activities, and acquisitions which included:

1. Formation of the Company;
2. Development of our business plan;
3. Evaluating various target real estate professionals and investors to market our services;
4. Research on marketing channels/strategies for our services;
5. Secured our website domain www.hubilu.com and beginning the development of our initial online website; and
6. Research on services and the pricing of our services.

Commencing in June 2015, we engaged our first client, 112 South Eucalyptus Avenue, LLC, to assist it in evaluating the best use of its property.

We intend to provide services to target investors and professionals with the mission to assist them in investment and property evaluation strategies and provide hands-on support to reduce evaluation time and resources and increase the speed for them to determine whether to proceed with a real estate lease or investment. Besides general property evaluation services, we intend to offer services to assist the principals with property development ideas and investment structure.

Our goal is to assist investors by providing them with the property opportunities, analysis and guidance to enhance their ability to purchase or lease real estate. We are not real estate brokers and do not intend to offer brokerage services. We intend to initially target businesses in Southern California.

As of December 31, 2018, we had \$2,310 cash on hand. Management does not believe this amount will satisfy our cash requirements for the next twelve months. We plan to satisfy our future cash requirements - primarily the working capital required for operations by loans from our shareholders or additional equity financing. The additional equity financings will likely be in the form of private placements of common stock. As of December 31, 2018, the Company has borrowed \$485,300 from a majority shareholder.

Management believes that if subsequent private placements are successful, we will generate sales revenue within the following twelve months thereof. However, additional equity financing may not be available to us on acceptable terms or at all, and thus we could fail to satisfy our future cash requirements.

If we are unsuccessful in raising the additional proceeds through a private placement offering, we will then have to seek additional funds through debt financing, which would be highly difficult for a new development stage company with nominal assets to secure. Therefore, we are highly dependent upon the success of a future private placement offering and failure thereof would result in our having to seek capital from other resources such as debt financing, which may not even be available to us. However, if such financing were available, because we are a startup company with no operations to date, we would likely have to pay additional costs associated with high-risk loans and be subject to an above market interest rate. At such time these funds are required, management would evaluate the terms of such debt financing and determine whether the business could sustain operations and growth and manage the debt load. If we cannot raise additional proceeds via a private placement of our common stock or secure debt financing, we would be required to cease business operations. As a result, investors in our common stock would lose all of their investment.

We have no current plans, preliminary or otherwise, to merge with any other entity although we may consider such plans in the future.

At the present time, we intend to seek various investors to obtain additional equity financing. There can be no assurance that we will be successful in obtaining additional capital from these negotiations. If are unable to raise additional capital, we will either suspend marketing operations until we do raise the cash or cease operations entirely. Other than as described in this paragraph and the preceding paragraphs, we have no other financing plans.

Management does not plan to hire additional employees at this time. Our officers and directors, as well as independent contractors, will be responsible for providing consulting services.

Critical Accounting Policy and Estimates. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. In addition, these accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in this Annual Report on Form 10-K.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the year ended December 31, 2018 and 2017, respectively together with notes thereto, which are included in this Annual Report on Form 10-K.

For the Year Ended December 31, 2018 compared to the year ended December 31, 2017.

Revenues. Our rental revenues increased \$107,255, or 90.56%, to \$225,651 for the year ended December 31, 2018 compared to \$118,396 for the comparable period in 2017 due to acquisition of three vacant properties which were rehabbed and rented out.

Operating expenses. Operating expenses increased \$151,872, or 45.26%, to \$487,405 for the year ended December 31, 2018 compared to \$335,533 for the comparable period in 2017. Operating expenses are comprised of general and administrative expenses, consulting fees, depreciation, professional fees, property taxes, rent, repairs and maintenance, transfer agent and filing fees and utilities. The components of operating expenses are discussed below.

General and administrative expenses decreased \$6,460, or 15.89%, to \$34,199 for the year ended December 31, 2018 compared to \$40,659 for the comparable period in 2017. The decrease is due to increased efficiency.

Consulting expense increased \$184,692, or 189.39%, to \$282,212 for the year ended December 31, 2018 compared to \$97,520 for the comparable period in 2017. The increase is due to an increase in outside consultants for our marketing needs.

Depreciation decreased \$10,243, or 20.67%, to \$39,312 for the year ended December 31, 2018 compared to \$49,555 for the comparable period in 2017.

Professional fees decreased \$13,118, or 18.55%, to \$57,591 for the year ended December 31, 2018 compared to \$70,709 for the comparable period in 2017. Professional fees consisted of legal fees and accounting fees.

Property taxes increased \$7,878, or 42.75%, to \$21,639 for the year ended December 31, 2018 compared to \$13,761 for the comparable period in 2017. The increase is due to the acquisition of our 3 additional rental properties in 2018.

Rent increased \$225, or 0.82%, to \$27,625 for the year ended December 31, 2018 compared to \$27,400 for the comparable period in 2017. The increase is due to a slight increase in our rent.

Transfer agent and filing fees decreased \$5,864, or 20.32%, to \$1,495 for the year ended December 31, 2018 compared to \$7,359 for the comparable period in 2017. The decrease is due to less company filings.

Utilities increased \$4,211, or 40.01%, to \$14,737 for the year ended December 31, 2018 compared to \$10,526 for the comparable period in 2017. The increase is due to the acquisition of our 2 more rental properties in 2017.

Net Loss. Our net loss increased \$132,950, or 55.97%, to \$370,473 for the year ended December 31, 2018 compared to \$237,523 for the comparable period in 2017. The increase in loss is attributable to our consulting expenses as set forth above.

Liquidity and Capital Resources. In 2018, our majority shareholder provided us with \$135,600 in related party advances and we acquired \$300 in cash from the 4 limited liability companies, which own our 5 properties. Our majority shareholder has agreed not to seek repayment of its advances until we are financially able to repay them.

Our total assets are \$3,385,071 as of December 31, 2018, consisting of \$3,374,661 in investments in real estate, net of \$88,867 in depreciation, \$2,310 in cash, \$6,600 in deposits and \$1,500 in prepaid expenses.

Our total liabilities are \$3,973,936 as of December 31, 2018 and \$2,171,982 as of December 31, 2017.

Our total stockholders' deficit is \$588,865 for the year ended December 31, 2018, and as of December 31, 2018, our accumulated deficit is \$913,315.

Our net cash used by operations was \$119,832 for the year ended December 31, 2018.

Our investing activities used a total of \$31,544 for the year ended December 31, 2018 as a result of paying a commission of \$12,500 for the acquisition of a property as well as incurring \$19,044 on building improvements.

We had \$141,698 in cash provided by financing activities for the year ended December 31, 2018. The increase is due to \$135,900 provided by a related party, an advance of \$12,000 and the sale of preferred shares for \$40,000 offset by a \$22,202 decrease in property indebtedness and a \$24,000 decrease in promissory note repayments.

We do not now have funds sufficient for pursuing our plan of operation, but we are in the process of trying to procure funds sufficient to fund our operations until we can finance our operations through cash flow. There can be no assurance that we will be able to procure funds sufficient for such purpose. If operating difficulties or other factors (many of which are beyond our control) delay our realization of revenues or cash flows from operations, we may be limited in our ability to pursue our business plan. Moreover, if our resources from obtaining additional capital or cash flows from operations, once we commence them, do not satisfy our operational needs or if unexpected expenses arise due to unanticipated pressures or if we decide to expand our business plan beyond its currently anticipated level or otherwise, we will require additional financing to fund our operations, in addition to anticipated cash generated from our operations. Additional financing might not be available on terms favorable to us, or at all. If adequate funds were not available or were not available on acceptable terms, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our business or otherwise respond to competitive pressures would be significantly limited. In a worst-case scenario, we might not be able to fund our operations or to remain in business, which could result in a total loss of our stockholders' investment. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders would be reduced, and these newly issued securities might have rights, preferences or privileges senior to those of existing stockholders.

The Company had no formal long-term lines or credit or other bank financing arrangements as of December 31, 2018 or 2017.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any changes in the number of employees.

Income Tax Expense (Benefit)

The Company has a prospective income tax benefit resulting from a net operating loss carryforward and startup costs that may offset any future operating profit.

Impact of Inflation

The Company believes that inflation has had a negligible effect on operations over the past quarter.

Capital Expenditures

The Company expended \$19,044 on capital expenditures for the year ended December 31, 2018

Plan of Operation

We were incorporated in the State of Delaware on March 2, 2015. We have never declared bankruptcy, have never been in receivership, and have never been involved in any legal action or proceedings. Since incorporation, we have not made any significant purchase or sale of assets. We are a real estate consulting and acquisition company that has just begun to generate revenues through our real estate acquisitions. If we are unable to successfully continue to find customers who will engage us to provide real estate consulting services or in acquiring cash flow positive properties, we will be dependent on related party advances or the sale of securities for our working capital.

Our business strategy is to market our website (www.hubilu.com) whereby potential real estate users and investors will be able to review our consulting services and engage us. We will develop our presence on various e-commerce sites focused on the real estate, consulting and advisory industries as well as on mainstream sites such as Facebook, Twitter, and LinkedIn. We are also focusing on expanding our referral network by targeting other advisors such as lawyers, accountants, insurance agents, financial planners and other service professionals.

The number of companies, which we will be able to provide services to will depend upon the success of our marketing efforts through our website and our referral network.

112 South Eucalyptus Avenue, LLC, our first client, retained us to assist it in maximizing its return on equity for its property, and to source new properties for it to buy. We are evaluating various options for the client including a sale or a 1031 exchange. We are also advising the client on the use of strategies utilizing an all-inclusive trust deed (AITD) whereby the seller of real estate, with equity greater than its tax base, can spread the tax liability over the life of the loan underlying the AITD. This strategy also allows the seller to have an ongoing income stream, which is the primary objective of selling a property using an AITD. We have conducted a preliminary valuation of the property and have shown the opportunity to several potential investors. In the event we are unable to attract an interested party to purchase the property, we will then introduce the seller to an experienced real estate broker who understands AITDs and how to market the property to buyers. We are also in the process of seeking new properties for the client to buy, either as a stand-alone purchase or as part of a 1031 exchange.

Our business is advising and consulting with real estate users and investors by providing consulting services to support to their leasing or acquisition strategies. We intend to advise them on their capital formation, consulting with jurisdictional issues, property taxes, zoning, corporate structure, administrative functions, such as bookkeeping, accounting, regulatory compliance and reporting, valuation and other administrative tasks that real estate users and investors may not be familiar with or desire to operate internally.

We intend to work collaboratively with real estate users and investors, as well as their existing advisors, to assist them in the proper structure around proposed leases, development or acquisitions. We believe that by providing guidance and support to our potential clients and assisting them in structuring their leases, developments or acquisitions we believe we will enable them to achieve increased returns. We intend to partner and work with professional and technical advisors that have knowledge and expertise in real estate investors. To the extent that our potential clients request our assistance in seeking capital or accessing the capital markets, we intend to introduce them to the appropriate advisors who have the requisite expertise in the various areas that may require such expertise.

Our founder has access to strategic relationships with real estate investors, financial firms, investment bankers, brokers, individual and institutional investors as well as accountants and attorneys. Our founder has invested his capital in the real estate markets and has experience with real estate investing and management. We believe that a properly structured real estate transaction eases the ability to attract the equity capital from investors thereby allowing the necessary capital to develop or acquire the properties.

Our business is focused on acquiring vacant residential income properties that we rehabilitate and rent at student housing market values while simultaneously consulting and advising with real estate investors, professionals, and companies, We believe that this model of student housing acquisitions and consulting with investors will generate positive cash flow in growing the company, which will increase the evaluation of our stock, creating value for our investors and also obtaining client loyalty . The following are key elements of our strategy:

- Acquisition process has a strategic methodology when acquiring and calculating cost in not only purchasing but in rehab and the value in renting out to students near the USC campus and expanding LA Metro/subway stations. This allows favorable returns.

We may conduct limited research and development of additional services to offer. Further we do not expect significant changes in the number of employees. Upon completion of our public offering, our specific goal is to offer consulting services to real estate users and investors. Our plan of operations is as follows:

Expand and Enhance Our Website

Time Frame: 1st to 3rd months.
Material costs: \$3,000 to \$5,000.

We intend to further develop and enhance our website at www.hubilu.com. Our sole director and president, David Behrend, will oversee the further development and expansion of our website and the consulting and advisory services we are offering to potential clients. We hired a web designer to help us with the development and functionality of the website and intend to continue to enhance it. We do not have any written agreements with any web designers at current time. The website expansion costs, including site design and implementation will be approximately \$3,000 to \$5,000. Updating and improving our website will continue throughout the lifetime of our operations.

Negotiate agreements with potential referral sources and clients

Time Frame: 3rd to 6th.
No material costs.

Now that our website is operational, we have contacted and started negotiations with potential clients and referral sources. In June 2015, we engaged our first client. We will negotiate terms and conditions of collaboration. At the beginning, we plan to focus primarily on local advisors such as attorneys, accountants, insurance agents, title officers and financial planners. We do not expect to compensate any referral sources and will offer reciprocal referrals to any source that is willing to refer us clients; however, we may decide to compensate referral sources on a case-by-case basis. Then we plan to expand our target market to other service providers and investment professionals such as investment bankers. This activity will be ongoing throughout our operations. Even though the negotiation with potential customers and referral sources will be ongoing during the life of our operations, we cannot guarantee that we will be able to find successful agreements, in which case our business may fail and we will have to cease our operations. We do not expect to enter into formal written agreements with our referral sources and intend for these agreements to be oral. We intend to enter into real estate consulting agreements with our clients that will set forth the scope of services we agree to with these clients and provide for the hourly or flat rate billing arrangements.

In the future, when/if we have available resources, operating history and experience, we plan to contact larger referrals sources that have more established clients. However, we anticipate encountering many market barriers in becoming a service provider to clients of large established professionals. Our competitors have gained customer loyalty and brand identification through their long-standing advertising and customer service efforts. This creates a barrier to market entry by forcing us to spend time and money to differentiate our product in the marketplace and overcome these loyalties. The large established service providers may require capital investments in personnel. Considering our lack of operating history and experience in being a real estate consulting firm, we may never become a consultant to large established clients.

Ongoing Marketing Campaign

Time Frame: 6th - 12th months.
Material costs: \$10,000.

We intend to use marketing strategies, such as social media, networking and organic marketing to acquire potential customers and potential investors. We believe that we should begin to see results from our marketing campaign within 120 days from its initiation. We also will use Internet promotion tools on real estate and consulting websites, as well as on Facebook and Twitter, to advertise our services. We intend to spend \$10,000 on marketing efforts during the next year. We intend our marketing efforts to be an ongoing activity that will continue during the life of our operations.

Even if we can obtain sufficient number of consulting agreements, or purchase enough assets at the end of the twelve-month period, there is no guarantee that we will be able to attract, and more importantly retain, enough customers to justify our expenditures. If we are unable to generate a significant amount of revenue and to successfully protect ourselves against those risks, then it would materially affect our financial condition and our business could be harmed.

Independent Contractors

Time Frame: 6th-12th months.
 Material costs: \$50,000.

We believe our officers have good knowledge and broad connections in the real estate consulting industry to introduce our services, including find new potential clients, set up agreements with customers and referral sources to engage our consulting services. We currently anticipate that the negotiation of additional agreements with potential customers will be ongoing during the life of our operations.

We believe our website is state-of-the-art and we developed it to use as part of our sales efforts. During the next 12 months, we will implement our marketing campaign to assist officers in sales and marketing. There is no assurance that we will generate any revenue in the next 12 months or ever generate any future revenue.

David Behrend, our president, is devoting approximately twenty-five hours per week to our operations. Once we expand our operations and attract more customers to use our services and acquire more assets, Mr. Behrend has agreed to commit more time as required. Mr. Behrend has agreed to limit his responsibilities at Camden Realty to providing brokerage services to customers that do not require consulting services.

Estimated Expenses for the Next Twelve Months

The following provides an overview of our estimated expenses to fund our plan of operation for the next twelve months. These expenses, which we estimate to be as follows:

Description	Expenses
SEC reporting and compliance	\$ 5,000
Website expansion	1,000
Marketing and advertising	10,000
Advances to independent contractors	50,000
Salaries	100,000
Legal and accounting	65,000
	<u>\$ 231,000</u>

We anticipate that the minimum additional capital necessary to fund our planned operations in this case for the 12-month period will be approximately \$231,000 and will be needed for general administrative expenses, business development, marketing costs and costs associated with being a publicly reporting company. Thus, we will need to seek additional funding in the future. The most likely source of this additional capital is through the sale of additional shares of common or preferred stock or advances from our majority shareholder, or our other shareholders. Jacaranda Investments, Inc., our majority shareholder, has agreed to advance us any necessary capital. However, he has no firm commitment, arrangement or legal obligation to advance or loan funds to us.

If we can successfully complete the above goals within the estimated timeframes set forth and can raise proceeds additional proceeds that may be needed to secure additional personnel and marketing funds, those funds would be allocated as follows:

Our management may hire full or part- time employees or independent contractors over the next six (6) months; however, at the present, the services provided by our officers and director appears sufficient now. We believe that our operations are currently on a small scale that is manageable by these two individuals and can be supplemented by engaging independent contractors. Our management’s responsibilities are mainly administrative at this early stage. While we believe that the addition of employees is not required over the next six (6) months, the professionals we plan to utilize may be independent contractors. We do not intend to enter any employment agreements with any of these professionals. Thus, these persons are not intended to be employees of our company.

Our management does not expect to incur any material research costs in the next twelve months; we currently do not own any plants or equipment that we would seek to sell soon; we do not have any off-balance sheet arrangements; and we have not paid for expenses on behalf of our officer or directors. Additionally, we believe that this fact shall not materially change.

Off-Balance Sheet Arrangements

None.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-1, “Business Combinations: Clarifying the Definition of a Business.” The pronouncement changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The pronouncement requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of transferred assets and activities is not a business. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company adopted the provisions of ASU 2017-1 effective April 1, 2017. For the period from April 1, 2017 through December 31, 2017, for the Company’s acquisitions it was concluded substantially all of the fair value of the assets acquired with each property acquisition was concentrated in a single identifiable asset and did not meet the definition of a business under ASU No. 2017-1.

In February 2016, the FASB issued ASU 2016-02, Leases, amending the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The guidance will be effective in the first quarter of 2019 and allows for early adoption. The new standard requires a modified retrospective transition approach for all leases existing at the date of initial application, with an option to use certain transition relief. ASU 2016-02 provides for transition relief, which includes not electing to (i) reassess whether any expired or existing contract is a lease or contains a lease, (ii) reassess the lease classification of any expired or existing leases and (iii) expense any capitalized initial direct costs for any existing leases. The Company will continue to assess the impact of the new standard.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers and in August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers-Deferral of the Effective Date, which defers the effective date of the new revenue recognition standard until the first quarter of 2018. Subsequently, the FASB has issued multiple ASUs clarifying ASU 2014-09 and ASU 2015-14. Under the new standard, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue is generally recognized net of allowances and any taxes collected from customers and subsequently remitted to governmental authorities. The majority of the Company’s revenue is derived from rental income, which is scoped out from this standard and will be accounted for under ASU 2016-02, Leases. The Company’s other revenue streams, which are being evaluated under this ASU, include but are not limited to management fees, non-recurring rental and non-rental related income and gains and losses from real estate dispositions. The Company will adopt the new standard as of January 1, 2018 using the modified retrospective approach, applying the provisions to open contracts as of the date of adoption.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As a “*smaller reporting company*” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this item.

Item 8. Financial Statements and Supplementary Data

Our audited financial statements are set forth in this Annual Report beginning on page F-1.

HUBILU VENTURE CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND 2017

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

To the shareholders and director of Hubilu Venture Corporation

Opinion on the Consolidated Financial Statements

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

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has not generated revenue sufficient to cover operating costs and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in this regard are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

/s/ DMCL LLP

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

We have served as the Company’s auditor since 2017
Vancouver, Canada
August 29, 2019

An independent firm associated with
Moore Stephens International Limited
MOORE STEPHENS

Part I – FINANCIAL INFORMATION
Item 1. Financial Statements

HUBILU VENTURE CORPORATION
Consolidated Balance Sheets

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Investment in real estate	\$ 3,463,528	\$ 1,786,257
Accumulated depreciation	(88,867)	(49,555)
	<u>3,374,661</u>	<u>1,736,702</u>
Cash	2,310	11,988
Deposits	6,600	6,600
Prepaid expenses	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 3,385,071</u>	<u>\$ 1,756,790</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
LIABILITIES		
Property indebtedness	\$ 2,716,957	\$ 1,093,432
Accounts payable	122	30,045
Security deposits	34,995	15,255
Promissory notes payable	182,055	206,055
Preferred shares	542,547	477,795
Due to related parties	485,300	349,400
	<u>485,300</u>	<u>349,400</u>
TOTAL LIABILITIES	<u>3,973,936</u>	<u>2,171,982</u>
STOCKHOLDERS' DEFICIT		
Common Stock; Authorized 100,000,000 common shares, \$0.001 par, 25,730,500 issued and outstanding on December 31, 2018 (December 31, 2017: 25,526,500)	25,731	25,527
Additional paid-in capital	298,719	102,123
Accumulated Deficit	(913,315)	(542,842)
TOTAL STOCKHOLDERS' DEFICIT	<u>(588,865)</u>	<u>(415,192)</u>
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	<u>\$ 3,385,071</u>	<u>\$ 1,756,790</u>

The accompanying notes are an integral part of these consolidated financial statements.

HUBILU VENTURE CORPORATION
Consolidated Statements of Operations

	For the year ended December 31, 2018	For the year ended December 31, 2017
Revenues:		
Rental income	\$ 225,651	\$ 118,396
Expenses		
General and administrative expenses	34,199	40,659
Consulting	282,212	97,520
Depreciation	39,312	49,555
Professional fees	57,591	70,709
Property taxes	21,639	13,761
Rent	27,625	27,400
Repairs and maintenance	8,594	18,044
Transfer agent and filing fees	1,495	7,359
Utilities	14,737	10,526
Operating Expenses	(487,405)	(335,533)
Other items		
Other income	2,500	41,205
Promissory note interest	(16,868)	(14,488)
Dividends accrued for preferred shares	(24,752)	(17,395)
Mortgage interest	(69,599)	(29,528)
	(108,719)	(20,386)
Net loss for the year	\$ (370,473)	\$ (237,523)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding:		
Basic and diluted	25,684,999	25,526,500

The accompanying notes are an integral part of these consolidated financial statements.

HUBILU VENTURE CORPORATION
Statement of Stockholders' Deficit

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount			
Balance, December 31, 2016	25,526,500	\$ 25,527	\$ 102,123	\$ (305,319)	\$ (177,669)
Net loss	-	-	-	(237,523)	-
Balance, December 31, 2017	25,526,500	25,527	102,123	(542,842)	(415,192)
Shares issued for services rendered	204,000	204	196,596	-	196,800
Net loss	-	-	-	(370,473)	(370,473)
Balance, December 31, 2018	<u>25,730,500</u>	<u>\$ 25,731</u>	<u>\$ 298,719</u>	<u>\$ (913,315)</u>	<u>\$ (588,865)</u>

The accompanying notes are an integral part of these consolidated financial statements.

HUBILU VENTURE CORPORATION
Consolidated Statement of Cash Flows

	For the year ended December 31, 2018	For the year ended December 31, 2017
OPERATING ACTIVITIES		
Net loss	\$ (370,473)	\$ (237,523)
Adjustments to reconcile net loss to net cash:		
Accrued preferred share dividends	24,752	17,395
Depreciation	39,312	49,555
Stock-based compensation	196,800	
Changes in operating assets and liabilities:		
Accounts payable	(29,923)	4,225
Security deposits	19,700	1,901
Net cash used in Operating Activities	<u>(119,832)</u>	<u>(163,449)</u>
INVESTING ACTIVITIES:		
Building improvements	(19,044)	-
Commission	(12,500)	-
Escrow refund	-	6,901
Cash acquired on the acquisition of Akebia Investments LLC and Zinnia Investments LLC	-	14,918
Net cash provided by (used in) Investing Activities	<u>(31,544)</u>	<u>21,819</u>
FINANCING ACTIVITIES		
Property indebtedness – principal payments	(22,202)	(16,235)
Related party advances	135,900	195,400
Proceeds from an advance	12,000	-
Preferred shares	40,000	-
Promissory note repayments	(24,000)	(29,000)
Net cash provided by Financing Activities	<u>141,698</u>	<u>150,165</u>
Net decrease in cash	<u>(9,678)</u>	<u>(8,535)</u>
Cash, beginning of the year	11,988	20,523
Cash, end of the year	<u>\$ 2,310</u>	<u>\$ 11,988</u>
Supplemental cash flow information:		
Cash paid of interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

HUBILU VENTURE CORPORATION
Notes to the Financial Statements
December 31, 2018

NOTE 1 – NATURE OF BUSINESS

Hubilu Venture Corporation (“the Company”) was incorporated under the laws of the state of Delaware on March 2, 2015 and is a publicly traded real estate consulting, asset management and business acquisition company, which specializes in acquiring student housing income properties and development/business opportunities located near within the Los Angeles area.

NOTE 2 – BASIS OF PRESENTATION AND ABILITY TO CONTINUE AS A GOING CONCERN

The accompanying consolidated financial statements include the accounts of the Company and each of its wholly owned subsidiaries: Akebia Investments LLC, Zinnia Investments, LLC, Sunza Investments, LLC and Lantana Investments LLC. All intercompany transactions have been eliminated on consolidation.

The financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2018, the Company had not yet achieved profitable operations, had an accumulated deficit of \$913,315 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. Management intends to focus on raising additional funds either by way of debt or equity issuances in order to continue operations. The Company cannot provide any assurance or guarantee that it will be able to obtain additional financing or generate revenues sufficient to maintain operations.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with US GAAP which requires management to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using management’s best judgment, after considering past, current and expected events and economic conditions. Actual results could differ from these estimates.

Revenue Recognition

Management has determined that all of the Company’s leases with its various tenants are operating leases. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances, in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed, and possession or control of the space is turned over to the tenant.

Real Estate

Land, buildings and improvements are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life ranging generally from 27 years to a maximum of 30 years on buildings and major improvements. Maintenance and repairs that do not improve or extend the useful lives of the related assets are charged to operations as incurred. Tenant improvements are capitalized and depreciated over the life of the related lease or their estimated useful life, whichever is shorter.

The Company’s methodology of allocating the cost of acquisitions to assets acquired and liabilities assumed is based on estimated fair values, replacement cost and/or appraised values. When the Company acquires operating real estate properties, the purchase price is allocated to land, building, improvements, leasing costs, intangibles such as in-place leases, assumed debt, if any, and to current assets and liabilities acquired, if any. The value allocated to in-place leases is amortized over the related lease term and reflected as rental income in the consolidated statements of operations.

When the Company acquires a property, it allocates the aggregate purchase price to tangible assets, consisting of land, building, site improvements and furniture, fixtures and equipment, and identifiable intangible assets component at the time of purchase. The Company follows the guidance as outlined in ASC 805-10, *Business Combinations*, as amended by ASU 2017-01. As described below in the section entitled New Accounting Pronouncements, Accounting Standards Update 2017-01 was adopted by the Company effective January 1, 2017, which changed the definition of a business. Under this new guidance most property acquisitions made by the Company will fall within the category of acquired assets rather than acquired businesses. This distinction will cause the Company to capitalize its costs for acquisitions, allocate them to the fair value of acquired assets and liabilities and amortize these costs over the remaining useful lives of those assets and liabilities. Should the Company complete any acquisitions in the future which qualify as acquisitions of businesses, associated acquisition costs would be expensed as incurred.

Asset Impairment

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to aggregate future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value. Management does not believe that the value of any of the Company's real estate investments was impaired at December 31, 2018.

Loss per Share

The Company's basic loss per share are calculated by dividing its net loss available to common stockholders by the weighted average number of common shares outstanding for the period. The Company's dilutive loss per share is calculated by dividing its net loss available to common shareholders by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the income tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates applicable to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is applied against any 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. For uncertain tax positions that meet a "more likely than not" threshold, the Company recognizes the benefit of uncertain tax positions in the consolidated financial statements. The Company's practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the consolidated statements of operations.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-1, "Business Combinations: Clarifying the Definition of a Business." The pronouncement changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The pronouncement requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of transferred assets and activities is not a business. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company adopted the provisions of ASU 2017-1 effective April 1, 2017. In respect of the Company's acquisition of Sunza Investments LLC and Lantana Investments LLC in 2018, it was concluded substantially all of the fair value of the assets acquired with each property acquisition was concentrated in a single identifiable asset and did not meet the definition of a business.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers and in August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers-Deferral of the Effective Date, which defers the effective date of the new revenue recognition standard until the first quarter of 2018. Subsequently, the FASB has issued multiple ASUs clarifying ASU 2014-09 and ASU 2015-14. Under the new standard, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue is generally recognized net of allowances and any taxes collected from customers and subsequently remitted to governmental authorities. The majority of the Company's revenue is derived from rental income, which is scoped out from this standard and will be accounted for under ASU 2016-02, Leases. The Company's other revenue streams, which are being evaluated under this ASU, include but are not limited to management fees, non-recurring rental and non-rental related income and gains and losses from real estate dispositions. The Company adopted the new standard as of January 1, 2018 using the modified retrospective approach, applying the provisions to open contracts as of the date of adoption. There was no material effect on the Company's consolidated financial statements on the adoption of ASU 2014-09.

In February 2016, the FASB issued ASU 2016-02, Leases, amending the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The guidance will be effective in the first quarter of 2019 and allows for early adoption. The new standard requires a modified retrospective transition approach for all leases existing at the date of initial application, with an option to use certain transition relief. ASU 2016-02 provides for transition relief, which includes not electing to (i) reassess whether any expired or existing contract is a lease or contains a lease, (ii) reassess the lease classification of any expired or existing leases and (iii) expense any capitalized initial direct costs for any existing leases. The Company will continue to assess the impact of the new standard.

NOTE 4—ACQUISITION OF AKEBIA INVESTMENTS LLC.

On April 10, 2017, the Company completed its acquisition of all of the outstanding membership interests (the “Akebia Acquisition”) of Akebia Investments, LLC (“Akebia”) for \$882,463 (the “Purchase Price”). Akebia’s sole asset is the real property located at 3711 South Western Avenue, Los Angeles, California (the “Akebia Property”). The Akebia Acquisition has been accounted for as an asset acquisition with the proceeds allocated entirely to the Akebia Property. There was no contingent consideration associated with the Akebia Acquisition.

Under the terms of the Akebia Acquisition, the Company’s consideration for the Purchase Price was: (1) a \$710,000 All Inclusive Deed of Trust (“Akebia AITD”), secured by the Akebia Property and a promissory note (the “Akebia Note”), which bears interest at 6% and (2) 180,000 shares of the Company’s Series 1 Convertible Preferred Stock at an issuance price of \$1 per share, for \$180,000 (Note 10). The Akebia AITD was reduced to \$702,462 after adjustments for closing costs at the date of purchase of the Akebia Property.

The principal balance owed on the Akebia AITD as at December 31, 2018 is \$585,935 and the principal balance owed on the promissory note included in the Akebia AITD at December 31, 2018 is \$92,462.

The Akebia AITD includes terms of repayment of \$100,000 due August 1, 2020. Once the initial repayment of \$100,000 has been made, the interest rate on the remaining balance of the Akebia AITD will reduce to 4% per annum.

NOTE 5—ACQUISITION OF ZINNIA INVESTMENTS, LLC.

On April 10, 2017, the Company completed its acquisition of all the outstanding membership interests (the “Zinnia Acquisition”) of Zinnia Investments, LLC (“Zinnia”) for \$910,695 (the “Purchase Price”). Zinnia’s sole asset is the real property located at 2909 South Catalina Street, Los Angeles, California (the “Zinnia Property”). The Akebia Acquisition has been accounted for as an asset acquisition with the proceeds allocated entirely to the Akebia Property. There was no contingent consideration associated with the Zinnia Acquisition.

Under the terms of the Zinnia Acquisition, the Company’s consideration for the Purchase Price was: (1) a \$655,000 All Inclusive Deed of Trust (“Zinnia AITD”), secured by the Zinnia Property and a promissory note (the “Zinnia Note”), which bears interest at 6% and (2) 270,000 shares of the Company’s Series 1 Convertible Preferred Stock at an issuance price of \$1.00 per share, for \$270,000 (Note 10). The Zinnia AITD was reduced to \$654,810 after adjustments for closing costs at the date of purchase of the Akebia Property.

During the year ended December 31, 2018, the Company made principal payments totaling \$24,000 on the Zinnia Note with the principal balance owed on the Zinnia AITD as at December 31, 2018 being \$485,294. The principal balance owing on the promissory note included in the Zinnia AITD as at December 31, 2018 is \$89,593.

The Zinnia AITD includes terms of repayment of \$145,000 one year from the date of inception and the remaining balance due on the Zinnia Note’s second anniversary date. Once the initial repayment of \$145,000 has been made, the interest rate on the remaining balance of the Zinnia AITD will be reduced to the greater of 3.5% per annum or the 11th District Cost of Funds Index plus 2.8% including a provision that the rate cannot be greater than 9.0%.

NOTE 6—ACQUISITION OF SUNZA INVESTMENTS, LLC.

On May 30, 2018, the Company entered into a contract to purchase personal property (“the Sunza Agreement”) with Adlon Investments, Inc. a Wyoming Corporation (“Adlon”), to acquire its 100% membership interest in Sunza Investments, LLC, a Wyoming Limited Liability Company (“Sunza”). Adlon was 100% owned by Jacaranda Investments, Inc., a Wyoming Corporation (“Jacaranda”), which is 100% owned by the Company’s Chairman and CEO. Adlon Investments, Inc., Jacaranda Investments, Inc., are related parties to this purchase. The purchase closed on May 31, 2018. Sunza’s sole asset was the real property located at 3910 Walton Avenue, Los Angeles, CA 90037 (the “Property”).

Under the terms of the Sunza Agreement, the Company’s purchase price is \$510,000 (“the Purchase Price”), which is comprised of the following: (1) a \$325,500 promissory note dated April 5, 2018 (the “Note”) and a First Deed of Trust, secured by the Property, whereby Sunza, as Trustee of the 3910 Walton Avenue Trust, dated April 3, 2018 (“Maker”) promises to pay Belladonna Lily Investments, Inc, a Wyoming Corporation the sum of \$325,500 with interest only from April 5, 2018 on unpaid principal at the rate of 6% per annum. The Company is paying monthly instalment payments of \$1,627.50 until April 30, 2020, at which time the entire principal balance together with interest due thereon, shall become due and payable; and (2) a \$184,500 promissory note (the “2nd Note”) secured by a 2nd Trust Deed and payable to Belladonna Lily Investments, Inc, a Wyoming Corporation with interest only until the April 30, 2020, at which time the entire Principal balance together with interest is due thereon, shall become due and payable.

On September 27, 2018, the Company closed the acquisition of the real property located at 3910 Wisconsin Street, Los Angeles California for a purchase price of \$487,500. The terms of the acquisition is subject to three loans: (1) A first position note (the “1st Note”) with unpaid principal balance of \$252,228 taken subject to the Property Sellers owing their lender, whose terms of payments are principal and interest, with payments commencing November 1, 2018, on unpaid principal at the rate of 4.375% per annum. Interest only payable in monthly installments of \$1,627.50 or more on the 1st day of each month beginning on the November 1, 2018, and continuing until October 1, 2036, at which time the entire principal balance together with interest due thereon, shall become due and payable; (2) A \$200,000 second position note owing by Sunza to Yerba Mate Corporation, whose terms of payments due were interest only, payable from November 1, 2018 on unpaid principal at the rate of 9% per annum. Interest only consist of interest only monthly installments of \$1,500.00 that commenced on November 1, 2018, and continuing until October 31, 2020, at which time the entire principal balance together with any outstanding interest due thereon, shall become due and payable; and (3) a \$40,000 third position note owing by Sunza to Belladonna Lily Investments, Inc., whose terms of payments consist of interest only monthly installments at the rate of 9% per annum at the amount of \$300 payable from November 1, 2018 until April 30, 2022, at which time the entire principal balance together with any outstanding interest due thereon, shall become due and payable.

As of December 31, 2018, the principal balances of the notes owed on the Sunza properties totals \$1,002,228.

NOTE 7—ACQUISITION OF LANTANA INVESTMENTS, LLC.

On December 31, 2018, the Company acquired the 100% membership interest in Lantana Investments, LLC, a Wyoming Limited Liability Company (“Lantana”) from Jacaranda Investments, Inc. (“Jacaranda”). Jacaranda is wholly owned by our Chairman and CEO. Jacaranda Investments, Inc. is a related party to the transaction.

Lantana’s sole asset is the building and land located at 1557 W. 29th Street, Los Angeles CA (“the Lantana Property”). Under the terms of the agreement, the Company acquired the 100% membership interest in Lantana for \$643,500 (“the Purchase Price”) payable as follows: (1) a \$443,500 promissory note (the “Lantana Note”) with principal and interest payments of \$2,531.65 payable until the October 30, 2048, at which time the entire principal balance together with interest is due thereon. The Lantana Note is secured by a 1st Trust Deed and is fixed for 7 years and thereafter adjusted to 1 year LIBOR plus 5.25%; and (2) a \$200,000 promissory note (the “Lantana Second Note”) secured by a 2nd Trust Deed and owing to Belladonna Lily Investments, Inc. The Lantana Second Note bears interest at 6.85% per annum with interest only monthly payments of \$1,141.67 until October 30, 2022 at which time the entire principal balance together with interest due thereon, shall become due and payable.

As at December 31, 2018, the principal balance of the notes owed on the Lantana Property totals \$643,500.

NOTE 8—CONTINUITY SCHEDULE

The change in the real estate property investments for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Balance, beginning of the year	\$ 1,786,257	\$ -
Acquisitions:	1,645,225	1,786,257
	<u>3,431,482</u>	<u>1,786,257</u>
Capital improvements	32,046	-
Balance, end of the year	<u>\$ 3,463,528</u>	<u>\$ 1,786,257</u>

The change in the accumulated depreciation for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Balance, beginning of the year	\$ 49,555	-
Depreciation charge for the period	39,312	49,555
Balance, end of the year	<u>\$ 88,867</u>	<u>\$ 49,555</u>

The Company's real estate investments as at December 31, 2018 is summarized as follows:

Property	Initial cost to the Company		Capital Improvements	Accumulated Depreciation	Encumbrances
	Land	Building			
3711 South Western Ave	\$ 508,571	\$ 383,716	\$ 12,400	\$ 43,187	\$ 585,935
2909 South Catalina	\$ 565,839	\$ 344,856	\$ 4,749	\$ 37,996	\$ 485,294
3910 Wisconsin Ave	\$ 337,500	\$ 137,500	\$ 14,897	\$ 2,083	\$ 510,000
3910 Walton Ave	\$ 318,098	\$ 191,902	\$ -	\$ 4,711	\$ 492,228
1557 West 29th	\$ 496,609	\$ 146,891	\$ -	\$ 890	\$ 643,500
	<u>2,226,617</u>	<u>1,204,865</u>	<u>32,046</u>	<u>88,867</u>	<u>\$ 2,716,957</u>

NOTE 9—PROPERTY INDEBTEDNESS

The Company's mortgages are summarized as follows:

	Principal balance		Stated interest rate	Maturity date
	December 31, 2018	December 31, 2017	as at December 31, 2018	
Akebia Property	\$ 585,935	\$ 597,408	3.95%	August 1, 2021
Zinnia Property	485,294	496,024	3.50%	July 25, 2021
Sunza Properties				
- 3910 Walton Ave.	510,000	-	6.00%	April 30, 2020
- 3910 Wisconsin Street				
- First Note	252,228	-	4.375%	October 1, 2036
- Second Note	200,000	-	9.00%	September 27, 2020
- Third Note	40,000	-	9.00%	April 30, 2022
Lantana Property				
- First Note	443,500	-	6.85%	November 1, 2025
- Second Note	200,000	-	6.85%	October 30, 2022
	<u>\$ 2,716,957</u>	<u>\$ 1,093,432</u>		

For the period from the January 1, 2018 to December 31, 2018, the Company made principal payments totaling \$22,202 on the mortgages payable. For the period from the January 1, 2017 to December 31, 2017, the Company made principal payments totaling \$16,235 on the mortgages payable.

Scheduled repayments on mortgages payable are as follows:

Year ending December 31,	
2019	\$ 32,877
2020	743,875
2021	35,183
2022	276,542
2023	37,955
Thereafter	1,790,525
	<u>\$ 2,916,957</u>

Under the terms of the Akebia Acquisition, the Company's consideration for the Purchase Price included a promissory note, which bears interest at 4%. During the year ended December 31, 2018, the Company recorded \$7,298 in interest expense. As at December 31, 2018, the principal balance owing on the promissory note included in the Akebia AITD as at December 31, 2018 is \$92,462.

Under the terms of the Zinnia Acquisition, the Company's consideration for the Purchase Price included a promissory note, which bears interest at 3.5%. During the year ended December 31, 2018, the Company made principal payments totaling \$24,000 (2017 - \$29,000) on the Zinnia Note and recorded \$9,560 (2018 - \$9,015) in interest expense. As at December 31, 2018, the principal balance owing on the promissory note included in the Zinnia AITD as at December 31, 2018 is \$89,593.

NOTE 10—SERIES 1 CONVERTIBLE PREFERRED SHARES

The Company has authorized and designated 2,000,000 shares of Series 1 convertible preferred stock (the “Preferred Stock”). In September 2016, the Company issued 10,400 shares of Preferred Stock at an issuance price of \$1 per share, for proceeds of \$10,400 and in April 2017, the Company issued 450,000 shares of Preferred Stock in connection with the Akebia and Zinnia Acquisitions. (Notes 4 and 5). In January 2018, the Company issued 20,000 shares of Preferred Stock at an issuance price of \$1 per share, for proceeds of \$20,000. In March 2018, the Company issued 20,000 shares of Preferred Stock at an issuance price of \$1.00 per share, for gross proceeds of \$20,000.

The Preferred Stock has the following rights and privileges:

Voting – The holders of the Preferred Stock shall be entitled to the number of votes equal to the number of shares of common stock into which such shares of Preferred Stock could be converted.

Change – Each share of Preferred Stock, is convertible at the option of the holder, into shares of common stock, at the lesser of \$0.50 per share or a ten percent (10%) discount to the average closing bid price of the common stock 5 days prior to the notice of conversion. The Preferred Stock is also subject to certain adjustments for dilution, if any, resulting from future stock issuances, including for any subsequent issuance of common stock at a price per share less than that paid by the holders of the Preferred Stock.

Dividends – The holders of the Preferred Stock in preference to the holders of common stock, are entitled to receive, if and when declared by the Board of Directors, dividends at the rate of 5% per annum, in kind, which shall accrue quarterly. Such dividends are cumulative. No such dividends have been declared to date.

Liquidation – In the event of any liquidation, dissolution, winding-up or sale or merger of the Company, whether voluntarily or involuntarily, each holder of Preferred Stock is entitled to receive, in preference to the holders of common stock, a per-share amount equal to the original issue price of \$1.00 (as adjusted, as defined), plus all declared but unpaid dividends.

The Preferred Stock matures on September 30, 2019.

The predominant settlement obligation of the Series 1 Convertible Preferred shares was considered to be the issuance of a variable number of shares to settle a fixed monetary amount. Thus, these shares are scoped into the guidance of ASC 480-10 and are accounted for as a liability as at December 31, 2018 and 2017.

	<u># of Shares</u>	<u>Amount</u>	<u>Dividend in Arrears</u>	<u>Total</u>
Balance, December 31, 2016	10,400	\$ 10,400	\$ 520	\$ 10,920
Akebia Acquisition	180,000	180,000	6,750	186,750
Zinnia Acquisition	270,000	270,000	10,125	280,125
Balance, December 31, 2017	460,400	\$ 460,400	\$ 17,395	\$ 477,795
Issuance of shares for cash	40,000	20,000	1,732	41,732
Dividends for prior year shares	-	-	23,020	23,020
Balance, December 31, 2018	500,400	\$ 500,400	\$ 42,147	\$ 542,547

NOTE 11—INCOME TAXES

The Company did not record a provision for income taxes for the years ended December 2018 and 2017 due to a full valuation allowance against its deferred tax assets.

On December 22, 2017, the Tax Cuts and Jobs Act (2017 Tax Act) was enacted. The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate tax rate from 34% to 21%, for tax years beginning after December 31, 2017. The 2017 Tax Act also provides for the implementation of a territorial tax system, a one-time transition tax on certain foreign earnings, the acceleration of depreciation for certain assets placed into service after September 27, 2017 and other prospective changes beginning in 2018, including repeal of the domestic manufacturing deduction, acceleration of tax revenue recognition, capitalization of research and development expenditures, additional limitations on executive compensation and limitations on the deductibility of interest.

Pursuant to the SEC Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act, the Company has not finalized its accounting for the income tax effects of the 2017 Tax Act. This includes a provisional amount related to the re-measurement of deferred tax assets based on the rates at which they are expected to reverse in the future, which is generally 21% plus the applicable state tax rate, with a corresponding change to the valuation allowance as of December 31, 2017. The impact of the 2017 Tax Act may differ from this estimate during the ensuing fiscal year due to, among other things, further refinement of the Company's calculation, changes in interpretations and assumptions the Company has made, additional guidance that may be issued and actions the Company may take as a result of the 2017 Tax Act.

The difference between the provision for income taxes and income taxes computed using the effective U.S. federal statutory rate is as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Expected tax recovery at the statutory rate	\$ (88,000)	\$ (75,000)
Impact of the 2017 Tax Act	-	73,000
Non-deductible items	41,000	-
Adjustment of the prior year tax provision	-	(11,000)
Change in valuation allowance	47,000	13,000
Provision for income taxes	<u>\$ -</u>	<u>\$ -</u>

Significant components of the Company's deferred tax assets are as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Net operating loss carry-forwards	\$ 164,000	\$ 117,000
Valuation allowance	(164,000)	(117,000)
	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2018, the Company has accumulated net operating losses totaling approximately \$782,000 which may be available to carry forward and offset future years' taxable income.

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry-forwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a valuation allowance against its deferred tax asset.

NOTE 12—RELATED PARTY TRANSACTIONS

As at December 31, 2018, Jacaranda Investments, Inc., the Company's majority shareholder, has advanced the Company \$485,300 (2017 - \$349,400). These advances are unsecured and do not carry an interest rate or repayment terms.

NOTE 13—SUBSEQUENT EVENT

Subsequent to December 31, 2018, the Company issued 221,625 common shares in exchange for services.

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

None

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures.

Disclosure controls and procedures are designed with an objective of ensuring that information required to be disclosed in our periodic reports filed with the Securities and Exchange Commission, such as this Annual Report on Form 10-K, is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. Disclosure controls are also designed with an objective of ensuring that such information is accumulated and communicated to our management, including our chief executive officer, in order to allow timely consideration regarding required disclosures.

The evaluation of our disclosure controls by our principal executive officer included a review of the controls' objectives and design, the operation of the controls, and the effect of the controls on the information presented in this Annual Report. Our management, including our chief executive officer, does not expect that disclosure controls can or will prevent or detect all errors and all fraud, if any. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Also, projections of any evaluation of the disclosure controls and procedures to future periods are subject to the risk that the disclosure controls and procedures may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures as of December 31, 2018 were not effective in timely alerting them to material information which is required to be included in our periodic reports filed with the SEC as of the end of the period covering this report and to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company in accordance with as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the (i) effectiveness and efficiency of operations, (ii) reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and (iii) compliance with applicable laws and regulations. Our internal controls framework is based on the criteria set forth in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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

Management's assessment of the effectiveness of the small business issuer's internal control over financial reporting is as of the year ended December 31, 2018. We believe that internal control over financial reporting is not effective. We have identified current material weaknesses considering the nature and extent of our current operations and any risks or errors in financial reporting under current operations.

Material weaknesses identified:

- The Company does not have adequate segregation of duties in the handling of their financial reporting. This is caused by a very limited number of personnel.
- Our company's accounting staff does not have sufficient technical accounting knowledge relating to accounting for income taxes and complex US GAAP matters.

Plan for Remediation of Material Weaknesses

We intend to take appropriate and reasonable steps to make the necessary improvements to remediate this deficiency as resources to do so become available. We intend to consider the results of our remediation efforts and related testing as part of our year-end 2018 assessment of the effectiveness of our internal control over financial reporting.

Such remediation would entail enhancing the training and oversight of the accounting personnel responsible for non-routine transactions involving complex accounting matters and engaging the services of an independent consultant with sufficient expertise in income tax and complex US GAAP matters to assist us in the preparation of our financial statements.

(c) Changes in internal controls.

There was no change in our internal control over financial reporting that occurred during the fourth quarter of our fiscal year ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our director serves until his successor is elected and qualified. Our director elects our officers to a term of one (1) year and they serve until their successors are duly elected and qualified, or until they are removed from office. The board of directors has no nominating or compensation committees.

The name, address, age, and position of our present officers and director is set forth below:

Name	Age	Title(s)
David Behrend	50	Chairman, President, Chief Executive Officer, Principal Executive Officer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer
Maurice Simone	57	Vice President and Secretary
Tracy Black-Van Wier	43	Vice President, Investor Relations

The persons named above have held their offices/positions since March 5, 2015 and we expect them to hold their offices/positions at least until the next annual meeting of our shareholders. Effective December 31, 2018, Eric Klein, Vice President of Operations and Business Development, is no longer consulting or working with the company. Effective December 31, 2018, Jose DeCastro, Vice President of Marketing is no longer an officer of the company, but he continues to consult with the company through his entity Ethics SCS, Inc.

Mr. David Behrend, Chairman, President, Chief Executive Officer, and Chief Financial Officer

David Behrend is our Chairman, Chief Executive Officer, Chief Financial Officer and Secretary and has served in that capacity since March 5, 2015. Starting with his first real estate acquisition in 1997, Mr. Behrend has worked over the past 18 years as a portfolio real estate buyer and real estate agent and broker. Mr. Behrend has completed over \$75 million dollars in real estate transactions. From 1997 to 1998, Mr. Behrend was a California licensed real estate agent and, since 1998, Mr. Behrend has been a California licensed real estate broker. From 2013 to the present, he is a broker with Camden Realty Group and prior to his association with Camden was a broker with various other firms. In his capacity as an agent and broker, Mr. Behrend has completed approximately 250 real estate transactions with commercial and residential properties and has acted as a principal and property manager on numerous properties. From July 2014 to the present, Mr. Behrend has served as the Chairman and President of Jacaranda Investments, Inc., a real estate investment company and has management responsibility in its operations. In 1989, Mr. Behrend graduated from the University of Witwatersrand in Johannesburg, South Africa with a degree in Business Commerce majoring in law, economics and accounting. In 1990, Mr. Behrend graduated from the University of Witwatersrand in Johannesburg, South Africa with an Honors degree in Business Economics majoring in Finance and Marketing.

Mr. Maurice Simone, Vice President and Secretary

Maurice Simone, is our Vice President and has served in this capacity since March 5, 2015. Mr. Simone has years of transactional analysis experience and from October 2012 to the present has served as a Transaction Coordinator with Camden Realty Group where he assists the brokers with property analysis, client presentations, financial modeling, marketing and zoning analysis. From 2006 to 2012, Mr. Simone was a property manager with NIC Realty where he was responsible for the on-site management of 2 properties and oversaw their rehabilitation, marketing and advertising, leasing, tenant qualification, and maintenance.

Ms. Tracy Black-Van Wier, Vice President-Investor Relations

Tracy Black-Van Wier is our Vice President of Investor Relations and has served in that capacity since August 18, 2016. From May 2013 to June 2015, Ms. Black-Van Wier was the National Marketing Director of Nerium International, a multi-level marketing company in the anti-aging industry and oversaw a sales force of over 1,000 people. In her capacity as National Marketing Director, sales increased by 500%. She is a professional speaker, motivator, and relationship builder. Ms. Black-Van Wier graduated with Honors from the University of Santa Cruz with a B.A. in Psychology.

Possible Potential Conflicts

The OTC Pink on which we have our shares of common stock quoted on does not currently have any director independence requirements.

No member of management will be required by us to work on a full-time basis. Accordingly, certain conflicts of interest may arise between us and our officer and director in that he may have other business interests in the future to which he devotes his attention, and he may be expected to continue to do so although management time must also be devoted to our business. Thus, conflicts of interest may arise that can be resolved only through his exercise of such judgment as is consistent with each officer's understanding of his fiduciary duties to us. During other business activities, they may become aware of business opportunities that may be appropriate for presentation to us, as well as the other entities with which they are affiliated. As such, there may be conflicts of interest in determining to which entity a business opportunity should be presented.

To resolve such potential conflicts of interest, our officers and sole director have orally agreed that any opportunities that they are aware of independently or directly through their association with us (as opposed to disclosure to them of such business opportunities by management or consultants associated with other entities) would be presented by them solely to us.

We cannot provide assurances that our efforts to eliminate the potential impact of conflicts of interest will be effective.

Currently we have one officer and one director and will seek to add additional officer(s) and/or director(s) as and when the proper personnel are located and terms of employment are mutually negotiated and agreed, and we have sufficient capital resources and cash flow to make such offers.

We cannot provide assurances that our efforts to eliminate the potential impact of conflicts of interest will be effective.

Code of Business Conduct and Ethics

In March 31, 2015, we adopted a Code of Ethics and Business Conduct which is applicable to our future employees and which also includes a Code of Ethics for our chief executive and principal financial officers and any persons performing similar functions. A code of ethics is a written standard designed to deter wrongdoing and to promote:

- honest and ethical conduct,
- full, fair, accurate, timely and understandable disclosure in regulatory filings and public statements,
- compliance with applicable laws, rules and regulations,
- the prompt reporting violation of the code, and
- accountability for adherence to the code.

A copy of our Code of Business Conduct and Ethics has been filed with the Securities and Exchange Commission as Exhibit 14.1 to our registration statement of which this prospectus is a part.

Board of Directors

Our sole director holds office until the completion of his term of office, which is not longer than one year, or until his successor(s) have been elected. Our sole director's term of office expires on March 31, 2020. All officers are appointed annually by the board of directors and, subject to existing employment agreements (of which there are currently none), serve at the discretion of the board. Currently, directors receive no compensation for their role as directors but may receive compensation for their role as officers.

Involvement in Certain Legal Proceedings

During the past five years, other than as set forth below, no present director, executive officer or person nominated to become a director or an executive officer of us:

(1) had a petition under the federal bankruptcy laws or any state insolvency law filed by or against, or a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) was convicted in a criminal proceeding or subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) was subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any of the following activities:

i. acting as a futures commission merchant, introducing broker, commodity trading advisor commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

ii. engaging in any type of business practice; or

iii. engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws; or

(4) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of a federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3) (i), above, or to be associated with persons engaged in any such activity; or

(5) was found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and for which the judgment has not been reversed, suspended or vacated.

In March 2010, Mr. Behrend filed a petition for bankruptcy with the U.S. District Court for the Central District of California, Case No. 2:10-bk-21201-VK. In April 2011, the Case was converted to a Chapter 7 petition, Case No. 01:11-bk-11379-VK and in October 2012, Mr. Behrend received a discharge.

In June 2009, the Los Angeles City Attorney brought charges against Mr. Behrend, who was the majority member of a limited liability company that acted as a trustee for a trust, which controlled and managed a residential apartment building in Los Angeles. Mr. Behrend pled no contest to a misdemeanor charge of violating the habitability of an apartment building and received a fine, 300 hours of community service, 90 days electronic monitoring and 8 years' probation. Mr. Behrend has completed all the conditions of his sentence. His probation expired in June 2017.

Committees of the Board of Directors

Concurrent with having sufficient members and resources, our board of directors will establish an audit committee and a compensation committee. We believe that we will need a minimum of five directors to have effective committee systems. The audit committee will review the results and scope of the audit and other services provided by the independent auditors and review and evaluate the system of internal controls. The compensation committee will manage any stock option plan we may establish and review and recommend compensation arrangements for the officers. No final determination has yet been made as to the memberships of these committees or when we will have sufficient members to establish committees. See "Executive Compensation" hereinafter.

We will reimburse all directors for any expenses incurred in attending directors' meetings if we have the resources to pay these fees. We will consider applying for officers' and directors' liability insurance at such time when we have the resources to do so.

Item 11. Executive Compensation

Summary Executive Compensation Table

The following table shows, for the year ended December 31, 2018 and 2017, compensation awarded to or paid to, or earned by, our Chief Executive Officer and other officers (the "Named Executive Officer").

SUMMARY COMPENSATION TABLE

Name and principal position (a)	Year (b)	Salary (\$)(c)	Bonus (\$)(d)	Stock Awards (\$)(e)	Option Awards (\$)(f)	Non-Equity Incentive Plan Compensation (\$)(g)	Nonqualified Deferred Compensation Earnings (\$)(h)	All Other Compensation (\$)(i)	Total (\$)(j)
David Behrend CEO, President, CFO and Director	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
Maurice Simone, III, Vice President & Secretary	2018	-	500	1,500	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-

We have no formal employment arrangement with Mr. Behrend or Mr. Simone now. Mr. Behrend's and Mr. Simone's compensation has not been fixed or based on any percentage calculations. Mr. Behrend will make all decisions determining the amount and timing of their compensation and, for the immediate future, will not receive any compensation. Mr. Behrend's compensation amounts will be formalized if his annual compensation exceeds \$50,000. On October 1, 2016, the Company awarded Mr. Simone 20,000 shares of common stock, valued at \$0.40 per share on the OTC Pink, for \$8,000 as a bonus.

Grants of Plan-Based Awards Table

We currently do not have any equity compensation plans. Except as set forth above for Mr. Simone, none of our named executive officers received any grants of stock, option awards or other plan-based awards for the years ended December 31, 2018 and 2017.

Outstanding Equity Awards at Fiscal Year-End Table

None. We do not have any equity award compensation plans.

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

The following table sets forth, as of July 31, 2019, the total number of shares owned beneficially by our officers and directors, and key employees, individually and as a group, and the present owners of 5% or more of our total outstanding shares. The shareholders listed below have direct ownership of their shares and possess sole voting and dispositive power with respect to the shares. As of July 31, 2019, we had 25,952,125 shares of common stock outstanding, which are held by 69 shareholders. There are not any pending or anticipated arrangements that may cause a change in control.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Jacaranda Investments, Inc. ⁽¹⁾ 205 South Beverly Drive, Suite 205 Beverly Hills, CA 90212	25,000,000	96.33%
Common Stock	Maurice Simone 205 South Beverly Drive, Suite 205 Beverly Hills, CA 90212	125,000	0.48%
Common Stock	Tracy Black-Van Wier 205 South Beverly Drive, Suite 205 Beverly Hills, CA 90212	71,625	0.28%
	All Officers and Directors as a Group (2 persons)	25,196,625	97.10%

(1) David Behrend, the sole shareholder of Jacaranda Investments, Inc., has dispositive control over the shares. Since he will continue to control us, investors in our common or preferred offering will be unable to change the course of our operations. Thus, our shares lack the value normally attributable to voting rights. This could result in a reduction in value of the shares you own because of their ineffective voting power.

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

Our promoters are Mr. Behrend, our chairman, president, chief executive officer, chief financial officer, and Mr. Simone, our vice president and secretary.

Our office and mailing address is 205 South Beverly Drive, Suite 205, Beverly Hills, CA 90212. On March 4, 2016, we entered into a written lease for 750 square feet of space for \$2,200 per month at this location. Our lease is month-to—month going forward. We have an excellent relationship with our landlord and do not expect to move in the near future. Our majority shareholder advanced us the first month’s prorated rent of \$1,703 and \$6,600 for the landlord’s security deposit and has continued to pay our rent from working capital related party advances. From April 1, 2015 to February 29, 2016, one of our minority shareholders provided us with office space at no cost to us and therefore we did not incur any rent expense. We estimate that the approximate value of the space he was providing to be \$300 per month and there was no written lease agreement for our use of this space, which he provided to us on a month-to-month basis.

On March 5, 2015, we sold 25,000,000 shares of our common stock to David Behrend, our president, chief executive officer, chief financial officer, and sole director. These shares were issued in for \$75,000 in cash or \$0.003 per share. On April 30, 2015, David Behrend transferred all his shares to Jacaranda Investments, Inc., (“Jacaranda”) a corporation wholly owned by him in exchange for shares in that corporation. Jacaranda has advanced us \$485,000 for working capital.

Jacaranda owns 100% of Kapok Investments, LLC and 100% of Elata Investments, LLC, which are the two targets we have entered into the non-binding letters of intent to acquire.

Our officers and sole director are required to commit time to our affairs and, accordingly, may have conflicts of interest in allocating management time among various business activities. During other business activities, they may become aware of business opportunities that may be appropriate for presentation to us, as well as the other entities with which they are affiliated. As such, there may be conflicts of interest in determining to which entity a business opportunity should be presented.

To resolve such potential conflicts of interest, our officers and sole director have agreed that any opportunities that they are aware of independently or directly through their association with us (as opposed to disclosure to them of such business opportunities by management or consultants associated with other entities) would be presented by them solely to us.

We cannot provide assurances that our efforts to eliminate the potential impact of conflicts of interest will be effective.

We believe that each reported transaction and relationship is on terms that are at least as fair to us as would be expected if those transactions were negotiated with third parties.

There have been no other related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

Regarding any future related party transaction, we plan to fully disclose all related party transactions, including, but not limited to, the following:

- disclose such transactions in prospectuses where required;
- disclose in all filings with the Securities and Exchange Commission, where required;
- obtain disinterested directors’ consent; and
- obtain shareholder consent where required.

Item 14. Principal Accountant Fees and Services.

The following table sets forth the aggregate fees billed or expected to be billed to our company for professional services rendered by our independent registered public accounting firms, for the fiscal years ended December 31, 2018 and 2017:

Dale Matheson Carr-Hilton Labonte

	2018	2017
Audit Fees	\$ 51,405	\$ 55,000
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total Fees	\$ 51,405	\$ 55,000

The fees included above Dale Matheson Carr-Hilton Labonte during the year ended December 31, 2017 relates to an estimate of the audit fees of the Company's annual consolidated financial statements filed on Form 10-K for the year ended December 31, 2018.

Audit Fees. Consist of fees billed for professional services rendered for the audits of our financial statements, reviews of our interim financial statements included in quarterly reports, services performed in connection with regular filings with the Securities and Exchange Commission and other services that are normally provided for the fiscal years ended December 31, 2018 and 2017 in connection with statutory and regulatory filings or engagements.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Registered Public Accounting Firm

Our board of directors pre-approves all services provided by our independent registered public accounting firm. All of the above services and fees were reviewed and approved by our board of directors before the respective services were rendered.

Our Director has considered the nature and amount of fees billed or expected to be billed by DMCL and believes that the provision of services for activities unrelated to the audit was compatible with maintaining DMCL's independence.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

EXHIBITS

The following exhibits are filed as part of this registration statement, pursuant to Item 601 of Regulation S-K.

Exhibit Number	Description of Exhibits
31.1*	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*</u>
31.2*	<u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*</u>
32.1*	<u>Certification of the Chief Executive Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</u>
32.2*	<u>Certification of the Chief Financial Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</u>
<hr/>	
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 Presentation Linkbase
*	Filed herewith.

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.

HUBILU VENTURE CORPORATION

August 30, 2019

/s/ David Behrend

David Behrend
Chairman and Chief Executive Officer (Principal Executive Officer) and
Chief Financial Officer (Principal Accounting and Financial Officer)

In accordance with the 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.

August 30, 2019

/s/ David Behrend

David Behrend
Chairman and Chief Executive Officer (Principal Executive Officer) and
Chief Financial Officer (Principal Accounting and Financial Officer) and
Sole Director