Blink Technologies, Inc.
Form 10-Q
June 05, 2014

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

Form 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

Blink Technologies, Inc.
(Exact name of registrant as specified in Charter)

ePunk, Inc.
(Former name, former address and former fiscal year, if changed since last report)

Nevada	000-53564	26-1395403
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employee Identification No.)

5536 S. Ft. Apache #102
Las Vegas, NV 89148
(Address of Principal Executive Offices)

(949) 903-9144
(Issuer Telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes o No x

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). Yes o No x

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

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act.

Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. At May 10, 2014 the registrant had outstanding 19,950,602 shares of common stock, $.0001 par value per share. The registrant's common stock is listed under the symbol "PUNK.PK".

Blink Technologies, Inc.

FORM 10-Q

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Item 1. Financial Statements.

Blink Technologies, Inc. (fka ePunk, Inc.)
Condensed Consolidated Balance Sheets

	June 30, 2013 (Unaudited)	September 30, 2012
ASSETS		
Current assets:		
Cash	$ 2,742	$ 226,738
Other current assets	4,322	17,289
Assets from discontinued operations (Note B)	66,911	89,966
Total current assets	73,975	333,993
Assets from discontinued operations	36,256	62,292
Total assets	$ 110,231	$ 396,285
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 7,497	$ 15,841
Accrued interest (Note C)	30,205	11,430
Convertible notes payable (Note C)	344,809	133,821
Promissory note (Note C)	100,000	197,859
Liabilities from discontinued operations	435,537	150,596
Total current liabilities	918,048	509,547
Total liabilities	918,048	509,547
Commitments and contingencies (Note D)		
Stockholders' deficit (Note E):		
Preferred stock, $0.0001 par value; 25,000,000 shares authorized; none issued and outstanding at June 30, 2013 and September 30, 2012	-	-
Common stock, $0.0001 par value; 200,000,000 shares authorized; issued and outstanding 19,950,602 and 46,003,671 at June 30, 2013 and September 30, 2012, respectively	1,995	4,600
Deferred stock compensation	-	(56,500)
Additional paid-in capital	1,308,137	1,090,360
Accumulated deficit	(2,117,949)	(1,151,722)
Total stockholders' deficit	(807,817)	(113,262)
Total liabilities and stockholder's deficit	$ 110,231	$ 396,285

The accompanying unaudited notes are an integral part of these financial statements

Blink Technologies, Inc. (fka ePunk, Inc.)
Condensed Consolidated Statements of Operations (Unaudited)
For the Three and Nine Months Ended June 30, 2013 and 2012

	Three Months Ended June 30, 2013	2012	Nine Months Ended June 30, 2013	2012
Net sales	$-	$-	$-	$-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
General and administrative	9,569	272,105	231,189	287,076
Total operating expenses	9,569	272,105	231,189	287,076
Operating loss	(9,569)	(272,105)	(231,189)	(287,076)
Non-operating income (expense):				
Interest expense - other	(9,127)	(11,453)	(21,466)	(24,622)
Interest expense - accretion of debt discount	(75,021)	(72,366)	(75,021)	(138,312)
Total non-operating income (expense)	(84,148)	(83,819)	(96,487)	(162,934)
Loss on continuing operations	$(93,717)	$(355,924)	$(327,676)	$(450,010)
Discontinued operations:				
Net sales	$39,892	$672,438	$480,945	$1,430,412
Cost of sales	(56,014)	(564,774)	(349,925)	(1,227,412)
Operating expenses	(82,038)	(270,898)	(481,323)	(506,909)
Non-operating expenses:				
Interest expense - other	(7,307)	-	(22,960)	-
Interest expense - accretion of debt discount	-	-	(265,288)	-
Loss on Discontinued operations	(105,467)	(163,234)	(638,551)	(303,909)
Net loss	$(199,184)	$(519,158)	$(966,227)	$(753,919)
Basic and Diluted Loss per Common Share:				
Continuing operations	$(0.003)	$(0.011)	$(0.008)	$(0.015)
Discontinued operations	(0.003)	(0.005)	(0.015)	(0.010)
Total	$(0.006)	$(0.016)	$(0.023)	$(0.025)
Weighted average common shares outstanding - basic	34,958,520	31,887,040	42,382,020	30,647,403
The shares listed below were not included in the computation of diluted losses per share because to do so would have been antidilutive for the periods presented:				
Convertible promissory notes	2,608,860	710,015	2,608,860	710,015

The accompanying unaudited notes are an integral part of these financial statements

Blink Technologies, Inc. (fka ePunk, Inc.)
Condensed Consolidated Statement of Stockholder's Deficit
For The Nine Months Ended June 30, 2013 (Unaudited) and Year Ended September 30, 2012

	Common stock Shares	Amount	Deferred Stock Compensation	Additional paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, September 30, 2011	60,017,170	$ 6,002	$ -	$ (303,918)	$ (74,843)	$ (372,759)
Shares issued for cash	1,282,000	128	$ -	323,272	$ -	323,400
Shares issued upon the conversion of debt	3,222,664	322	-	321,944	-	322,266
Shares issued in exchange for services	915,000	91	(113,000)	332,159	-	219,250
Shares returned from officers	(19,740,000)	(1,974)	-	1,974	-	-
Shares issued in connection with issued debt	306,837	31	-	159,137	-	159,168
Discount on Revolving credit facility due to beneficial conversion feature	-	-	-	152,065	-	152,065
Beneficial conversion feature of convertible promissory notes	-	-	-	103,727	-	103,727
Amortization of deferred stock compensation	-	-	56,500	-	-	56,500
Net loss	-	-	-	-	(1,076,879)	(1,076,879)
Balance, September 30, 2012	46,003,671	4,600	$ (56,500)	$ 1,090,360	$ (1,151,722)	$ (113,262)
Shares issued in exchange for services	156,931	16		140,135		140,151
Shares returned from former officers	(26,210,000)	(2,621)		2,621		-
Accretion of debt discount related to the beneficial conversion feature of certain issued debt				75,021		75,021
Amortization of deferred stock compensation			56,500			56,500
Net loss					(966,227)	(966,227)
Balance, June 30, 2013	19,950,602	1,995	$ -	$ 1,308,137	$ (2,117,949)	$ (807,817)

The accompanying unaudited notes are an integral part of these financial statements

Blink Technologies, Inc. (fka ePunk, Inc.)
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the Nine Months Ended June 30, 2013 and 2012

	Nine Months Ended June 30, 2013	2012
Cash flows from operating activities:		
Loss on continuing operations	$(327,676)	$(450,010)
Loss on discontinued operations	(638,551)	(303,909)
Reconciliation to net cash provided by (used in) continuing operations:		
Depreciation and amortization	10,654	6,375
Amortization of debt discount due to beneficial conversion feature	340,309	138,312
Common stock issued for services	196,651	238,100
Changes in assets and liabilities:		
Accounts receivable	-	1,136
Inventory	24,701	(16,338)
Other current assets	11,321	(34,236)
Deposits	15,382	(6,392)
Accounts payable	62,605	156,999
Accrued interest	25,355	24,215
Net cash (used) provided by operating activities	(279,249)	(245,748)
Cash flows from investing activities:		
Capital expenditures, net	-	(40,521)
Net cash used by investing activities	-	(40,521)
Net cash provided by financing activities:		
Proceeds from convertible promissory notes	210,988	49,559
Proceeds from promissory notes	2,141	245,000
Payment of promissory notes	(100,000)	-
Proceeds from revolving credit facility	93,650	-
Payments of revolving credit facility	(151,526)	-
Net cash provided by financing activities	55,253	294,559
Net increase in cash	(223,996)	8,290
Cash - beginning of period	226,738	18,206
Cash - end of period	$2,742	$26,496
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID DURING THE YEAR FOR:		
Taxes paid	$-	$-
Interest paid	$-	$-
NON-CASH FINANCING ACTIVITIES:		
Value of common stock issued for accrued interest	$-	$10,941
Value of common stock issued for debt principle	$-	$311,325
Value of common stock issued for services	$121,551	$238,100
Value of debt discount recorded for value of shares issued in conncetion with debt	$18,600	$70,933
Value of debt discount recorded for beneficial conversion feature	$340,309	$76,518
Value of stock issued for deferred stock compensation	$56,500	$56,500

The accompanying unaudited notes are an integral part of these financial statements

Blink Technologies, Inc. (fka ePunk, Inc.)
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Basis of Presentation

The unaudited financial statements of Blink Technologies, Inc. (formerly known as ePunk, Inc.) as of June 30, 2013, and for the three and nine months ended June 30, 2013 and 2012, have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting and include our wholly-owned subsidiary, Punk Industries, Inc. (“Punk”). Accordingly, they do not include all of the disclosures required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended September 30, 2012, as filed with the Securities and Exchange Commission as part of the Company's Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the interim financial information have been included. The Company did not record an income tax provision during the periods presented due to net taxable losses. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Note A-Organization and Going Concern

Organization

Blink Technologies, Inc. (formerly known as ePunk, Inc.) (the “Company,” “we,” “us,” “our”) (formerly Truesport Alliances & Entertainment, Ltd.) (formerly Sewell Ventures, Inc.) was incorporated under the laws of the State of Delaware on April 27, 2007.

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, a privately owned Nevada limited liability company organized under the laws of the State of Nevada on October 17, 2008.

On January 15, 2010, the Company name was changed with the State of Delaware from Sewell Ventures, Inc. to Truesport Alliances, Ltd., and on January 29, 2010, the Company changed its state of incorporation to the State of Nevada.

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 90,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company’s assets were transferred and the Company kept certain notes payable totaling approximately $359,000.

On June 15, 2011, Excelsior Management, LLC, (“Seller”) as agent for the beneficial owners of a total of 202,852 shares of common stock of ePunk, Inc. (fka Truesport Alliances & Entertainment, Ltd.), entered into a stock purchase agreement with Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler (the “Purchasers”) for the sale and purchase of the Common Shares. As a result of the execution of the Stock Purchase Agreement, Excelsior sold, 65.75% of the issued and outstanding shares of common stock of the Company to the Purchasers in exchange for $23,451.97.

On June 20, 2011 a majority of the shareholders of the Company approved the appointment of Richard Jesse Gonzales and Justin Matthew Dornan to the Board of Directors. In addition, Richard Jesse Gonzales was appointed the Company's President and Chief Executive Officer and Justin Matthew Dornan as Treasurer and now Secretary. None of the appointed directors or officers entered into an employment agreement with the Company.

On June 20, 2011, the board of directors and a majority of the shareholders of the Company approved the name change of the Company from TrueSport Alliance & Entertainment, Ltd. to ePunk, Inc. and amended Article 1 of its Articles of Incorporation to change the Company's name to ePunk, Inc.

On June 20, 2011, the shareholders and the board of directors of ePunk authorized a 1 for 100 reverse stock split. FINRA approved the reverse split on June 28, 2011 and declared the reverse split effective as of July 5, 2011.

On June 30, 2011, The board and majority of the shareholders of the Company approved the issuance of 24,750,000 shares of common stock in exchange for 100% of the issued and outstanding capital stock of Punk Industries, Inc. causing Punk Industries, Inc. to become a wholly owned subsidiary of the Company. Punk Industries, Inc. was formed in February 2011 to develop off-road vehicle distribution. The Merger was accounted for as a "reverse merger," as the stockholders of Punk Industries, Inc. owned a majority of the outstanding shares of ePunk, Inc. common stock immediately following the Merger. Punk Industries, Inc. was deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations of Punk Industries, Inc. prior to the Merger are reflected in the financial statements at the historical cost basis of Punk Industries, Inc. The Company's consolidated financial statements include the assets and liabilities of both ePunk, Inc. and Punk Industries, Inc., the historical operations of Punk Industries, Inc. and the Company's continuing operations from the Effective Date of the Merger. The Company accounted for the merger under recapitalization accounting whereby the equity of the acquiring enterprise (Punk Industries, Inc.) is presented as the equity of the combined enterprise and the capital stock account of the acquiring enterprise is adjusted to reflect the par value of the outstanding stock of the legal acquirer (ePunk, Inc.) after giving effect to the number of shares issued in the business combination. Shares retained by the legal acquirer (ePunk, Inc.) are reflected as an issuance as of the reverse merger date (June 30, 2011) for the historical amount of the net assets of the acquired entity.

On August 16, 2012, the shareholders and the board of directors of ePunk authorized a 2 for 1 forward stock split. The split was effective as of August 31, 2012. In conjunction with the split, the management team and a former director canceled 19,740,000 shares. All share amounts have been adjusted to reflect the forward split.

On May 28, 2013 the Company entered into an operating agreement with San West, Inc. ("San West"), whereby San West will be responsible for operating the Company's County Imports business.

On June 4, 2013, Jesse Gonzales resigned from the Company's Board of Directors and as the Company's Chief Executive Officer. Also on June 4, 2013, Justin Dornan resigned from the Company's Board of Directors and as the Company's President and acting Chief Financial Officer. Effective simultaneously, on June 4, 2013, Sean Clarke was appointed as the Company's acting Chairman and President.

Going Concern

In its report with respect to the Company's financial statements for the year ended September 30, 2012, the Company's independent auditors expressed substantial doubt about the Company's ability to continue as a going concern. Because the Company has not yet generated sufficient revenues from its operations, its ability to continue as a going concern is dependent upon its ability to obtain additional financing. Currently, the Company is seeking additional financing but has no commitments to obtain any such financing, and there can be no assurance that financing will be available in amounts or on terms acceptable to the Company, if at all.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. In the course of funding sales and marketing activities, the Company has sustained operating losses since inception, and, as of June 30, 2013, has an accumulated deficit of $2,117,949 and negative working capital of

$844,073. The Company will continue to use capital and may not be profitable for the foreseeable future. These factors raise doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through sales of common stock. There is no assurance that the Company will be successful in raising this additional capital. If adequate funds are not available on reasonable terms or at all, it would result in a material adverse effect on the Company's business, operating results, financial condition and prospects.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Management is planning to raise necessary additional funds for working capital through loans and additional sales of its common stock. However, there is no assurance that the Company will be successful in raising additional capital or that such additional funds will be available on acceptable terms, if at all. Should the Company be unable to raise this amount of capital its operating plans will be limited to the amount of capital that it can access. These financial statements do not give effect to any adjustments which will be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Note B - Discontinued Operations

On October 9, 2013, the Company and TCA Global Credit Master Fund executed an Assignment, Assumption Waiver and Termination Agreement (the "Assignment Agreement") as a result of the default by the Company under the Credit Agreement for failure to make principle and interest payments. Under the Assignment Agreement the Company assigned all of its right, title and interest in the website www.countyimports.com in consideration for (i) the TCA's waiver of its rights to foreclose upon the Collateral (as defined in the Credit Agreement), (ii) TCA's immediate release and discharge of all liens and security interests currently held in favor of TCA against the Company, (ii) TCA's immediate release and discharge of all obligations owed by the Company under and pursuant to the Credit Agreement and all Loan Documents (as defined therein) and (iii) TCA's immediately termination of the Credit Agreement and all Loan Documents. As a result, the Company effectively ceased revenue generating activities and on October, 9, 2013, the Company impaired the full value of its fixed and intangible assets. These financial statements reflect the revenue generating activities and related financial statement items as discontinued operations.

Discontinued operations is comprised of the following balance sheet components:

	June 30, 2013	September 30, 2012
Current assets:		
Inventory	-	24,701
Other current assets	66,911	65,265
Total current assets	66,911	89,966
Non current assets:		
Property, plant and equipment, net	25,357	34,672
Intangible assets net of $4,166 and $2,827 of amortization, respectively	8,334	9,673
Deposits	2,565	17,947
Total non current assets	36,256	62,292
Total assets	$103,167	$152,258
Current liabilities:		
Accounts payable and accrued liabilities	$186,832	$115,884
Accrued interest	6,581	-
Revolving credit facility, net of $0 and $265,288 discount, respectively	242,124	34,712
Total current liabilities	$435,537	$150,596

Inventory

Inventory was housed at our storefront, Pacific Coast House of Rides located in Dana Point, California and comprised of finished goods ready for resale and stated at the lower of cost or market, as determined using the average costing method. Sales from www.countyimports.com are drop shipped. Thus, related products are not recognized on the balance sheet of the Company.

Other Current Assets

Other current assets is comprised of $66,911 of sale proceeds held in reserve by our credit card processors as a buffer against potential customer chargeback's.

Property, plant and equipment

Property, plant and equipment consisted of the following:

	June 30, 2013	September 30, 2012
Computer hardware	$ 3,255	$ 3,255
Furniture & fixtures	6,343	6,343
Leasehold improvements	8,000	8,000
Rental equipment	25,423	25,423
	43,021	43,021
Accumulated depreciation	(17,664)	(8,349)
Property, plant and equipment, net	$ 25,357	$ 34,672

During the three months ended June 30, 2013 and 2012, the Company recognized $3,105 and $2,749, respectively of depreciation expense. During the nine months ended June 30, 2013 and 2012, the Company recognized $10,654 and $6,375, respectively of depreciation expense.

Revolving Credit Facility

On September 25, 2012, the Company borrowed $300,000 (the "Loan") from TCA Global Credit Master Fund, LP (the "Lender") pursuant to the terms of the Senior Secured Revolving Credit Facility Agreement, dated as of August 31, 2012 (the "Credit Agreement"), among the Company, Punk Industries Inc. and the Lender. Under the Credit Agreement, ePunk may borrow up to an amount equal to the lesser of 80% of its Eligible Accounts (as defined in the Credit Agreement) and the revolving loan commitment, which initially is $300,000. Loaned amounts bear interest at the rate of 11%. The Company may request that the revolving loan commitment be raised by various specified amounts at specified times, up to a maximum of $2,000,000. In each case, the decision to grant any such increase in the revolving loan commitment is in the Lender's sole discretion. The loan matures six months following the Closing Date, unless the date shall be extended pursuant to Section 2.3 of the Credit Agreement or by TCA. The maturity date may also be extended, in the Lender's sole discretion, in connection with an increase in the revolving loan commitment. The loan is guaranteed by Punk Industries. It is also secured by a pledge of substantially all of the assets of Punk Industries.

The Credit Agreement imposes certain restrictions on the Company, including on its ability to (i) incur any Funded Indebtedness (as defined in the Credit Agreement), (ii) incur liens, (iii) make investments, (iv) permit a Change in Control (as defined in the Credit Agreement) or dispose of all or substantially all of its assets, (v) make capital expenditures not in the ordinary course of its business, (vi) issue or distribute capital stock, (vii) make distributions to its shareholders, (viii) engage in any line of business other than the business engaged in on the date of the Credit Agreement and businesses reasonably related thereto, and (ix) enter into transactions with any affiliates except in the ordinary course of business and upon fair and reasonable terms that are no less favorable to the Company than it would obtain in an arm-length's basis with a non-affiliate. Each of these restrictions is subject to certain exceptions, as specified in the Credit Agreement.

The Loan may be accelerated upon the occurrence and during the continuation of an Event of Default (as defined in the Credit Agreement), including nonpayment of amounts owed, misrepresentation, failure to perform under the Credit Agreement or related documents, default under certain other obligations, events of bankruptcy, the entry of a judgment in excess of certain specified amounts, the occurrence of a Material Adverse Effect (as defined in the Credit Agreement), the occurrence of a Change in Control (as defined in the Credit Agreement), certain impairments of collateral, and the determination in good faith by the Lender that the prospect for payment or performance of the Obligations (as defined in the Credit Agreement) is impaired for any reason.

The Lender may elect, in its sole discretion, to convert all or any portion of the outstanding principal amount of the Loan, and any or all accrued and unpaid interest thereon into shares of our common stock at a conversion price equal to eighty-five percent (85%) of the lowest daily volume weighted average price of the Company's Common Stock during the five (5) trading days immediately prior to the Conversion Date.

As set forth in the Credit Agreement, the Company paid certain fees totaling $54,439, including $17,289 towards an insurance policy covering directors and officers and $37,150 of documentary, finders, due diligence and commitment and other fees (together the "Loan Fees") resulting in net proceeds of $245,561 from the initial Revolving Promissory Note with a face amount of $300,000. The Company also issued to the Lender 106,837 shares of its restricted common stock as a fee for corporate advisory and investment banking services provided by the Lender.

Pursuant to ASC 470-20-25, the Company recorded a debt discount related to the share issuance, Loan Fees and beneficial conversion feature. The Company first allocated between the Loan and the 106,837 shares issued based upon their relative fair values. The fair value of the stock issued with the Loan of $125,000 was calculated based on the closing price of our common stock. This resulted in allocating $88,235 to the issued shares and $211,765 to the Loan.

Next, the intrinsic value of the beneficial conversion feature was computed as the difference between the fair value of the common stock and the total price to convert based on the effective conversion price. The calculated intrinsic value was $152,065.

Finally, the sum of the Loan Fees not related directly to the Loan, or $37,150 was added to the value allocated to the share issuance and beneficial conversion feature for a total loan discount of $277,450, including $240,300 recorded to equity. The debt discount is being accreted over the term of the note, or 6 months using the effective interest method from the Closing Date of the Loan on August 31, 2012.

During the three and nine months ended June 30, 2013, the Company recognized $7,307 and $22,959, respectively of interest expense related to this Note and $0 and $265,288, respectively of accretion related to the debt discount.

Note C –Promissory Notes

Convertible Promissory Notes ("CPN")

As of June 30, 2013, the Company had the following CPNs:

Date of: Issuance	Maturity	Conversion Price	Status	Principle	Accrued Interest	Total Outstanding
01/28/11	07/28/11	$ 0.10	In default	$ 5,000	968	$ 5,968
06/21/11	01/21/12	0.10	In default	2,500	405	2,905
06/24/11	01/24/12	0.10	In default	10,000	1,615	11,615
07/14/11	02/14/12	0.10	In default	10,000	1,572	11,572
07/28/11	02/28/12	0.10	In default	10,000	1,541	11,541
08/10/11	02/10/12	0.10	In default	15,263	2,308	17,571
08/19/11	02/19/12	0.10	In default	10,000	1,495	11,495
09/21/11	03/21/12	0.10	In default	21,500	3,058	24,558
10/12/11	04/12/12	0.10	In default	2,900	391	3,291
10/19/11	04/19/12	0.10	In default	7,500	988	8,488
11/09/11	05/09/12	0.10	In default	11,950	1,488	13,438
01/03/12	07/03/12	0.10	In default	11,817	1,409	13,226

02/27/12	08/27/12	0.10	In default	15,392	1,650	17,042
01/09/13	06/09/13	0.20	In default	75,021	2,828	77,849
02/08/13	08/08/13	0.20	Current	41,928	1,305	43,233
03/18/13	09/15/13	0.20	Current	35,185	802	35,987
05/22/13	11/22/13	0.20	Current	33,853	289	34,142
06/04/13	12/04/13	0.20	Current	25,000	142	25,142
				$ 344,809	$ 24,254	$ 369,063
Number of shares issuable upon exercise of the above debt upon default						2,608,860

From time to time the Company has issued CPNs all with identical terms, including a maturity date six to seven months from the date of issuance, eight percent (8%) per annum interest rate, no requirement for any payments prior to maturity, and the right to convert the outstanding principle and interest in to into fully paid and non-assessable shares of the Company's common stock at a fixed conversion price of $0.10 or $0.20 per share upon default. The conversion privilege provides for net share settlement only. Pursuant to ASC 470-20-25-5, the Company determined that due to the market price of the Company's common stock being greater than the conversion price contained in each CPN on the commitment date, each CPN contained a beneficial conversion feature (“BCF”) with an intrinsic value in excess of the face amount of each CPN. The resulting discount to the Loan is recorded to interest expense upon default. The Company has not received notice from the holder of the defaulted notes to enforce collection. The Company communicates regularly with the holder who has not expressed a desire to force collection at this time.

During the three and nine months ended June 30, 2013, the Company issued CPNs totaling $58,852 and $210,986, respectively.

During the three months ended June 30, 2013 and 2012, the Company recognized $75,021 and $19,400 as interest expense related to the debt discount arising from the beneficial conversion feature of CPN's entering default status. During the nine months ended June 30, 2013 and 2012, the Company recognized $75,021 and $76,518 as interest expense related to the debt discount.

During the three months ended June 30, 2013 and 2012, interest expense related to the stated interest rate contained in the Company's CPNs totaled $6,135 and $2,669, respectively. During the nine months ended June 30, 2013 and 2012, interest expense totaled $13,374 and $14,825, respectively.

Non-Convertible Promissory Notes

On March 19, 2012, the Company entered into a Securities Purchase Agreement, Guaranty and Note (the "Note") with Gemini Master Fund, Ltd. under which the Company issued a promissory note with a face amount of $280,000 and received net proceeds of $245,000. The net proceeds include a $30,000 original issue discount ("OID") and $5,000 in documentary fees associated with the note and with held by the lender. The Note matured six months from the date of issue, bears interest of twelve percent (12%) per annum on the face amount and is payable in full upon maturity. In the event of default, the Note is subject to a penalty of 130% of the then outstanding principle and increase in the interest rate to twenty four percent (24%) per annum. In connection with the Note the Company issued 200,000 shares of restricted common stock. Pursuant to ASC 470-20-25, the Company recorded a debt discount of $105,933 including $70,933 attributable to the 200,000 shares of common stock and $35,000 to the OID and documentary fees. The debt discount was accreted over the term of the Note, or six months on a straight line basis during our second through fourth quarters of 2012.

On September 27, 2012, the Company repaid $100,000 of the Note by applying $17,859 of the payment to accrued interest and $82,141 to principle.

During the nine months ended June 30, 2013, on October 3, 2012, the Company paid an additional $100,000 against the principle balance of the Note and issued 20,000 shares of restricted common stock to Gemini Master Fund, Ltd. in exchange for their not exercising the default terms of the Note. The shares were valued at the low bid price on the date of the Agreement or $0.93 per share. On December 31, 2012, Gemini sold and Amalfi Coast Capital purchased the remaining $100,000 balance remaining under the Note.

During the three months ended June 30, 2013 and 2012, the Company recognized $2,992 and $8,377 of interest expense related to this note. During the nine months ended June 30, 2013 and 2012, the Company recognized $8,092 and $9,390 of interest expense related to this note. As of June 30, 2013, accrued interest on this note was $5,951.

Note D - Commitments

On March 22, 2012, the Company entered into a lease for real property located at 1060 Calle Negocio, Suite B, San Clemente, CA 92673. The space includes 6,540 square feet of office and industrial space to be used for warehousing and fulfillment activities. The term of the lease was one year from May 1, 2012 through April 30, 2013 at a monthly cost of $5,332. Upon execution of the lease the company paid the first month's rent and deposit of the same amount or $10,464.

Note E - Stockholders Equity

Preferred Stock

The Company has authorized 25,000,000 shares of $0.0001 par value preferred stock available for issuance. No shares of preferred stock have been issued as of June 30, 2013.

Common Stock

The Company has authorized 200,000,000 shares of $0.0001 par value common stock available for issuance. 19,950,602 shares are issued and outstanding as of June 30, 2013.

On May 22, 2013, 1) Jesse Gonzales returned and the company canceled 13,000,000 shares of common stock leaving Mr. Gonzales with 75,000 restricted common shares, 2) Justin Dornan returned and the company canceled 100% of Mr. Dornan's holdings or 7,910,000 shares of common stock, and 3) Frank Dreschler returned and the company canceled 100% of Mr. Dreschler's holdings or 5,300,000 shares of common stock.

On August 16, 2012, the shareholders and the board of directors of the Company authorized a 2 for 1 forward stock split. The split was effective as of August 31, 2012. All share amounts presented in this annual report have been adjusted to reflect the forward split. In conjunction with the split, the management team and a former director canceled 19,740,000 shares.

On February 3, 2012, Jesse Gonzales, Justin Dornan and Frank Drechsler, collectively holding 29,610,000 shares of restricted common stock as of December 31, 2012, entered into separate Lock-Up and Leak-Out Agreements pursuant to which each individual agreed to a lock-up period of 24 months through February 3, 2014. Pursuant to the leak-out provisions, for any month, no dispositions individually and no dispositions in the aggregate, will be allowed in excess of the shareholder's "leak-out allowance" where such term is defined to mean, for any month, no amount on a disposition-by-disposition basis and in the aggregate (for that respective month) which is greater than 1% of the covered securities ("Monthly Maximum Sales Percentage"); however, the Monthly Maximum Sales Percentage shall be increased to 4% if averaged over any consecutive twenty trading-day period (subsequent to the 360th day after the Effective Date any of the following occurs: (i) the median of the daily low and daily high trade price of the Company's common stock shares average is above $0.80; or (ii) the ten lowest trading volume days (by number of shares traded) averages above 300,000 shares traded per day.

On May 10, 2012 ("Effective Date"), the Company's Board of Directors and Majority Shareholders adopted the 2012 Stock Incentive Plan. (the "Plan")(See Exhibit 10.1 to the Company's December 31, 2011 Form 10-Q filed with the SEC on May 31, 2012). The purpose of the plan is to facilitate the ability of the Company and its subsidiaries to attract, motivate and retain eligible employees, directors and other personnel through the use of equity-based and other incentive compensation opportunities. The Company may issue each of the following under the Plan: incentive options, nonqualified options, Director shares, stock appreciation rights, restricted stock and deferred stock rights, other types of awards and performance-based awards as approved by the Board. No Award shall be granted pursuant to the Plan ten years after the Effective Date. Stock options to purchase shares of our common stock expire no later than ten years after the date of grant. The total number of shares available under the Plan is four million (4,000,000). In any fiscal year, the total number of shares that may be covered by awards made to an employee may not exceed 1,000,000 plus the aggregate amount of such individual's unused annual share limit as of the close of the preceding fiscal year, and the maximum amount of cash that may be payable to an employee pursuant to performance-based cash awards made under Section 10 of the Plan is $1,000,000 plus the aggregate amount of such individual's unused annual dollar limit as of the close of the preceding fiscal year. During the nine months ended June 30, 2013, 136,931 shares of restricted common stock were issued under the Plan. As of June 30, 2013, 851,931 shares of restricted common stock have been issued under the Plan.

The Company measures and records stock-based compensation awards to employees pursuant to guidance in ASC 718 Compensation-Stock Compensation. The Company measures and records stock-based compensation awards to non-employees pursuant to guidance in ASC 505-50 Equity-Based Payments to Non-Employees.

Stock Issued for Cash

No stock was issued for cash during the nine months ended June 30, 2013.

During the year ended September 30, 2012, the Company issued 1,282,000 shares of restricted common stock in private transactions in exchange for gross proceeds of $323,400,

Stock Issued in Connection With Debt Issuance

On December 13, 2012, the Company issued 20,000 shares of restricted common stock to Gemini Master Fund, Ltd. in exchange for their not exercising the default terms of the Note. The shares were valued at the low bid price on the date of the Agreement or $0.93 per share.

During the year ended September 30, 2012, pursuant to the Securities Purchase Agreement, Guaranty and Note with Gemini Master Fund, Ltd. as described above in NOTE D, the Company issued 200,000 shares of restricted common stock and recorded a debt discount related to the issued shares of $70,933.

In connection with the Senior Secured Revolving Credit Facility Agreement between the Company and TCA Global Credit Master Fund, LP dated as of August 31, 2012 as described above in NOTE E, the Company issued 106,837 shares of its restricted common and recorded a debt discount related to the issued shares of $88,235.

Stock Issued upon Conversion of Debt

During the nine months ended June 30, 2013, no convertible debt was converted into shares of common stock.

During the year ended September 30, 2012, our convertible promissory note holders converted $322,266, including $311,325 of principle and $10,941 of interest into 3,222,664 shares of common stock at a conversion price of $0.10.

Stock Issued for Services

During the three and nine months ended June 30, 2013, the Company issued 0 and 136,931, respectively of shares of restricted common stock to four individuals in exchange for services valued at $121,550.

On February 29, 2012, the Company entered into an Advisory Engagement Agreement. Pursuant to the Advisory Engagement Agreement, Consultant is to provide SEC reporting, corporate housekeeping, corporate governance, financial and business planning and money raising services. In exchange the Company agreed to pay Consultant $5,000 per month and issue up to 2,000,000 shares of restricted common stock upon the completion of certain milestones. Pursuant to the Agreement, through September 30, 2012, the Company issued to Consultant 600,000 shares of restricted common valued at the low bid price on the date of the Agreement or $0.30 per share. The Company recorded stock compensation during the year ended September 30, 2012 of $180,000. No shares have been issued under the Advisory Engagement Agreement during the nine months ended June 30, 2013.

On February 15, 2012, the Company entered into a Consulting Agreement. Pursuant to the Consulting Agreement, Consultant is to provide marketing related services. In exchange the Company agreed to pay Consultant $15,000 and issue up to 500,000 shares of restricted common stock upon the completion of certain milestones. Consultant received 100,000 shares of restricted common stock pursuant to the Agreement and valued at the low bid price on the date of the Agreement or $0.355 per share. The Company recorded stock compensation during the year ended September 30, 2012 of $35,500. No shares have been issued under the Consulting Agreement during the nine months ended June 30, 2013.

On May 15, 2012, the Company's Board approved the issuance of 200,000 shares of restricted common stock to a Consultant. The Company and Consultant entered into a Restricted Stock Award Agreement covering such shares. Pursuant to the RSA, Consultant is to provide substantial services through March 1, 2013 at which time the shares will be deemed vested. In the event the Company or Consultant terminate their relationship prior to March 1, 2013, the shares shall be forfeited to the Company without offset. Pursuant to ASC 505-50-30, the Company recorded deferred stock compensation in the equity portion of the balance sheet and is amortizing the fair value of the stock over the vesting period, or ten months at $11,300 per month. During the year ended September 30, 2012, the Company recognized $56,500 of expense related to this issuance with $56,500 remaining to be expensed. During the nine months ended June 30, 2013, the Company recognized $56,500 of expense related to this issuance.

During the year ended September 30, 2012, the Company issued 15,000 shares of restricted common stock to our attorney in exchange for services valued at $3,750.

Note F - Subsequent Events

On October 9, 2013, the Company and TCA Global Credit Master Fund executed an Assignment, Assumption Waiver and Termination Agreement (the "Assignment Agreement") as a result of the default by the Company under the Credit Agreement for failure to make principle and interest payments. Under the Assignment Agreement the Company assigned all of its right, title and interest in the website www.countyimports.com in consideration for (i) the TCA's waiver of its rights to foreclose upon the Collateral (as defined in the Credit Agreement), (ii) TCA's immediate release and discharge of all liens and security interests currently held in favor of TCA against the Company, (ii) TCA's immediate release and discharge of all obligations owed by the Company under and pursuant to the Credit Agreement and all Loan Documents (as defined therein) and (iii) TCA's immediately termination of the Credit Agreement and all Loan Documents.

On February 10, 2014, the Company and Blink Technologies entered into a Share Exchange Agreement. As of the date of this report the Share Exchange Agreement has not closed. However, it is the intention of the parties to close this transaction pending the completion of the Company fulfilling its current outstanding SEC reporting requirements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-Q which address activities, events or developments which the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof); finding suitable merger or acquisition candidates; expansion and growth of the Company's business and operations; and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. However, whether actual results or developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market and business conditions; the business opportunities (or lack thereof) that may be presented to and pursued by the Company; changes in laws or regulation; and other factors, most of which are beyond the control of the Company.

These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this Filing and include statements regarding the intent, belief or current expectations of the Company, and its directors or its officers with respect to, among other things: (i) trends affecting the Company's financial condition or results of operations for its limited history; (ii) the Company's business and growth strategies; and, (iii) the Company's financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Such factors that could adversely affect actual results and performance include, but are not limited to, the Company's limited operating history, potential fluctuations in quarterly operating results and expenses, government regulation, technological change and competition.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

Business

During the period covered by this report, the Company was a distributor of power sports products and accessories, including scooters, street and off-road motorcycles, all-terrain vehicles utility terrain vehicles, karts and buggies through CountyImports.com and through our storefront, Pacific Coast House of Rides located in Dana Point, California.

On October 9, 2013, the Company assigned all of its right, title and interest in the website www.countyimports.com to TCA Global Credit Master Fund as a result of the default by the Company under the Credit Agreement for failure to make principle and interest payments. As a result, the Company effectively ceased revenue generating activities.

Plan of Operation

We intend to seek, investigate, and, if warranted, effect a business combination with an existing, privately held company. The business combination may be structured as a reverse merger, consolidation, our exchange of stock or any other form which will effectuate the combined entity being a publicly held company. We intend to seek to acquire assets or shares of an entity actively engaged in business which generates revenues in exchange for its securities.

We do not propose to restrict our search for any investment opportunity to any particular industry, and may therefore, engage in essentially any business, to the extent of its limited resources.

We intend to seek a business opportunity in the form of firms which (i) have recently commenced operations, (ii) are seeking to develop a new product or service, or (iii) are established businesses.

We may or may not issue securities in any proposed business combination.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions and estimates that affect the amounts reported. Note A of Notes to Financial Statements describes the significant accounting policies used in the preparation of the financial statements. Certain of these significant accounting policies are considered to be critical accounting policies, as defined below.

A critical accounting policy is defined as one that is both material to the presentation of the Company's financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on the Company's financial condition and results of operations. Specifically, critical accounting estimates have the following attributes:

- We are required to make assumptions about matters that are highly uncertain at the time of the estimate; and
- Different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on the Company's financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as the Company's operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. Based on a critical assessment of the Company's accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and present a meaningful presentation of the Company's financial condition and results of operations.

In preparing the Company's financial statements to conform to accounting principles generally accepted in the United States, we make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. These estimates include useful lives for fixed assets for depreciation calculations and assumptions for valuing options and warrants. Actual results could differ from these estimates.

Revenue Recognition

The Company applies paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned less estimated future doubtful accounts. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Stock-Based Compensation

We measure and record stock-based compensation awards to employees pursuant to guidance in ASC 718 Compensation-Stock Compensation. We measure and record stock-based compensation awards to non-employees pursuant to guidance in ASC 505-50 Equity-Based Payments to Non-Employees. We measure fair value by application of the Black-Scholes option pricing model and recognize expense over the requisite service period or upon completion of milestones for performance-based awards depending on the relevant guidance in ASC 708 or ASC 505.

Long-lived Assets

Long-lived assets, comprised of equipment, and identifiable intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that may cause an impairment review include significant changes in technology that make current computer-related assets obsolete or less useful and significant changes in the way we use these assets in operations. When evaluating long-lived assets for potential impairment, we first compare the carrying value of the asset to the asset’s estimated future cash flows (undiscounted and without interest charges). If the estimated future cash flows are less than the carrying value of the asset, we calculate an impairment loss. The impairment loss calculation compares the carrying value of the asset to the asset’s estimated fair value, which may be based on estimated future cash flows (discounted and with interest charges). We recognize an impairment loss if the amount of the asset’s carrying value exceeds the asset’s estimated fair value. If we recognize an impairment loss, the adjusted carrying amount of the asset becomes its new cost basis. The new cost basis will be depreciated (amortized) over the remaining useful life of that asset. Using the impairment evaluation methodology described herein, there have been no long-lived asset impairment charges for each of the last two years.

The Company's impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

We have not made any material changes in the Company's impairment loss assessment methodology during the past two fiscal years. We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we use to calculate long-lived asset impairment losses. However, if actual results are not consistent with estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to losses that could be material.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current period and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled.

When accounting for Uncertainty in Income Taxes, first, the tax position is evaluated to determine the likelihood that it will be sustained upon external examination. If the tax position is deemed "more-likely-than-not" to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50 percent likelihood of being realized upon ultimate settlement. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company's utilization of U.S. Federal net operating losses will be limited in accordance to Section 381 rules. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Accounting Changes and Recent Accounting Standards

We review new accounting standards as issued. Although some of these accounting standards issued or effective after the end of our previous fiscal year may be applicable to us, we have not identified any standards that we believe merit further discussion. We believe that none of the new standards will have a significant impact on our consolidated financial statements.

Results of Operations

Three and Nine Months Ended June 30, 2013 Compared with the Three and Nine Months Ended June 30, 2012

Revenue, COGS and Gross Profit

	Three Months Ended June 30,		Increase /	Percentage
	2013	2012	(Decrease)	Change
Discontinued operations:				
Net sales	$39,892	$672,438	$(632,546)	-94.1%
Cost of sales	56,014	564,774	(508,760)	-90.1%
Gross profit	$(16,122)	$107,664	$(123,786)	-115.0%

	Nine Months Ended June 30,		Increase /	Percentage
	2013	2012	(Decrease)	Change
Discontinued operations:				
Net sales	$480,945	$1,430,412	$(949,467)	-66.4%
Cost of sales	349,925	1,227,412	(877,487)	-71.5%
Gross profit	$131,020	$203,000	$(71,980)	-35.5%

Most revenue was generated through www.Countyimports.com and consists of sales of scooters, ATV's, UTV's, motorcycles and parts and accessories. Sales decreased as a result of the inability of the Company's prior management, led by Jesse Gonzales, former CEO and Justin Dornan, former CFO, to fulfill orders in a timely manner resulting in the loss of confidence by potential customers. Gross margin fluctuated due to inconsistent sales patterns and product mix.

Operating Expenses

	Three Months Ended June 30, 2013	2012	Increase / (Decrease)	Percentage Change
General and administrative	$9,569	$34,005	$(24,436)	-71.9%
Stock compensation expense	-	238,100	(238,100)	-
Discontinued operations:				
General and administrative	51,482	196,893	(145,411)	-73.9%
Sales and marketing	27,005	70,810	(43,805)	-61.9%
Depreciation and amortization	3,551	3,195	356	11.1%
Stock compensation expense	-	-	-	-
Total operating expenses	$91,607	$543,003	$(451,396)	-83.1%

	Nine Months Ended June 30, 2013	2012	Increase / (Decrease)	Percentage Change
General and administrative	$156,089	$48,976	$107,113	218.7%
Stock compensation expense	75,100	238,100	(163,000)	-
Discontinued operations:				
General and administrative	257,721	379,010	(121,289)	-32.0%
Sales and marketing	91,397	121,524	(30,127)	-24.8%
Depreciation and amortization	10,654	6,375	4,279	67.1%
Stock compensation expense	121,551	-	121,551	-
Total operating expenses	$712,512	$793,985	$(81,473)	-10.3%

Operating expenses consist of personnel costs, professional fees, facility costs, sales and marketing costs, public company costs, and other general operating costs. Excluding stock compensation expense, total operating expenses for the three and nine months ended June 30, 2013 were lower by $213,296 and $40,024, respectively compared to the three and nine months ended June 30, 2012. The Company experienced a significant decrease in operating expenses during the current quarter, which also caused a nine month year-over-year decrease, as a result of executing restructuring initiatives designed to improve effectiveness and efficiency.

Other Expense

	Three Months Ended June 30, 2013	2012
Interest expense - other	$ (9,127)	$ (11,453)
Interest expense - accretion of debt discount	(75,021)	(72,366)
Discontinued operations:		
Interest expense - other	(7,307)	-
Interest expense - accretion of debt discount	-	-
Total other expense	$ (91,455)	$ (83,819)

	Nine Months Ended June 30, 2013	2012
Interest expense - other	$ (21,466)	$ (24,622)
Interest expense - accretion of debt discount	(75,021)	(138,312)
Discontinued operations:		

Interest expense - other		(22,960)		-
Interest expense - accretion of debt discount		(265,288)		-
Total other expense	$	(384,735)	$	(162,934)

"Interest expense - other" consists of expense related to the stated interest rate payable on debt due to Amalfi and Gemini. "Interest expense - accretion of debt discount" represents amortization of the debt discount related to the beneficial conversion feature of the Amalfi and Gemini debt. Discontinued operations related "interest expense - other" and "interest expense - accretion of debt discount" is attributable to the TCA loan.

Net Loss

As a result of the foregoing, our net loss for the three and nine months ended June 30, 2013 was $199,184 and $966,227, respectively compared to a net loss of $519,158 and $753,919 during the three and nine months ended June 30, 2012.

Liquidity and Capital Resources

The accompanying financial statements have been prepared assuming we will continue as a going concern. The Company has an accumulated deficit of $2,117,949. At June 30, 2013. The Company had current assets of $73,975 and current liabilities totaling $918,048. We expect to incur losses into the foreseeable future. These conditions raise substantial doubt about our ability to continue as a going concern. Management recognizes that in order for us to meet our capital requirements, and continue to operate, additional financing will be necessary. To date the Company has financed its expenses primarily from loans, sales of our common stock for cash and issuances of our common stock in exchange for services.

Management is planning to raise necessary additional funds for working and growth capital through loans and additional sales of its common stock. However, there is no assurance that the Company will be successful in raising additional capital or that such additional funds will be available on acceptable terms, if at all. Should the Company be unable to raise this amount of capital its operating plans will be limited to the amount of capital that it can access.

Net cash used by operating activities was $279,248 for the nine months ended June 30, 2013 compared to $245,748 used by operating activities for the nine months ended June 30, 2012.

Net cash used by investing activities was $0 for the nine months ended June 30, 2013 compared to $40,521 used by investing activities for the nine months ended June 30, 2012.

Net cash provided by financing activities was $55,252 for the nine months ended June 30, 2013 compared to $294,559 provided by financing activities for the nine months ended June 30, 2012.

Off-Balance Sheet Arrangements

We have no off-balance sheet transactions.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

As the end of the period covered by this quarterly report, the Chief Executive and Chief Financial Officer of the Company (the “Certifying Officer”) conducted an evaluation of the Company’s disclosure controls and procedures. As defined under Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the term “disclosure controls and procedures” means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including the Certifying Officer, to allow timely decisions regarding required disclosure.

Based on this evaluation, the Certifying Officer has concluded that the Company's disclosure controls and procedures were not effective, for the quarter covered by this report, to ensure that material information is recorded, processed, summarized and reported by management of the Company on a timely basis in order to comply with the Company's disclosure obligations under the Exchange Act, and the rules and regulations promulgated there under.

Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

Cambio, Inc. v. San West, Inc. et. al. (Superior Court of California, County of San Diego, Case No. 30-2012-0006183). On or about July 5, 2012, Cambio, Inc. ("Cambio") commenced a civil action against the Company in the Superior Court of the State of California, County of San Diego, alleging damages arising out of Cambio's sale of assets to a third party. A settlement Agreement was entered into in this matter on February 27, 2014, under which the Company was released in its entirety. The Company was not required to pay any damages or costs under this Settlement Agreement.

ePunk, Inc. v. Jesse Richard Gonzales et. al. (District Court, Clark County Nevada, Case No. A-12-699135-C). On April 11, 2013, the Company filed and action against certain individuals and entities including former officers Jesse Richard Gonzales and Justin Dorman (the "Defendants") alleging damages relating to certain actions involving the stock of the Company. The Complaint was for: Breach of Contract; Unjust Enrichment; Intentional Interference with Contract; Concert of Action; Injunctive Relief; Breach of the Implied Covenant of Good Faith and Fair Dealing; and Breach of Fiduciary Duty. Plaintiff EPUNK, INC. prayed for judgment against Defendants, for the following: general and special damages in excess of Ten Thousand Dollars ($10,000.00), and in an amount to be determined at trial, For an Order from this Court enjoining Defendants from transferring or otherwise alienating EPUNK, INC. stock pending the outcome of this action, interest upon an award of damages according to law, for reasonable attorney’s fees, for costs of suit, for any such other relief as the Court may deem just and proper. This matter is still in the early discovery stage. The Company is confident that it will achieve a favorable result in this matter.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 16, 2012, the Company issued 20,000 shares of restricted common stock to Gemini Master Fund, Ltd. in exchange for their not exercising the default terms of the Note. The shares were valued at the low bid price on the date of the Agreement or $0.93 per share.

On December 13, 2012, the Company issued 68,750 shares of restricted common stock to three individuals in exchange for services valued at $63,938.

On February 6, 2013, the Company issued 68,181 shares of restricted common stock in exchange for services valued at the price of our common stock on the date the related agreement, or $0.845 per share.

The Note and common stock issuances were issued in reliance upon exemptions from registration pursuant to, among others, Section 4(2) under the Securities Act of 1933, as amended (the “Securities Act”) and Regulation S promulgated under the Securities Act.

Item 3. Defaults Upon Senior Securities.

Please refer to the financial statement footnotes, "Note D - Promissory Notes" and "Note E - Revolving Credit Facility". The Company is currently in default on outstanding debt totaling $550,967 of principal.

Item 6. Exhibits.

Exhibit	Description of Exhibit
10.1	ePunk, Inc. 2012 Stock Incentive Plan (Incorporated by reference to the exhibits filed as part of the report on Form 10-Q filed by the Company on May 31, 2012).
10.2	Assignment, Assumption Waiver and Termination Agreement between ePunk, Inc. and TCA Global Credit Master Fund, LP (Incorporated by reference to the exhibits filed as part of the report on Form 10-Q for the quarter ended December 31, 2012).
31.1*	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Director, President and Chief Financial Officer Certification of Periodic Financial Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Director, President and Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed Herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Blink Technologies, Inc. (Registrant)	
Dated: June 5, 2014	By:	/s/ Dean Miller Dean Miller Chief Executive Officer
	By:	/s/ Robert Gilbert Robert Gilbert Chief Financial Officer