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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2019

OR

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

For the transition period from _________________ to _________________

Commission file number 000-54830

SUNSTOCK, INC.
(Exact Name of Registrant as Specified in its Charter)

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

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

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

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

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

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

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

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

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

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

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

Class	**Outstanding at November 1, 2019**
Common Stock, par value $0.0001	1,070,447,243

Documents incorporated by reference: None

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUNSTOCK, INC.
CONDENSED AND CONSOLIDATED BALANCE SHEETS

	September 30, 2019 (unaudited)	December 31, 2018 (audited)
ASSETS		
Current assets		
Cash	$ 25,200	$ 84,439
Accounts receivable	-	788
Inventory – coins	126,456	20,947
Inventory – precious metals	401,090	358,834
Prepaid expenses	27,022	575,750
Total current assets	579,768	1,040,758
Property and equipment net	11,179	15,919
Right of use lease asset	52,184	-
Total assets	$ 643,131	$ 1,056,677
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 596,460	$ 365,905
Operating lease liability – current	10,305	-
Loans payable – related parties	169,250	201,976
Convertible notes payable, net of discount	1,041,435	1,037,316
Derivative liability - conversion feature	8,723,802	2,356,887
Total current liabilities	10,541,252	3,962,084
Operating lease liability – non-current	41,879	-
Total liabilities	10,583,131	3,962,084
Commitments and contingencies		
Stockholders' deficit		
Preferred stock; $0.0001 par value, 200,000,000 shares authorized; zero shares issued and outstanding	-	-
Common stock, $0.0001 par value, 1,388,888,888 shares authorized; 797,937,719 and 382,117,449 shares issued and issuable and outstanding as of September 30, 2019 and December 31, 2018, respectively	79,794	38,212
Additional paid - in capital	55,767,378	49,816,650
Accumulated deficit	(65,787,172)	(52,760,269)
Total stockholders' deficit	(9,940,000)	(2,905,407)
Total liabilities and stockholders' deficit	$ 643,131	$ 1,056,677

The accompanying notes are an integral part of the financial statements

SUNSTOCK, INC.
CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2019	2018	2019	2018
Revenues	$ 2,003,302	$ 1,623	$ 3,929,558	$ 12,886
Cost of revenue	1,930,070	974	3,759,474	7,731
Gross profit	73,232	649	170,084	5,155
Operating expenses				
Professional fees	153,453	213,666	772,241	463,317
Compensation	1,751,220	99,877	5,796,614	118,277
Other operating expenses	25,154	12,347	76,962	55,034
Total operating expenses	1,929,827	325,890	6,645,817	636,628
Loss from operations	(1,856,595)	(325,241)	(6,475,733)	(631,473)
Other income (expense)				
Unrealized gain (loss) on investments in precious metals	30,078	(35,188)	42,256	(52,073)
Interest expense	(59,957)	(4,048,053)	(199,071)	(5,078,851)
Other Expense	(26,640)	-	(26,640)	-
Changes in fair value of derivative liability	(5,024,386)	(14,471,995)	(6,366,915)	(16,510,053)
Total other income (expense), net	(5,080,905)	(18,555,236)	(6,550,370)	(21,640,977)
Loss before provision for income taxes	(6,937,500)	(18,880,477)	(13,026,103)	(22,272,450)
Provision for income taxes	-	-	800	-
Net loss	$ (6,937,500)	$ (18,880,477)	$ (13,026,903)	$ (22,272,450)
Loss per share - basic and diluted	$ (0.01)	$ (0.22)	$ (0.02)	$ (0.33)
Weighted average number of common shares outstanding – basic and diluted	724,997,090	84,763,101	600,637,328	67,236,841

The accompanying notes are an integral part of the financial statements

SUNSTOCK, INC.
CONDENSED AND CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

	Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balance at December 31, 2017	47,853,638	$ 4,785	$ 42,543,835	$ (43,322,804)	$ (774,184)
Issuance of common stock for convertible notes	3,650,000	365	47,673	-	48,038
Net loss	-	-	-	(246,684)	(246,684)
Balance at March 31, 2018 (unaudited)	51,503,638	5,150	42,591,508	(43,569,488)	(972,830)
Issuance of common stock for convertible notes	31,753,811	3,175	139,988	-	143,163
Net loss	-	-	-	(3,145,289)	(3,145,289)
Balance at June 30, 2018 (unaudited)	83,257,449	8,325	42,731,496	(46,714,777)	(3,974,956)
Issuance of common stock for cash	9,210,000	922	43,086	-	44,008
Estimated fair value of common stock issued for cash	-	-	99,878	-	99,878
Net loss	-	-	-	(18,880,477)	(18,880,477)
Balance at September 30, 2018 (unaudited)	92,467,449	9,247	42,874,460	(65,595,254)	(22,711,547)
Balance at December 31, 2018	382,117,449	$ 38,212	$ 49,816,650	$ (52,760,269)	$ (2,905,407)
Issuance of common stock for cash	195,000,000	19,500	59,850	-	79,350
Estimated fair value of common stock issued for cash	-	-	4,025,650	-	4,025,650
Net loss				(11,265,200)	(11,265,200)
Balance at March 31, 2019 (unaudited)	577,117,449	57,712	53,902,150	(64,025,469)	(10,065,607)
Issuance of common stock for cash	2,250,000	225	11,275	-	11,500
Net income	-	-	-	5,175,797	5,175,797
Balance at June 30, 2019 (unaudited)	579,367,449	57,937	53,913,425	(58,849,672)	(4,878,310)
Issuance of common stock for cash	216,500,000	21,650	99,000	-	120,650
Estimated fair value of common stock issued for cash	-	-	1,747,500		1,747,500
Issuance of common stock for convertible notes	2,070,270	207	7,453		7,660
Net loss	-	-	-	(6,937,500)	(6,937,500)
Balance at September 30, 2019 (unaudited)	797,937,719	$ 79,794	$ 55,767,378	$ (65,787,172)	$ (9,940,000)

The accompanying notes are an integral part of the financial statements

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

	For the nine months ended September 30, 2019	2018
OPERATING ACTIVITIES		
Net loss	$ (13,026,903)	$ (22,272,450)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of derivative liability	6,366,915	16,510,053
Unrealized loss/(gain) on investment in precious metals	(42,256)	52,073
Depreciation	4,590	3,995
Amortization of debt discount and issuance costs, net	5,889	390,338
Estimated fair value of shares issued for cash	5,773,150	-
Increase (decrease) in notes payable due to default penalties	(590)	4,416,470
Common stock issued for services including amortization of prepaid consulting	-	118,278
Changes in operating assets and liabilities		
Accounts receivable	788	-
Inventory - products	-	(4,190)
Inventory - coins	(105,509)	-
Prepaid expenses & services	548,878	9,373
Accounts payable and accrued expenses	237,035	409,245
Net cash used in operating activities	(238,013)	(366,815)
INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
FINANCING ACTIVITIES		
Proceeds from convertible notes payable	-	53,000
Proceeds from issuance of common stock	211,500	44,008
Proceeds from notes payable related parties	-	219,000
Payments on notes payable related parties	(32,726)	-
Net cash provided by financing activities	178,774	316,008
Net change in cash	(59,239)	(50,807)
Cash, beginning of period	84,439	59,167
Cash, end of period	$ 25,200	$ 8,360
SUPPLEMENTAL DISCLOSURE OF CASH FLOW ACTIVITIES:		
Interest	$ -	$ -
Income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH		
Conversion of notes payable and accrued interest to common stock	$ 7,660	$ 191,201

The accompanying notes are an integral part of the financial statements

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

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

NATURE OF OPERATIONS

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

On July 18, 2013, the Company has changed its name from Sandgate Acquisition Corporation to Sunstock, Inc.

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

On October 30, 2013, the Company entered into a Purchase Agreement with Dollar Store Services, Inc. to develop, design and build out a retail store which the Company opened in February 2014. The Company opened its second retail store in May 2014. On August 21, 2014 the first store was forced to close due to below code electrical wiring the landlord had provided. Perishable inventory at this store was relocated to the second store as nonperishables were moved into storage along with fixed assets. The Company's second store was relocated in December of 2015 under lease running through June 2017 and operated on a month to month lease from then until the store was closed in September 2018. The Company currently operates no variety retail stores.

The Company plans to continue purchasing more precious metals in silver and currently searching for a hotel in the Central California are as their previous selection in escrow during the 4th quarter of 2017 did not close.

On October 22, 2018, Sunstock, Inc. acquired all assets and liabilities of Mom's Silver Shop, Inc. of Sacramento, California. Included in the assets acquired was approximately $60,000 in precious metals inventory and approximately $13,000 in net fixtures. Also included were any licenses and permits, customer lists, logo, trade names, signs, and websites. Financing of the purchase was by $20,056 cash, $33,000 unsecured note payable with principle payments of $1,000 per week for 33 weeks starting January 1, 2019 with 4.5% annual interest accrued on the unpaid balance (total accrued interest due August 27, 2019), and the assumption of liabilities and lease obligations. Mom's Silver Shop had unaudited net revenues of approximately $4,800,000 for the year ended December 31, 2015, $4,000,000 for the year ended December 31, 2016, $3,800,000 for the year ended December 31, 2017, and $2,500,000 in 2018 to the date of acquisition. Mom's Silver Shop specializes in buying and selling gold, silver, and rare coins, and is one of the leading precious metals retailers in the greater Sacramento metropolitan area.

BASIS OF PRESENTATION

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

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by the Company's management include realizability and valuation of inventories, valuation of derivatives, and value of stock-based transactions.

CONCENTRATION OF RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash with high quality banking institutions. The Company did not have cash balances in excess of the Federal Deposit Insurance Corporation limit as of September 30, 2019 and December 31, 2018.

INVENTORIES

COLLECTIBLE COINS – MOM'S SILVER SHOP

The Company acquired Mom's Silver Shop in October 2018 to enter the market for collectible coins. The Company acquires collectible coins from both companies and individuals and then marks them up for resale. The inventory is recorded at lower of cost or market. Inventory can fluctuate in relation to when it is purchased and when it is sold. Collectible coins inventory was $126,456 at September 30, 2019 compared to $20,947 at December 31, 2018.

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

PRECIOUS METALS AND COINS HELD FOR INVESTMENT - SUNSTOCK

Inventories at September 30, 2019 also include approximately $401,090 of bullion and bullion coins and approximately $358,834 at December 31, 2018 and are acquired and initially recorded at fair market value. Currently, the Company anticipates holding its precious metals as a long-term investment. Depending on market conditions, the Company anticipates holding its silver holdings until the market price exceeds $50 per ounce. Likewise, the Company does not plan to sell its gold holdings unless the market price exceeds $2,500 per ounce. The fair market value of the bullion and bullion coins is comprised of two components: 1) published market values attributable to the costs of the raw precious metal, and 2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources. The Company's inventory is subsequently recorded at fair market values on a quarterly basis. The fair value of the inventory is determined using pricing and data derived from the markets on which the underlying commodities are traded. Precious metals commodities inventories are classified in Level 1 of the valuation hierarchy. The Company has continuously experienced a shortage of cash and has had significantly past due obligations. While the Company's preference is to hold the silver bullion to achieve long-term gains, the bullion is available to pay current obligations should the Company not be able to raise cash through issuance of stock or notes payable. Thus, the Company believes that including the silver bullion in current assets under inventory is appropriate.

The change in fair value of the precious metals was included in the financial statements herein as recorded on the Company's Statements of Operations as an unrealized gain on investments in precious metals of $42,256 for the nine months ended September 30, 2019 and an unrealized loss on investments in precious metals of $52,073 for the nine months ended September 30, 2018.

PROPERTY AND EQUIPMENT

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

LONG-LIVED ASSETS

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. No impairment charges were incurred during the nine months ended September 30, 2019 and the year ended December 31, 2018. There can be no assurance, however, that market conditions will not change or demand for the Company's services will continue, which could result in impairment of long-lived assets in the future.

REVENUE RECOGNITION

On January 1, 2018, the Company adopted FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance.

The Company's principal activities from which it generates revenue are product sales. Revenue is measured based on considerations specified in a contract with a customer. A contract exists when it becomes a legally enforceable agreement with a customer. These contracts define each party's rights, payment terms and other contractual terms and conditions of the sale. Consideration is typically paid at time of sale via credit card, check, or cash when products are sold direct to consumers.

A performance obligation is a promise in a contract to transfer a distinct product to the customer, which for the Company is transfer of a product to customers. Performance obligations promised in a contract are identified based on the goods that will be transferred to the customer that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the goods is separately identifiable from other promises in the contract. The Company has concluded the sale of product and related shipping and handling are accounted for as the single performance obligation.

The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when or as the customer receives the benefit of the performance obligation. The transaction price is determined based on the consideration to which the Company will be entitled to receive in exchange for transferring goods to the customer. We do not issue refunds.

The Company recognizes revenue when it satisfies a performance obligation in a contract by transferring control over a product to a customer when product is shipped based on fulfillment by the Company. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in cost of product sales. The Company does not accept returns.

EARNINGS (LOSS) PER COMMON SHARE

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

For the three months ended September 30, 2019 and 2018 and the nine months ended September 30, 2019 and 2018, there were no potentially dilutive shares that were included in the diluted loss per share as their effect would have been antidilutive for the years then ended.

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

At September 30, 2019 and December 31, 2018, the Company's financial instruments include cash, accounts receivable and accounts payable. The carrying amount of cash and accounts payable approximates fair value due to the short-term maturities of these instruments.

NOTE 2 - GOING CONCERN

The Company has not posted operating income since inception. It has an accumulated deficit of approximately $65,800,000 as of September 30, 2019. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

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

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

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting (Topic 718)*. The amendments in the update expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer, or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Adoption of the ASU did not have a material effect on the Company's financial statements.

In July 2017, the FASB issued ASU No. 2017-11, *Earnings Per Share; Distinguishing Liabilities from Equity; Derivatives and Hedging; Accounting for Certain Financial Instruments with Down Round Features; Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception.* An entity will no longer have to consider "down round" features (i.e., a provision in an equity-linked financial instrument or an embedded feature that reduces the exercise price if the entity sells stock for a lower price or issues an equity-linked instrument with a lower exercise price) when determining whether certain equity-linked financial instruments or embedded features are indexed to its own stock. An entity that presents earnings per share (EPS) under ASC 260 will recognize the effect of a down round feature in a freestanding equity-classified financial instrument only when it is triggered. The effect of triggering such a feature will be recognized as a dividend and a reduction to income available to common shareholders in basic EPS. The new guidance will require new disclosures for financial instruments with down round features and other terms that change conversion or exercise prices. The ASU also replaces today's indefinite deferral of the guidance in ASC 480-10 for certain mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests with a scope exception. The amendments in Part I of ASU 2017-11 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, the amendments in Part II do not require any transition guidance because those amendments do not have an accounting effect. Adoption of the ASU did not have a material effect on the Company's financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows; Classification of Certain Cash Receipts and Cash Payments.* The new standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The eight issues are: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies, including bank-owned insurance policies; distribution received from equity method investees; beneficial interests in securitization transactions; separately identifiable cash flows and application of the predominance principle. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within fiscal periods beginning after December 15, 2019. Adoption of the ASU did not have a material effect on the Company's financial statements.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers.* The new standard clarifies the implementation guidance on principal versus agent considerations in Topic 606, *Revenue from Contracts with Customers.* Topic 606 addresses that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. When an entity is a principal (that is, if it controls the specific good or service before that good or service is transferred to a customer) and satisfies a performance obligation, the entity recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specific good or service transferred to the customer. When an entity is an agent and satisfies a performance obligation, the entity recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specific good or service to be provided by the other party. The new standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. This standard did not have a material effect on the Company's financial statements.

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

The following table summarizes the impact of Topic 842 on our condensed consolidated balance sheet upon adoption on January 1, 2019:

	January 1, 2019 (unaudited)		
	pre-adoption	adoption impact	post-adoption
Assets			
Right of use lease asset	$ -	$ 59,777	$ 59,777
Total assets	$ -	$ 59,777	$ 59,777
Liabilities and Stockholders' Equity			
Operating lease liability - current	$ -	$ 9,088	$ 9,088
Operating lease liability - non-current	-	50,689	50,689
Total liabilities and stockholders' equity	$ -	$ 59,777	$ 59,777

NOTE 4 – PROPERTY AND EQUIPMENT

	September 30, 2019	December 31, 2018
Furniture and equipment	$ 58,460	$ 58,610
Less – accumulated depreciation	(47,281)	(42,691)
	$ 11,179	$ 15,919

Depreciation expense for the nine months ended September 30, 2019 and 2018 was $4,590 and $3,995, respectively.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	September 30, 2019	December 31, 2018
Accrued interest payable	$ 385,617	$ 198,820
Accrued consultant fees	130,000	139,616
Accrued audit fees	48,975	22,365
Accrued settlement fees	26,640	-
Other accrued expenses	5,228	5,104
	$ 596,460	$ 365,905

NOTE 6 - RELATED PARTY BALANCES

During the year ended December 31, 2018, the Company was provided loans totaling $219,000 by the Company's CEO. The loans bear interest at 6% per annum. During the year ended December 31, 2018, $49,750 of the loans were converted into 33,300,000 shares of the Company's common stock, which resulted in a loss from settlement of debt of $840,058. In connection with the acquisition of Mom's Silver Shop, the Company incurred a $33,000 note payable to the former owner of Mom's Silver Shop, of which $0 is still outstanding at September 30, 2019.

During the nine months ended September 30, 2019, Jason Chang, the Company's Chief Executive Officer and director, purchased 302,000,000 shares of the Company's common stock for an aggregate of approximately $172,850 in cash and the Company recorded an additional $4,798,150 as stock based compensation based on the closing prices on the grant dates. During the nine months ended September 30, 2019, the parents of Jason Chang purchased 90,000,000 shares of the Company's common stock for an aggregate of approximately $25,000 in cash and the Company recorded an additional $975,000 as stock based compensation based on the closing prices on the grant dates.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company entered into a lease agreement in October 2018 for 1,088 square feet of retail shop space for Mom's Silver Shop. The lease requires combined monthly payments of base rent and triple net of $1,866 per month for sixty months.

Operating lease right of use assets and liabilities on our condensed consolidated balance sheets represent the present value of our remaining lease payments over the remaining lease term. We do not allocate lease payments to non-lease components; therefore, fixed payments for common area maintenance and administrative services are included in our operating lease right of use assets and liabilities. We use our incremental borrowing rate to calculate the present value of our lease payments, as the implicit rate in our lease is not readily determinable.

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

As of September 30, 2019, the maturities of our operating lease were as follows for the periods ended September 30:

	Remaining Lease Payments
2020	$ 12,097
2021	16,493
2022	16,988
2023	17,497
2024	4,407
Total remaining lease payments	67,482
Less: imputed interest	(15,298)
Total operating lease liabilities	52,184
Less: current portion	(10,305)
Long term operating lease liabilities	$ 41,879
Weighted average remaining lease term	48 months
Weighted average discount rate	12%

LITIGATION

On June 18, 2018, Power Up Lending Group, LTD. ("Power Up"), filed in the Supreme Court of the State of New York that Sunstock and Jason Chang (president and CFO of Sunstock and board member) and Rammk Clair (board member of Sunstock) materially breached the October 24, 2017, December 19, 2017, and April 16, 2018 notes payable to Power Up by, in June 2018, changing Sunstock's transfer agent in violation of the Notes and Agreements, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Power Up to go forward. Power Up has requested judgment against Sunstock for $160,180 with default interest, judgment against Sunstock for reasonable legal fees and costs of litigation, three judgments against Jason Chang and Rammk Clair for $160,180 and interest for each judgment, and a temporary restraining order and a preliminary and permanent injunction directing Sunstock, Jason Chang, and Rammk Clair to take all steps necessary and proper to permit the conversion of debt into stock and to deliver the stock to Power Up.

On June 22, 2018, EMA Financial, LLC ("EMA") sent a letter to Sunstock stating that Sunstock was in default on the June 5, 2017 note payable and the October 11, 2017 note payable to EMA. Among other defaults, the letter stated that Sunstock was in default due to refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock. The letter asks for at least $332,884.

On December 26, 2018, EMA filed a lawsuit in Federal Court for breach of contract.

On July 9, 2018, the attorney for Auctus Fund, LLC ("Auctus") sent a letter to Sunstock stating that Sunstock was in default on the May 24, 2017 note payable and the October 11, 2017 note payable to Auctus. Among other defaults, the letter stated that Sunstock was in default due to changing Sunstock's transfer agent in violation of the note, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Auctus to go forward. The letters ask for at least $277,397 regarding the May 24, 2017 note payable and at least $299,247 regarding the October 11, 2017 note payable. On December 26, 2018, AUCTUS filed a lawsuit in Federal Court for breach of contract.

LITIGATION (CONTINUED)

On July 10, 2018, the attorney for Crown Bridge Partners, LLC ("Crown Bridge"), sent a letter to Sunstock stating that Sunstock was in default on the December 8, 2017 note payable to Crown Bridge. The letter stated that Sunstock was in default due to changing Sunstock's transfer agent in violation of the note, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Crown Bridge to go forward. The letter requested that Sunstock immediately contact Crown Bridge to demonstrate compliance with the note. On August 15, 2018, the attorney for Crown Bridge sent another letter to Sunstock stating that Sunstock owed Crown Bridge $221,470, and that if Sunstock did not respond by August 21, 2018 in regards to payment, then a lawsuit would be filed. In August 2019, the United States District Court Southern District of New York entered a default judgement totaling $141,776 in favor of Crown Bridge Partners against the Company.

On March 7, 2019, the United States Court of Massachusetts issued electronic order 38 stating that the Court granted on the merits summary judgement on violation of contract claims for the plaintiffs (Auctus Fund, LLC and EMA Financial, LLC) and found Sunstock in default.

On May 6, 2019, the United States District Court of the District of Massachusetts issued an Order to Show Cause in the case of Auctus Fund, LLC and EMA Financial, LLC Vs. Sunstock, Inc. The Court ordered Auctus to show cause within 21 days why the Court had jurisdiction at the outset of the case and why the Court ought not to vacate its entry of summary judgement for Auctus, EDF No. 38. The Court said that it had taken no action with regard to EMA's claim. The Company is currently awaiting a further issuance by the Court.

On May 30, 2019, the United States District Court of Massachusetts issued an order in the case of Auctus Fund, LLC vs. Sunstock, Inc. that the Court was satisfied that Auctus compliant raised colorable securities law claims and, accordingly, the Court ruled that it had subject matter jurisdiction to enter summary judgment on Auctus' contract claims.

On June 20, 2019, Power Up Lending Group filed a motion with the Supreme Court of the State of New York, County of Nassau, accepting judgement of $160,180 plus interest on the three notes with the Company. The Company believes that the interest will be that applicable to each note. In addition, Power Up Lending Group included in the motion that the Company establish a reserve of 63,317,183,000 of common shares. The Company believes that Power Up Lending Group is entitled to either $160,180 plus interest or to common shares, but not both. The Company currently has only 1,388,888,888 authorized common shares and is seeking legal advice on the variance between authorized shares and reserve requested.

On July 29, 2019, Power Up Lending Group converted $1,180 in principal and $6,480 in accrued interest of its October 21, 2017 debt into 2,070,270 shares of common stock. The total of $7,660 will be applied against the $160,180 plus interest.

INDEMNITIES AND GUARANTEES

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

NOTE 8 - OUTSTANDING DEBT

Convertible notes are as follows as of September 30, 2019:

	Original principal	Converted to shares	Default penalty	Outstanding balance September 30, 2019 (1) (2)	Interest rate	Accrued interest	Maturity (2)
Auctus, May 24, 2017	$ 112,250	$ (31,681)	$ 158,982	$ 239,551	12%	$ 105,416	18-Feb-18
EMA, June 5, 2017	115,000	(58,030)	109,472	166,442	10%	51,083	5-Jun-18
Auctus, October 11, 2017	85,000		127,500	212,500	12%	100,547	11-Oct-18
EMA, October 11, 2017	85,000		81,442	166,442	12%	51,083	11-Oct-18
Crown Bridge, December 8, 2017	65,000		32,500	97,500	8%	17,636	8-Dec-18
Power Up, December 21, 2017	53,000		26,500	79,500	12%	22,604	21-Dec-18
Power Up, April 16, 2018	53,000		26,500	79,500	12%	20,548	30-Sep-18
	$ 568,250	$ (89,711)	$ 562,896	$ 1,041,435		$ 368,917	

(1) Included in this amount are estimated aggregate penalties of approximately $562,896 resulting from various events of default. The related penalties are estimates and the actual amounts to be paid could be significantly different. See discussions in NOTE 7.

(2) All notes are currently in default and due on demand and the Company is currently in litigation with all noteholders.

During the nine months ended September 30, 2019 and 2018, the Company recorded an aggregate of approximately $5,889 and $0 of debt discount to interest expense, respectively.

NOTE 8 – OUTSTANDING DEBT (CONTINUED)

On May 24, 2017, the Company entered a Convertible Promissory Note with Auctus Fund, LLC., ("Auctus") in the principle amount of $112,250 (the "Auctus Note") The Auctus Note bears interest at the rate of 12% per annum (24% upon an event of default) and was due and payable on February 24, 2018. The note is currently in default. The principle amount of the Auctus Note and all accrued interest is convertible at the option of the holder at the lower of (a) 55% multiplied by the average of the two lowest trading prices during the 25 trading days prior to the date of the note and (b) 55%, (a 45% discount) multiplied by the average market price (the trading period preceding 25 days of the conversion date). The variable conversion term was a derivative liability and the Company recorded approximately $100,000 of debt discount upon issuance. The prepayment amount ranges from 135% to 140% of the outstanding principle plus accrued interest of the note, depending on when such prepayment is made. In addition, the Company recognized issuance costs of $12,750 on the funding date and amortized such costs as interest expense over the term of the note. The Company recorded approximately $159,000 in default penalty that was added to the note as of September 30, 2019.

On June 5, 2017, the Company entered a Convertible Promissory Note with EMA Financial, LLC., ("EMA") in the principle amount of $115,000 (the "EMA Note"). The EMA Note bears interest at the rate of 10% per annum (24% upon an event of default) and is due and payable on June 5, 2018. The principle amount of the EMA Note and all accrued interest is convertible at the option of the holder at the lower of (a) the closing sales price 50% and (b) (a 50% discount) multiplied by the average market price (the trading period preceding 25 days of the conversion date) or the closing bid price. The variable conversion term was a derivative liability, see Note 7, and the Company recorded approximately $115,000 of debt discount upon issuance and is amortizing such costs to interest expense over the term of the note. The prepayment amount ranges from 135% to 150% of the outstanding principle plus accrued interest of the note, depending on when such prepayment is made. In addition, the Company recognized issuance costs of $6,900 on the funding date and is amortizing such costs as interest expense over the term of the note. The Company recorded approximately $109,000 in default penalty that was added to the note as of September 30, 2019.

On October 11, 2017, the Company entered into a securities purchase agreement ("SPA AUC") with Auctus Fund, LLC, upon the terms and subject to the conditions of SPA3, we issued a convertible promissory note in the principal amount of $85,000.00 (the "Note") to Auctus. The Company received proceeds of $77,000.00 in cash from Auctus. Interest accrues on the outstanding principal amount of the Note at the rate of subject 12% per annum (24% upon an event of default). The Note is due and payable on July 11, 2018. The Note is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 50% of the lowest sale price for the common stock during the two (2) lowest trading days during the twenty-five (25) Trading Day period ending on the last complete Trading Day prior to the Conversion Date. The variable conversion term was a derivative liability and the Company recorded approximately $74,000 of debt discount upon issuance, which is being amortized to interest expense over the life of the note Regarding the Note, the Company paid Auctus $10,750 for its expenses and legal fees. The Company recorded approximately $127,000 in default penalty that was added to the note as of September 30, 2019.

On October 11, 2017, the Company entered into a securities purchase agreement ("SPA4") with EMA Financial, LLC ("EMA2"), upon the terms and subject to the conditions of SPA4, we issued a convertible promissory note in the principal amount of $85,000.00 (the "Note4") to EMA. The Company received proceeds of $79,395.00 in cash from EMA2. Interest accrues on the outstanding principal amount of the Note4 at the rate of 10% per annum (24% upon an event of default). The Note4 is due and payable on October 11, 2018. The Note4 is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 50% of the lowest sale price for the common stock during the twenty (25) consecutive trading days immediately preceding the conversion date. The variable conversion term was a derivative liability and the Company recorded approximately $85,000 of debt discount upon issuance, which is being amortized to interest expense over the life of the note. If the closing sale price at any time fall below $0.17 or less. (as appropriately and equitably adjusted for stock splits, stock dividends, stock contributions and similar events), then such 50% figure mentioned above shall be reduced to 35%. In connection with the EMA Note, the Company paid EMA2 $5,100 for its expenses and legal fees. The Company recorded approximately $81,000 in default penalty that was added to the note as of September 30, 2019.

NOTE 8 – OUTSTANDING DEBT (CONTINUED)

On October 24, 2017, the Company entered into a securities purchase agreement ("SPA5") with Powerup Lending Group, LTD ("POWER"), upon the terms and subject to the conditions of SPA5, we issued a convertible promissory note in the principal amount of $108,000.00 (the "Note5") to POWER. The Company received proceeds of $108,000 in cash from POWER. Interest accrues on the outstanding principal amount of the Note5 at the rate of 12% per annum (22% upon an event of default). The Note5 is due and payable on July 30, 2018. The Note5 is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 61% of the lowest three sale prices for the common stock during the fifteen (15) consecutive trading days immediately preceding the conversion date. The variable conversion term was a derivative liability and the Company recorded approximately $108,000 of debt discount upon issuance, which is being amortized to interest expense over the life of the note. If the closing sale price at any time fall below $0.17 or less. (as appropriately and equitably adjusted for stock splits, stock dividends, stock contributions and similar events), then such 61% figure mentioned above shall be reduced to 39%. In connection with the Note5, the Company paid POWER $3,000 for its expenses and legal fees. The Company recorded approximately $590 in default penalty that was added to the note as of September 30, 2019. The default penalty was reversed as of September 30, 2019, as the entire principal and related accrued interest were converted to common shares as of September 30, 2019.

On December 8, 2017, the Company entered into a securities purchase agreement ("SPA3") with Crown Bridge Partners, LLC ("CROWN"), upon the terms and subject to the conditions of SPA6, we issued a convertible promissory note in the principal amount of $65,000.00 (the "Note6") to CROWN. The Company received proceeds of $56,000 in cash from CROWN. Interest accrues on the outstanding principal amount of the Note6 at the rate of 8% per annum (15% upon an event of default). The Note6 is due and payable on December 8, 2018. The Note6 is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 55% of the lowest sale price for the common stock during the twenty (25) consecutive trading days immediately preceding the conversion date. If the closing sale price at any time fall below $0.10 or less. (as appropriately and equitably adjusted for stock splits, stock dividends, stock contributions and similar events), then such 55% figure mentioned above shall be reduced to 45%. The variable conversion term was a derivative liability and the Company recorded approximately $65,000 of debt discount upon issuance, which is being amortized to interest expense over the life of the note. In connection with the Note6, the Company paid CROWN $2,500 for its expenses and legal fees. The Company recorded approximately $32,000 in default penalty that was added to the note as of September 30, 2019.

On December 21, 2017, the Company entered into a securities purchase agreement ("SPA7") with Powerup Lending Group, LTD ("POWER2"), upon the terms and subject to the conditions of SPA7 we issued a convertible promissory note in the principal amount of $53,000 (the "Note7") to POWER2. The Company received proceeds of $50,000 in cash from POWER2. Interest accrues on the outstanding principal amount of the Note7 at the rate of 12% per annum (22% upon an event of default). The Note7 is due and payable on September 30, 2018. The Note7 is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 61% of the lowest three sale prices for the common stock during the fifteen (15) consecutive trading days immediately preceding the conversion date. If the closing sale price at any time fall below $0.10 or less. (as appropriately and equitably adjusted for stock splits, stock dividends, stock contributions and similar events), then such 61% figure mentioned above shall be reduced to 39%. In connection with the Note7, the Company paid POWER2 $3,000 for its expenses and legal fees. The Company recorded approximately $26,000 in default penalty that was added to the note as of September 30, 2019.

On April 16, 2018, the Company entered into a securities purchase agreement ("SPA8") with Powerup Lending Group, LTD ("POWER3"), upon the terms and subject to the conditions of SPA8 we issued a convertible promissory note in the principal amount of $53,000.00 (the "Note8") to POWER3. The Company received proceeds of $50,000 in cash from POWER3. Interest accrues on the outstanding principal amount of the Note8 at the rate of 12% per annum (22% upon an event of default. The Note8 is due and payable on January 30, 2019. The Note8 is convertible into common stock, subject to Rule 144, at any time after the issue date, at the lower of (i) the closing sale price of the common stock on the on the trading day immediately preceding the closing date, and (ii) 61% of the lowest sale price for the common stock during the fifteen (15) consecutive trading days immediately preceding the conversion date.

NOTE 8 – OUTSTANDING DEBT (CONTINUED)

In connection with the Note, the Company paid POWER3 $3,000 for its expenses and legal fees. The Company recorded approximately $26,000 in default penalty that was added to the note as of September 30, 2019.

NOTE 9 – DERIVATIVE LIABILITIES

The Company evaluates its debt instruments, or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under the relevant sections of ASC Topic 815-40, *Derivative Instruments and Hedging: Contracts in Entity's Own Equity*. The result of this accounting treatment could be that the fair value of a financial instrument is classified as a derivative instrument and is marked-to-market at each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or other expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Financial instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815-40 are reclassified to a liability account at the fair value of the instrument on the reclassification date.

The Company applies the accounting standard that provides guidance for determining whether an equity-linked financial instrument, or embedded feature, is indexed to an entity's own stock. The standard applies to any freestanding financial instrument or embedded features that have the characteristics of a derivative, and to any freestanding financial instruments that are potentially settled in an entity's own common stock.

From time to time, the Company has issued notes with embedded conversion features. Certain of the embedded conversion features contain price protection or anti-dilution features that result in these instruments being treated as derivatives for accounting purposes. Accordingly, the Company has classified all conversion features as derivative liabilities as of September 30, 2019, and has estimated the fair value of these embedded conversion features using a binomial options pricing model with the following assumptions:

	For the Nine Months ended September 30, 2019
Annual Dividend yield	0%
Expected life (years)	0.75
Risk-free interest rate	1.79%
Expected volatility	187%

The following table presents the changes in fair value of our embedded conversion features measured at fair value on a recurring basis for the nine months ended September 30, 2019:

Balance December 31, 2018	$	2,356,887
Change in fair value		6,366,915
Balance as of September 30, 2019	$	8,723,802

NOTE 10 - STOCKHOLDER'S DEFICIT

The Company is authorized to issue 1,388,888,888 shares of common stock and 200,000,000 of preferred stock.

During the nine months ended September 30, 2019, the Company received an aggregate of $211,500 from the issuance of 413,750,000 shares of its common stock. The Company also recognized $5,773,150 in stock compensation for stock issued to related parties below market value.

During the nine months ended September 30, 2019, the Company converted $1,180 in note payable and $6,480 in related accrued interest into 2,070,270 shares of its common stock.

During the year ended December 31, 2018, the Company received an aggregate of $127,938 from the issuance of 7,341,755 shares of its common stock.

During the year ended December 31, 2018, the Company converted $184,949 of notes payable and $6,214 of accrued interest into 35,403,811 shares of its common stock. The fair value of the shares, derivative liability and accelerated discount resulted in a loss of approximately $110,000.

During the year ended December 31, 2018, the Company converted $50,000 of notes payable to officer into 33,300,000 shares of its common stock, which resulted in a loss from settlement of debt of $729,220.

During the year ended December 31, 2018, the Company issued 258,218,245 shares of its common stock for services with a fair market value of $5,294,327, of which $357,750 was expensed in the year ended December 31, 2018 and $573,750 was prepaid expense at December 31, 2018.

NOTE 11 - SUBSEQUENT EVENTS

On October 1, 2019, Power Up Lending Group converted $7,500 in principal of its December 2017 note into 4,166,667 shares of common stock.

On October 1, 2019, 186,200,000 shares of common stock were issued to employees and consultants in regards to the Company's Employees, Officers, Directors, and Consultants Stock Plan for the Year 2019.

On October 1, 2109, 50,000,000 shares of common stock were issued to the Company's CEO for $50,000.

On October 1, 2019, 25,000,000 shares of common stock were issued to a consultant for services.

On October 16, 2019, Power Up Lending Group converted $15,000 in principal of its December 2017 note into 7,142,857 shares of common stock.

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

The following information should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report. For additional context with which to understand our financial condition and results of operations, see the discussion and analysis included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission ("SEC") on June 19, 2019, as well as the consolidated financial statements and related notes contained therein.

Forward Looking Statements

Certain statements in this report, including information incorporated by reference, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as "may," "should," "could," "would," "expects," "plans," "believes," "anticipates," "intends," "estimates," "approximates," "predicts," or "projects," or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our business, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results and the development of our products, are forward-looking statements.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed elsewhere in this Quarterly Report on Form 10-Q. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We file reports with the SEC. You can read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

Overview

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

Management intends to develop the Company for the acquisition and operation of hotels and residential properties in the high demand areas of California, particularly Southern California and the San Francisco Bay Area. In December 2015, the Company entered into the investment in precious metals as listed on their Balance sheet of December 31, 2017 of $384,981. In September 2013, management developed plans to open and operate two retail stores in Sacramento, California. On October 30, 2013, the Company entered into a Purchase Agreement with Dollar Store Services, Inc. to develop, design and build out a retail store which the Company began operating in February 2014. Additionally, the Company entered into a lease agreement on October 30, 2013 for 2,239 square feet of retail shop space for this store in Sacramento, California. The lease required monthly payments for rent and maintenance of $3,733 for thirty six months beginning February 2014. In August 2014, the Company was forced to close its original store due to its landlord's failure to comply with city building codes.

Management opened an additional retail store in Sacramento, California in May of 2014 and entered into a retail shop lease for sixty-seven months beginning May 2014 for approximately 4,756 square feet. The monthly base rent for this location was $4,756, with seven months of free rent throughout the first eleven months. The base rent gradually increased until the term was to expire in 2019. This store was closed in September 2018.

The Company currently operates no retail variety stores.

On October 22, 2018, Sunstock, Inc. acquired all issued and outstanding shares of common stock of Mom's Silver Shop, Inc. of Sacramento, California. Included in the assets acquired was approximately $60,000 in precious metals inventory and approximately $13,000 in net fixtures. Also included were any licenses and permits, customer lists, logo, trade names, signs, and websites. Financing of the purchase was by $20,056 cash, $33,000 unsecured note payable with principle payments of $1,000 per week for 33 weeks starting January 1, 2019 with 4.5% annual interest accrued on the unpaid balance (total accrued interest due August 27, 2019), and the assumption of liabilities and lease obligations. Mom's Silver Shop had unaudited net revenues of approximately $4,800,000 for the year ended December 31, 2015, $4,000,000 for the year ended December 31, 2016, $3,800,000 for the year ended December 31, 2017, and $2,500,000 in 2018 to the date of acquisition. Mom's Silver Shop specializes in buying and selling gold, silver, and rare coins, and is one of the leading precious metals retailers in the greater Sacramento metropolitan area.

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

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

As of September 30, 2019, The Company has not posted operating income since inception. It has an accumulated deficit of approximately $65,800,000 since inception. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

Going Concern

The Company has not posted operating income since inception. It has an accumulated deficit of approximately $65.8 million as of September 30, 2019. These matters raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and /or obtain additional financing from its stockholders and/or other third parties.

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

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

Critical Accounting Policies

There have been no material changes from the critical accounting policies as previously discussed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Results of Operations

<u>Discussion of the Three Months ended September 30, 2019 and 2018</u>

The Company generated revenues during the three months ended September 30, 2019 of $2,003,302 as compared to $1,623 in revenues posted for the three months ended September 30, 2018. The increase in revenues is due to Mom's Silver Shop, which was acquired in October 2018.

For the three months ended September 30, 2019 and 2018, cost of sales were $1,930,070 and $974, respectively, which increase was driven by the increase in revenues as disclosed above. Professional fees decreased to $153,453 from $213,666 for the three months ended September 30, 2019 and 2018, respectively, of which $199,460 was due to decreased legal fees, offset by $70,986 in increased auditor fees $65,451 in increased consultant fees and $2,810 in other fees. Compensation increased to $1,751,220 from $99,877 for the three months ended September 30, 2019 and 2018, respectively, primarily due to $1,747,500 for the fair value of common stock sold to the CEO and his parents below market value. Other operating expenses increased to $25,154 from $12,347 for the three months ended September 30, 2019 and 2018, respectively.

Interest expense decreased to $59,957 for the three months ended September 30, 2019 from $4,048,053 for the three months ended September 30, 2018, primarily due to $3,359,080 loan default interest expense in 2018. Other expense increased to $26,640 for the three months ended September 30, 2019 from $0 for the three months ended September 30, 2018 due to a court judgement above the amount previously recorded in regards to a note payable. Fair value of derivative liability increased $5,024,386 for the three months ended September 30, 2019 compared to an increase of $14,471,995 for the three months ended September 30, 2018.

The unrealized gain on investments in precious metals of $30,078 during the three months ended September 30, 2019, is related to the increase in the market value of the underlying assets held as of September 30, 2019.

During the three months ended September 30, 2019, the Company posted a net loss of $6,937,500 as compared to a net loss of $18,880,477 for the three months ended September 30, 2018. Such decrease in net loss is primarily related to decreases in fair value of derivative liability and interest expense offset by an increase in compensation expense.

Discussion of the Nine Months ended September 30, 2019 and 2018

The Company generated revenues during the nine months ended September 30, 2019 of $3,929,558 as compared to $12,886 in revenues posted for the nine months ended September 30, 2018. The increase in revenues is due to Mom's Silver Shop, which was acquired in October 2018.

For the nine months ended September 30, 2019 and 2018, cost of sales were $3,759,474 and $7,731, respectively, which increase was driven by the increase in revenues as disclosed above. Professional fees increased to $772,241 from $463,317 for the nine months ended September 30, 2019 and 2018, respectively, of which $573,402 was due to increased consultant fees and $98,036 was due to increased auditor fees, offset by $363,382 less legal fees. Compensation increased to $5,796,614 from $118,277 for the nine months ended September 30, 2019 and 2018, respectively, of which $5,773,150 was for the fair value of shares purchased by the CEO and his parents below market prices. Other operating expenses increased to $76,962 from $55,034 for the nine months ended September 30, 2019 and 2018, respectively.

Interest expense decreased to $199,071 for the nine months ended September 30, 2019 from $5,078,851 for the nine months ended September 30, 2018, primarily due to $4,019,209 higher loan default expense, $476,615 higher interest expense, $360,157 higher debt discount amortization, and $24,292 higher debt issuance cost amortization in 2018. Other expense increased to $26,640 for the three months ended September 30, 2019 from $0 for the three months ended September 30, 2018 due to a court judgement above the amount previously recorded in regards to a note payable. Fair value of derivative liability increased by $6,366,915 for the nine months ended September 30, 2019 compared to a $16,510,053 increase for the nine months ended September 30, 2018.

During the nine months ended September 30, 2019, the Company posted a net loss of $13,026,903 as compared to a net loss of $22,272,450 for the nine months ended September 30, 2018. Such decrease in net loss is primarily related to decreases in fair value of derivative liability and interest expense offset by an increase in compensation expense.

The unrealized gain on investments in precious metals of $42,256 during the nine months ended September 30, 2019, is related to the increase in the market value of the underlying assets held as of September 30, 2019.

Liquidity and Capital Resources

As of September 30, 2019, the Company had $25,200 in cash and $527,546 in inventory of precious metals and coins compared to $84,439 in cash and $379,781 in inventory at December 31, 2018.

Net cash used in operating activities totaled approximately $238,013 during the nine months ended September 30, 2019 as compared to approximately $366,815 the nine months ended September 30, 2018. Consolidated net loss was approximately $13,026,903 for the nine months ended September 30, 2019 as compared to consolidated net loss of approximately $22,272,450 for the nine months ended September 30, 2018. Explanation of the difference between these nine months of 2019 and 2018 are explained above in the results of operations of the Company.

Changes in the adjustments to reconcile net loss for the nine months ended September 30, 2019 and 2018, respectively, consist primarily of change in fair value of derivative liability, unrealized loss on investment in precious metals, depreciation, penalty expense for notes payable default provisions, amortization of debt discount and issuance costs, estimated fair value of common stock issued for cash, and common stock issued for services.

Change in fair value of derivative liability were approximately $6,366,915 and $16,510,053, respectively, for the nine months ended September 20, 2019 and 2018. Unrealized (gains) losses on investment in precious metals were approximately ($42,256) and $52,073, respectively, for the nine months ended September 30, 2019 and 2018. Depreciation was approximately $4,590 and $3,995, respectively, for the nine months ended September 30, 2019 and 2018. Penalty expenses for notes payable default provisions were approximately ($590) and $4,416,470, respectively, for the nine months ended September 30, 2019 and 2018. Amortization of debt discount and issuance costs was approximately $5,889 and $390,338, respectively, for the nine months ended September 30, 2019 and 2018. Estimated fair value of common stock issued for cash was approximately $5,773,150 and $0, respectively, for the nine months ended September 30, 2019 and 2018. Common stock issued for services was approximately $0 and $118,278, respectively, for the nine months ended September 30, 2019 and 2018.

Changes in assets and liabilities for accounts receivable, inventories, prepaid expenses, accounts payable and accrued expenses totaled approximately $681,192 and $414,428 for the nine months ended September 30, 2019 and 2018, respectively. The significant increase in 2019 was primarily due to $560,335 amortization in 2019 of prepaid services.

No cash was used in investing activities for the nine months ended September 30, 2019 and 2018, respectively

Net cash provided by financing activities was approximately $178,774 and $316,008 for the nine months ended September 30, 2019 and 2018, respectively. Proceeds of approximately $211,500 and $44,008 were received from the issuance of common stock for the nine months ended September 30, 2019 and 2018, respectively. Proceeds of approximately $0 and $219,000 were received from notes payable related party for the nine months ended September 30, 2019 and 2018. Proceeds of approximately $0 and $53,000 were received from convertible notes payable for the nine months ended September 30, 2019 and 2018, respectively. Payments of approximately $32,726 and $0 were made on notes payable related party for the nine months ended September 30, 2019 and 2018, respectively.

Off-balance Sheet Arrangements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information not required to be filed by Smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

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

Management's Report of Internal Control over Financial Reporting

The Company is responsible for establishing and maintaining adequate internal control over financial reporting in accordance with the Rule 13a-15 of the Securities Exchange Act of 1934. The Company's officer, its president, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of March 31, 2019 based on the criteria establish in Internal Control Integrated Framework issued by the 2013 Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of September 30, 2019, based on those criteria. A control system can provide only reasonably, not absolute, assurance that the objectives of the control system are met and no evaluation of controls can provide absolute assurance that all control issues have been detected.

Material Weaknesses:

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

The material weaknesses identified are:

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

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

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

4. We have not performed a risk assessment and mapped our processes to control objectives.

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

Remediation:

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

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

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

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

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

5. Plan to implement improved accounting systems.

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

Changes in Internal Control Over Financial Reporting

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

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 18, 2018, Power Up Lending Group, LTD. (“Power Up”), filed in the Supreme Court of the State of New York that Sunstock and Jason Chang (president and CFO of Sunstock and board member) and Rammk Clair (board member of Sunstock) materially breached the October 24, 2017, December 19, 2017, and April 16, 2018 notes payable to Power Up by, in June 2018, changing Sunstock’s transfer agent in violation of the Notes and Agreements, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Power Up to go forward. Power Up has requested judgment against Sunstock for $160,180 with default interest, judgment against Sunstock for reasonable legal fees and costs of litigation, three judgments against Jason Chang and Rammk Clair for $160,180 and interest for each judgment, and a temporary restraining order and a preliminary and permanent injunction directing Sunstock, Jason Chang, and Rammk Clair to take all steps necessary and proper to permit the conversion of debt into stock and to deliver the stock to Power Up.

On June 22, 2018, EMA Financial, LLC (“EMA”) sent a letter to Sunstock stating that Sunstock was in default on the June 5, 2017 note payable and the October 11, 2017 note payable to EMA. Among other defaults, the letter stated that Sunstock was in default due to refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock. The letter asks for at least $332,884.

On July 9, 2018, the attorney for Auctus Fund, LLC (“Auctus”) sent a letter to Sunstock stating that Sunstock was in default on the May 24, 2017 note payable and the October 11, 2017 note payable to Auctus. Among other defaults, the letter stated that Sunstock was in default due to changing Sunstock’s transfer agent in violation of the note, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Auctus to go forward. The letters ask for at least $277,397 regarding the May 24, 2017 note payable and at least $299,247 regarding the October 11, 2017 note payable.

On July 10, 2018, the attorney for Crown Bridge Partners, LLC (“Crown Bridge”), sent a letter to Sunstock stating that Sunstock was in default on the December 8, 2017 note payable to Crown Bridge. The letter stated that Sunstock was in default due to changing Sunstock’s transfer agent in violation of the note, and existing letter of instructions and authorizations, refusing to provide a replacement irrevocable letter of instruction from the newly appointed transfer agent and also failing to maintain sufficient reserves of stock so as to permit and accommodate the conversion requests of Crown Bridge to go forward. The letter requested that Sunstock immediately contact Crown Bridge to demonstrate compliance with the note. On August 15, 2018, the attorney for Crown Bridge sent another letter to Sunstock stating that Sunstock owed Crown Bridge $221,470, and that if Sunstock did not respond by August 21, 2018 in regards to payment, then a lawsuit would be filed. In August 2019, the United States District Court Southern District of New York entered a default judgement totaling $141,776 in favor of Crown Bridge Partners against the Company.

On March 7, 2019, the United States Court of Massachusetts issued electronic order 38 stating that the Court granted on the merits summary judgement on violation of contract claims for the plaintiffs (Auctus Fund, LLC and EMA Financial, LLC) and found Sunstock in default.

On May 6, 2019, the United States District Court of the District of Massachusetts issued an Order to Show Cause in the case of Auctus Fund, LLC and EMA Financial, LLC Vs. Sunstock, Inc. The Court ordered Auctus to show cause within 21 days why the Court had jurisdiction at the outset of the case and why the Court ought not to vacate its entry of summary judgement for Auctus, EDF No. 38. The Court said that it had taken no action with regard to EMA’s claim. The Company is currently awaiting a further issuance by the Court.

On May 30, 2019, the United States District Court of Massachusetts issued an order in the case of Auctus Fund, LLC vs. Sunstock, Inc. that the Court was satisfied that Auctus compliant raised colorable securities law claims and, accordingly, the Court ruled that it had subject matter jurisdiction to enter summary judgment on Auctus’ contract claims.

On June 20, 2019, Power Up Lending Group filed a motion with the Supreme Court of the State of New York, County of Nassau, accepting judgement of $160,180 plus interest on the three notes with the Company. The Company believes that the interest will be that applicable to each note. In addition, Power Up Lending Group included in the motion that the Company establish a reserve of 63,317,183,000 of common shares. The Company believes that Power Up Lending Group is entitled to either $160,180 plus interest or to common shares, but not both. The Company currently has only 888,888,888 authorized common shares and is seeking legal advice on the variance between authorized shares and reserve requested.

On July 29, 2019, Power Up Lending Group converted $1,180 in principal and $6,480 in accrued interest of its October 21, 2017 debt into 2,070,270 shares of common stock. The total of $7,660 will be applied against the $160,180 plus interest.

On October 1, 2019, Power Up Lending Group converted $7,500 of principal of its December 2017 note to 4,166,667 common shares, leaving a principal balance of $45,500.

On October 16, 2019, Power Up Lending Group converted $15,000 in principal of its December 2017 note into 7,142,857 shares of common stock.

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

During the nine months ended September 30, 2019, we issued the following unregistered securities:

We issued an aggregate of 392,000,000 shares of our common stock to our CEO and his parents in exchange for $197,850 in cash that are restricted and unregistered.

We issued an aggregate of 21,750,000 shares of our common stock to non-affiliates in exchange for $13,650 in cash that are restricted and unregistered.

We issued an aggregate of 2,070,270 shares of our common stock in exchange for $1,180 in principal and $6,480 in accrued interest on a note payable that are unrestricted and registered.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

Not applicable.

ITEM 5. OTHER INFORMATION

(a) Not applicable.

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

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

ITEM 6. EXHIBITS

(a) Exhibits

31.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

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

SUNSTOCK, INC.

Dated: November 1, 2019	By: */s/ Jason C. Chang* *Jason C. Chang* *President, Chief Financial Officer* *(Principal Executive and Accounting Officer)*
Dated: November 1, 2019	By: */s/ Ramnik Clair* *Ramnik Clair* *Vice President, Board Member*

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302

I, Jason C. Chang, certify that:

1. I have reviewed this Form 10-Q for the period ended September 30, 2019 of Sunstock, Inc.

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

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

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

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

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

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

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

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

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

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

Dated: November 1, 2019

By: */s/ Jason C. Chang*

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

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906

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

The Report on Form 10-Q for the period ended September 30, 2019 of the Company fully complies, in all material respects, with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 1, 2019

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