

ACQUIRED SALES CORP
Form 10-Q
August 12, 2016

FORM 10-Q
U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the quarterly period ended June 30, 2016

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 000-52102

Acquired Sales Corp.
(Exact name of registrant as specified in its charter)

Nevada	87-0479286
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

31 N. Suffolk Lane, Lake Forest, Illinois 60045
(Address of principal executive offices)

(847) 915-2446
(Registrant's telephone number, including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant (1) 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 ☒ 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 (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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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 a smaller reporting company) Smaller Reporting Company ☒

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

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common units, as of the latest practicable date: 2,369,648 shares of common stock, par value \$.001 per share, outstanding as of August 12, 2016.

ACQUIRED SALES CORP.

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ITEM 1. STATEMENTS

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the financial statements contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations, and cash flows of the Company for the interim periods presented.

The results for the period ended June 30, 2016 are not necessarily indicative of the results of operations for the full year. These financial statements and related footnotes should be read in conjunction with the financial statements and footnotes thereto included in the Company's Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 28, 2016 for the period ended December 31, 2015.

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ACQUIRED SALES CORP.
 CONDENSED BALANCE SHEETS
 (Unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$901	\$27,781
Total Current Assets	901	27,781
Notes Receivable	-	25,000
Total Assets	\$901	\$52,781
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade Accounts Payable	\$52,689	\$19,295
Total Current Liabilities	52,689	19,295
Long Term Liabilities		
Note Payable to Related Party	4,000	-
Total Long Term Liabilities	\$4,000	\$-
Shareholders' Equity		
Preferred Stock, \$0.001 par value; 10,000,000 shares authorized; none outstanding	-	-
Common Stock, \$0.001 par value; 100,000,000 shares authorized; 2,369,648 shares outstanding	2,370	2,270
Additional Paid-in Capital	13,554,524	13,554,524
Accumulated Deficit	(13,612,682)	(13,523,308)
Total Shareholders' Equity (Deficit)	(55,788)	33,486
Total Liabilities and Shareholders' Equity	\$901	\$52,781

Please see the accompanying notes to the condensed financial statements for more information.

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ACQUIRED SALES CORP.
 CONDENSED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	For the Three Month Ended June 30,		For the Six Month Ended June 30,	
	2016	2015	2016	2015
Selling, General and Administrative Expense	\$(40,286)	\$(73,868)	\$(89,402)	\$(313,239)
Interest Income	-	23,897	-	43,776
Other Income	-	-	28	2,267
Net Loss	\$(40,286)	\$(49,971)	\$(89,374)	\$(267,196)
Basic and Diluted Earnings Loss per Share	\$(0.02)	\$(0.02)	\$(0.04)	\$(0.12)

Please see the accompanying notes to the condensed financial statements for more information.

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ACQUIRED SALES CORP.
 CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
 (UNAUDITED)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Shareholders' Equity
Balance, December 31, 2014	2,269,648	\$ 2,270	\$ 13,554,524	\$(12,347,428)	\$ 1,209,366
Net Loss	-	-	-	(267,196)	(267,196)
Balance, June 30, 2015	2,269,648	\$ 2,270	\$ 13,554,524	\$(12,614,624)	\$ 942,170
Balance, December 31, 2015	2,269,648	\$ 2,270	\$ 13,554,524	\$(13,523,308)	\$ 33,486
Exercise of Stock Options	100,000	100			\$ 100
Net Loss	-	-	-	(89,374)	(89,374)
Balance, June 30, 2016	2,369,648	\$ 2,370	\$ 13,554,524	\$(13,612,682)	\$ (55,788)

Please see the accompanying notes to the condensed financial statements for more information.

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ACQUIRED SALES CORP.
 CONDENSED STATEMENTS OF CASH FLOWS
 (UNAUDITED)

	For the Six Months Ended June 30, 2016 2015	
Cash Flows From Operating Activities		
Net Loss	\$(89,374)	\$(267,196)
Adjustments to Reconcile Loss to net Cash Used in Operating Activities:		
Changes in Operating Assets and Liabilities:		
Prepaid Expenses	-	7,985
Accrued Interest Receivable	-	(43,775)
Accounts Payable	33,394	26,693
Net Cash Used in Operating Activities	(55,980)	(276,293)
Cash Flows from Investing Activities		
Note Receivable	25,000	(94,950)
Net Cash Provided by (Used in) Investing Activities	25,000	(94,950)
Cash Flows From Financing Activities		
Proceeds From Borrowing Under Related Party Note Payable	4,000	-
Exercise of Stock Options	100	-
Net Cash Provided by Financing Activities	4,100	-
Net Decrease in Cash	(26,880)	(371,243)
Cash and Cash Equivalents at Beginning of Period	27,781	587,937
Cash and Cash Equivalents at End of Period	\$901	\$216,694

Please see the accompanying notes to the condensed financial statements for more information.

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Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

NOTE 1 – DESCRIPTION OF THE BUSINESS OF ACQUIRED SALES CORP.

Acquired Sales Corp. (hereinafter sometimes referred to as "Acquired Sales", "AQSP" or the "Company") was organized under the laws of the State of Nevada on January 2, 1986.

Previously, the Company was involved in selling software licenses and hardware, and the provision of consulting and maintenance services. Please refer to the Company's past filings for information related to the acquisitions and sales of Defense & Security Technology Group, Inc. ("DSTG") and Cogility Software Corporation ("Cogility"). The sale of Cogility and DSTG eliminated the Company's sources of revenue.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements include the accounts and operations of Acquired Sales for all periods presented.

Condensed Financial Statements – The accompanying financial statements are condensed and do not include all disclosures normally required by generally accepted accounting principles. These statements should be read in conjunction with the annual financial statements included in Form 10-K filed with the U.S. Securities and Exchange Commission on March 28, 2016. In particular, the basis of presentation and significant accounting principles were presented in Note 1 to the annual financial statements. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying unaudited condensed financial statements and consist of only normal recurring adjustments, except as disclosed herein. The results of operations for the three and six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2016.

Use of Estimates – The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") typically requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. The following table summarizes the calculations of basic and diluted earnings (loss) per common share for the three and six months ended June 30, 2016 and 2015.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Net Loss	\$(40,286)	\$(49,971)	\$(89,374)	\$(267,196)
Weighted -Average Shares Outstanding	2,318,035	2,269,648	2,293,842	2,269,648
Basic and Diluted Earnings Loss per Share	\$(0.02)	\$(0.02)	\$(0.04)	\$(0.12)

At January 1, 2016 through May 17, 2016, there were 4,848,774 stock options and 478,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive. On May 18, 2016, 100,000 of these stock options were exercised. As a result, at June 30, 2016, there were 4,748,774 stock options and 478,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

There were 6,198,774 employee stock options and 938,000 warrants outstanding during the three and six months ended June 30, 2015 that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

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Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

Recent Accounting Pronouncements – In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-12, Compensation-Stock Compensation (Topic 718)-Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force). ASU No. 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. The effective date is the first quarter of fiscal year 2016. The Company adopted ASU No. 2014-12; the adoption of this has had no effect on the financial statements.

In March 2016, FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments in this update change the accounting for certain stock-based compensation transactions, including the income tax consequences and cash flow classification for applicable transactions. The amendments in this update are effective for annual periods beginning after December 31, 2016 and interim periods within those annual periods. The Company is currently evaluating the impact that this amendment will have on its financial statements.

NOTE 3 - RISKS AND UNCERTAINTIES

Going Concern – The Company has a history of recurring losses, which have resulted in an accumulated deficit of \$13,612,682 as of June 30, 2016. During the three and six months ended June 30, 2016, the Company recognized net losses of \$40,286 and \$89,374, respectively. The Company used net cash of \$55,980 in operating activities during the six months ended June 30, 2016. As discussed in Note 4, on September 1, 2015, the Company determined that the note and related interest receivable due from the William Noyes Webster Foundation, Inc. (the "Foundation") would not be collectible. As such, the Company wrote off the note totaling \$737,850 and interest receivable totaling \$97,427 as bad debt expense on September 1, 2015.

The sales of Cogility and DSTG eliminated the Company's source of revenue. As a result, there is substantial doubt that the Company will be able to continue as a going concern. Bankruptcy of the Company at some point in the future is a possibility. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company currently has no revenue-generating subsidiaries. Management plans to sustain the Company as a going concern by taking the following actions: (1) acquiring and/or developing profitable businesses that will create positive income from operations and/or (2) completing private placements of the Company's common stock and/or preferred stock. Management believes that by taking these actions, the Company will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that the Company will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

NOTE 4 – NOTES RECEIVABLE

The William Noyes Webster Foundation, Inc.

The Foundation, a non-profit Massachusetts corporation, has received a provisional registration from the Commonwealth of Massachusetts to own and operate a medical marijuana cultivation facility in Plymouth,

Massachusetts, and a medical marijuana dispensary in Dennis, Massachusetts. Jane W. Heatley ("Heatley") is the founder and a member of the board of directors of the Foundation.

Teaming Agreement – The Company believes it is highly likely that the board of directors of the Foundation will only approve contracts that have been negotiated and approved by Heatley. Consequently, on July 8, 2014, the Company entered into a Teaming Agreement (the "Teaming Agreement") with Heatley, in which, among other things: (1) the Company and Heatley agreed to use their respective best efforts, working exclusively together as a team, and not as a partnership or other entity, in order to consummate transactions, agreements, contracts or other arrangements pursuant to which the Company will provide capital and expertise to the Foundation; and (2) Heatley agreed that Heatley shall not, and shall not permit the Foundation to, discuss or negotiate for debt or equity financing, or consulting services or other expertise, from any third party. The Company claims that Heatley violated the Teaming Agreement by discussing and negotiating for debt or equity financing, or consulting services or other expertise, from at least one third party. Heatley claims that the Company violated the Teaming Agreement alleging that the Company failed to lend funds to the Foundation in accordance with the Teaming Agreement. The Company believes Heatley's claim to be baseless. No assurances whatsoever can be made that Heatley will comply with the terms of the Teaming Agreement, nor that the Company will be able to adequately enforce the terms of the Teaming Agreement if it is ever the subject of litigation.

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Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

Promissory Note – On July 14, 2014, the Foundation signed and delivered to the Company a Secured Promissory Note (the "Note") which is in the stated loan amount of \$1,500,000, and is secured by a Security Agreement of even date therewith (the "Security Agreement"). The Note provides that the \$1,500,000 loan may be advanced in one or more installments as the Foundation and the Company may mutually agree upon. The Foundation and the Company mutually agreed that the first installment of this loan would be \$602,500. Pursuant to instructions from the Foundation, on July 14, 2014, the Company paid \$2,500 owed by the Foundation to one of its consultants, and the Company advanced \$600,000 directly to the Foundation. The amount and timing of subsequent loan installments under the Note, which could have totaled \$897,500, had not yet been mutually agreed upon between the Foundation and the Company as of the date of the Note.

Between April and July 2015, the Company loaned an additional \$135,350 to the Foundation, evidenced by the Note and secured by the Security Agreement. Following such additional loans, the principal of the loan from the Company to the Foundation, evidenced by the Note and secured by the Security Agreement, is now \$737,850.

The principal balance outstanding under the Note bore interest at the rate of 12.5% per annum, compounded monthly. It was contemplated that the first payment of accrued interest by the Foundation under the Note would be made as soon after the Foundation commences operations of the Plymouth Cultivation Facility and the Dennis Dispensary as the Foundation's cash flows shall reasonably permit, but in any event no later than one year after the Foundation commences operations. The principal of the Note would be payable in eight consecutive equal quarterly installments, commencing on the last day of the calendar quarter in which the Foundation commences operations. Principal on the Note and related accrued interest would be considered past due if the aforementioned payments were not received by their due dates.

Uncollectable Note and Interest Receivable – The Company assessed the collectability of the Note based on the adequacy of the Foundation's collateral and the Foundation's capability of repaying the Note according to its terms. Based on this assessment, on September 1, 2015, the Company concluded that Note and interest receivable would not be collectible. As such, the Company wrote off the Note totaling \$737,850 and interest receivable totaling \$97,427 as bad debt expense on September 1, 2015.

One-Seven, LLC

One-Seven, LLC ("One-Seven") is a business investment firm that hopes to make equity and/or debt investments in privately held and/or publicly traded companies from time to time. On October 9, 2015, the Company's chief executive officer, Gerard M. Jacobs, loaned money to One-Seven. On November 4, 2015, the Company entered into an Agreement with One-Seven, its Managing Partner Douglas Stukel ("Stukel"), and Gerard M. Jacobs pursuant to which the Company loaned \$50,000 interest-free to One-Seven. As of December 31, 2015, \$25,000 of the loan had been repaid to the Company by One-Seven, and the balance of \$25,000 was still held by the Company as a receivable from One-Seven. The loan was repaid in full as of January 5, 2016. In consideration of such \$50,000 loan to One-Seven, One-Seven and Stukel agreed that if One-Seven is successful in securing additional funding, then Stukel and One-Seven are obligated to use good faith efforts to work with Gerard M. Jacobs and the Company, as a team and not as a partnership, joint venture or other entity, in order to explore and hopefully close transactions pursuant to which: (a) One-Seven may provide debt, convertible debt and/or equity to the Company, all on mutually acceptable terms and conditions; (b) One-Seven may provide debt, convertible debt and/or equity to business entities that may be wholly or partly purchased by, or merged into, the Company, all on mutually acceptable terms and conditions; and (c) Stukel may participate in the management of the Company and obtain a salary and a package of stock options and/or warrants to purchase shares of common stock of the Company, all on mutually acceptable terms and conditions.

There are no assurances or guarantees whatsoever that the Company will consummate any transactions involving One-Seven or Mr. Stukel.

NOTE 5 – NOTE PAYABLE

On June 21, 2016, a company affiliated with Gerard M. Jacobs, CEO of Acquired Sales, made a non-interest bearing loan of \$4,000 to the Company, which is payable upon demand.

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Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

NOTE 6 – SHAREHOLDERS' EQUITY

Summary of Stock Option and Warrant Activity – The following is a summary of the Company's stock option and warrant activity as of June 30, 2016 and changes during the year then ended:

	Shares	Weighted-Average Exercise Price (a)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2015	4,848,774	\$ 1.56		
Exercised options	100,000	\$ -		
Outstanding, June 30, 2016	4,748,774	\$ 1.59	6.16	\$ 220,225
Exercisable, June 30, 2016	3,498,774	\$ 1.50	5.32	\$ 220,225

Note:

(a) The Weighted-Average Exercise Price column excludes those warrants that have an exercise price for the common stock priced at the Capital Raise Price Per Share.

Assignment and Exercise of Stock Option Agreement – Reference is hereby made to that certain Stock Option Agreement (the "SOA") dated November 4, 2010, between Cogility and Gerard M. Jacobs, that was entered into pursuant to the Agreement by and among Deborah Sue Ghourdjian Separate Property Trust, Matthew Ghourdjian, Cogility, Gerard M. Jacobs, Joshua A. Bloom, Roger S. Greene, James S. Jacobs, Michael D. McCaffrey, Vincent J. Mesolella, Richard E. Morrissy, and Acquired Sales.

Cogility was acquired by Acquired Sales in September 2011. Pursuant to the terms and conditions of that acquisition and the SOA, Gerard M. Jacobs or his assignees or heirs was granted the right to purchase 100,000 shares of common stock of Acquired Sales at the purchase price of \$0.001 per share, or an aggregate purchase price of \$100.

For valuable consideration received, Gerard M. Jacobs assigned the SOA to his affiliate Miss Mimi Corporation ("Miss Mimi"), effective as of May 18, 2016. Miss Mimi notified Acquired Sales effective as of May 18, 2016, that Miss Mimi exercised the SOA and thereby purchased all 100,000 shares of common stock of Acquired Sales covered by the SOA, for the aggregate purchase price of \$100, with the purchase price paid in the form of cashier's check from Miss Mimi payable to Acquired Sales.

Financing Warrants – Through December 31, 2012, the Company issued 938,000 warrants in connection with the issuance of notes payable primarily to related parties. 460,000 of these warrants expired on March 31, 2016 and 478,000 of these warrants were outstanding at June 30, 2016. At June 30, 2016, the financing warrants had a weighted-average exercise price of \$2.63 per share, a weighted-average remaining contractual term of 1.19 years and an aggregate intrinsic value of \$0.

NOTE 7 – CONTINGENT CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Medical Marijuana in Massachusetts:

As discussed in Note 4, the Company has agreements with Heatley and the Foundation.

On July 20, 2014, the Company entered into an agreement to pay a lump sum finder's fee to Parare Partners Inc. in the event that all of the following conditions occur: (1) the Company makes certain loans to the Foundation which was found by Parare Partners Inc., (2) the Foundation constructs and brings into operation its planned medical marijuana cultivation facility in Plymouth, Massachusetts and a medical marijuana dispensary in Dennis, Massachusetts, (3) the Company directly or via subsidiaries enters into certain consulting agreements with the Foundation, and (4) all necessary approvals are obtained. If all of such conditions occur, then the finder's fee will be calculated as follows:

5% of the first \$1,000,000 of the aggregate principal amount of such loans
4% of the second \$1,000,000 of the aggregate principal amount of such loans
3% of the third \$1,000,000 of the aggregate principal amount of such loans
2% of the fourth \$1,000,000 of the aggregate principal amount of such loans
1% of the aggregate principal amount of such loans that are in excess of \$4,000,000
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Acquired Sales Corp.

Notes to the Condensed Financial Statements

(Unaudited)

The Company has not paid any fees under this Agreement. All of the conditions have not been met for the finder's fee to have accrued on the amounts loaned to the Foundation; therefore, a liability has not been recorded for the finder's fee at June 30, 2016.

During the nine month period ended September 30, 2015, MVJ Realty, LLC, an affiliate of AQSP director Vincent J. Mesolella ("MVJ Realty"), loaned a total of \$23,000 to the Foundation, which \$23,000 was purportedly used as follows: (a) \$9,500 was used by the Foundation to pay the rent of the Plymouth Cultivation Facility for the month of May, 2015; (b) \$6,900 was used by the Foundation to pay the rent of the Dennis Dispensary for the months of April and May, 2015; (c) \$3,600 was used by the Foundation to pay for the general liability insurance policy covering the Plymouth Cultivation Facility and the Dennis Dispensary; and (d) \$3,000 was used by the Foundation to pay the application fees for two applications (the "Two New Applications") by the Foundation to the Commonwealth of Massachusetts for licenses (the "Two New Licenses") to operate two new medical marijuana dispensaries in Massachusetts (the "Two New Dispensaries"). In making these \$23,000 loans to the Foundation, MVJ Realty viewed itself as acting as an agent for the Company, and expected to eventually be reimbursed for the \$23,000 by the Company subject to the execution and delivery by the Foundation to the Company of loan documents evidencing that the principal amount of the loan from the Company to the Foundation, evidenced by the Note and secured by the Security Agreement, had been increased by \$23,000. The execution and delivery of such loan documents occurred on July 15, 2015, and MVJ Realty was reimbursed for the \$23,000 in August 2015.

In the Two New Applications, the Foundation included background information in regard to each of the Company's directors and officers. If the Two New Licenses are awarded to the Foundation, then the Foundation may seek to obtain financing for the Two New Dispensaries from MVJ Realty/AQSP. The Foundation and MVJ Realty/AQSP have not yet entered into any agreements in regard to such potential financing, and the Company considers it to be extremely doubtful that any such agreements will ever be entered into in light of the on-going disputes between Heatley, the Foundation, and the Company regarding the Teaming Agreement.

At this time, no assurances or guarantees whatsoever can be made as to whether any transaction with the Foundation will be successfully consummated, nor on what terms.

NOTE 8 – SUBSEQUENT EVENTS

We have evaluated subsequent events through the date of filing this quarterly report on Form 10-Q. No events have occurred that would require adjustment to or disclosure in the condensed financial statements.

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

As used in this Form 10-Q, references to the "Company," "Acquires Sales," "AQSP," "we," "our" or "us" refer to Acquired Sales Corp., unless the context otherwise indicates.

We have a history of recurring losses, which has resulted in an accumulated deficit of \$13,612,682 as of June 30, 2016. In addition, we suffered losses from continuing operations during the six months ended June 30, 2016 and 2015 and we used cash in our operating activities during the six months ended June 30, 2016 and 2015. Additionally, as discussed in Note 3, we sold 100% of the capital stock of our subsidiaries, Cogility and DSTG, which were our primary source of revenue. These matters raise substantial doubt about our ability to continue as a going concern.

This Management's Discussion and Analysis or Plan of Operations ("MD&A") section discusses our results of operations, liquidity and financial condition, contractual relationships and certain factors that may affect our future results. You should read this MD&A in conjunction with our financial statements and accompanying notes included for Acquired Sales Corp.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are considered forward-looking statements. Forward-looking statements give the Company's current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "plan," and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are based on the Company's current plans, and the Company's actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this annual report may turn out to be inaccurate. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this quarterly report.

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The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear in our annual report on Form 10-K filed U.S. Securities and Exchange Commission ("SEC") on March 28, 2016. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Certain information included herein contains statements that may be considered forward-looking statements, such as statements relating to our anticipated revenues and operating results, future performance and operations, plans for future expansion, capital spending, sources of liquidity and financing sources. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These risks and uncertainties include the "Risk Factors" included herein and in our annual report on Form 10-K filed with the SEC on March 28, 2016, that can be read at www.sec.gov.

Overview

Acquired Sales Corp. was organized under the laws of the State of Nevada on January 2, 1986.

Letter of Intent to Acquire Sports 1 Marketing Corp., Processing for a Cause Inc. and a Related Management Company

On June 23, 2016, we announced that we had signed a letter of intent with H. Warren Moon, David C. Meltzer and Sports 1 Marketing, LLC ("S1M LLC"), Irvine, California, to acquire Sports 1 Marketing Corp., formerly known as Aggregated Marketing Platform Inc. ("S1MC"), Processing for a Cause Inc. ("PFAC"), and a related management company.

The proposed acquisitions, which can only be closed upon the parties meeting several conditions, will include up to \$200,000 in cash consideration, and stock consideration of 7 million shares and options to purchase 5 million shares of common stock of Acquired Sales. Up to 71% of such shares will be cancelled if certain consolidated pre-tax income milestones are not met by December 31, 2019, and up to 100% of such options will be cancelled if those consolidated pre-tax income milestones are not met by December 31, 2026.

S1MC aggregates virtual gifting programs with traditional TV, radio, billboards, stadium screens and other marketing media using patent-pending software. S1MC is in negotiations with several professional sports teams to launch its aggregated marketing platform starting next month. PFAC markets credit card processing programs designed to benefit not-for-profit entities. S1MC and PFAC were both launched by S1MC LLC in January of 2016.

Following the acquisitions, H. Warren Moon and Gerard M. Jacobs will serve as Co-Chairmen of Acquired Sales, and David C. Meltzer and Gerard M. Jacobs will serve as Co-CEOs of Acquired Sales.

Closing of the acquisitions is subject to a number of conditions, including the completion of mutually acceptable due diligence, delivery of audited financial statements, completion of a capital raise of at least \$4.5 million, execution of definitive acquisition documents, obtaining necessary third party approvals, and completion of all necessary securities filings.

No assurances or guarantees whatsoever can be made as to whether the S1MC, PFAC or related management company acquisitions will be successfully consummated, nor on what terms.

Current Status of S1MC Business

On July 19, 2016, S1MC hosted the first "Sports 1 Marketing Virtual Gift Bag Night" at the Los Angeles Angels baseball game against the Texas Rangers. The virtual gift bag offered to attendees of the game included various promotional offers from advertisers who paid S1MC to participate in the virtual gift bag. S1MC paid the Los Angeles Angels a fee in connection with the game.

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On July 5, 2016, S1MC signed a three year agreement to host "Sports 1 Marketing Virtual Gift Nights" at the Barclays Center for the New York Islanders and Brooklyn Nets for the next three seasons. S1MC will host 17 games per year for each team. The virtual gift bags offered to attendees of the games are expected to include various promotional offers from advertisers who are expected to pay S1MC to participate in the virtual gift bags. S1MC will pay the Barclays Center, the Islanders and the Nets a fee in connection with each game.

No assurances or guarantees whatsoever can be made as to whether S1MC's business will be successful or profitable.

Current Status of PFAC Business

We have been informed by PFAC that to date 28 companies have been successfully enrolled in the PFAC program.

No assurances or guarantees whatsoever can be made as to whether PFAC's business will be successful or profitable.

Previous Subsidiaries

Previously, the Company was involved in selling software licenses and hardware, and the provision of consulting and maintenance services. Please refer to the Company's past filings for information related to the acquisitions and sales of Defense & Security Technology Group, Inc. ("DSTG") and Cogility Software Corporation ("Cogility"). The sale of Cogility and DSTG eliminated the Company's sources of revenue.

Liquidity and Capital Resources

The following table summarizes our current assets, current liabilities, and working capital as of June 30, 2016 and December 31, 2015, as well as cash flows for the six months ended June 30, 2016 and 2015.

	June 30, 2016	December 31, 2015	
Current Assets	\$901	\$ 27,781	
Current Liabilities	52,689	19,295	
Working Capital	(51,788)	8,486	
			For the Six Months Ended June 30, 2016 2015
Net Cash Used in Operating Activities			\$(55,980) \$(276,293)
Net Cash Provided by (Used in) Investing Activities			25,000 (94,950)
Net Cash Provided by Financing Activities			4,100 -

Comparison of June 30, 2016 to June 30, 2015

At June 30, 2016, we had cash and cash equivalents of \$901; this cash was derived from proceeds of non-interest bearing loan made by our CEO, Gerard M. Jacobs, to the Company on June 21, 2016. At June 30, 2015, we had cash and cash equivalents of \$216,694; this cash was derived from the sale of our subsidiaries. At June 30, 2015, we also had a note receivable of \$697,450, and interest receivable (from the note receivable) of \$79,701.

Total current assets at June 30, 2016 of \$901 are not adequate to fund current operations nor to fulfill corporate obligations or to fund growth and potential acquisitions. This is compared to total current assets at June 30, 2015 of

\$216,694.

Current liabilities at June 30, 2016 consisted entirely of accounts payable of \$52,689; accounts payable consisted mainly of liabilities for professional fees. This is compared to current liabilities at June 30, 2015 of \$51,675, which consisted of liabilities for professional fees and amounts owed to our CEO, Gerard M. Jacobs, board member Vincent J. Mesolella and independent contractors William C. Jacobs and Derek V. Mesolella for incurred business expenses.

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Comparison of the three and six months ended June 30, 2016 to June 30, 2015

During the three and six months ended June 30, 2016, we incurred selling, general and administrative expenses of \$40,286 and \$89,402, respectively. Selling, general and administrative expenses primarily consisted of professional fees, independent contractor fees, and the reimbursement for expenses incurred by our CEO and independent contractor. During the six months ended June 30, 2016, we earned other income of \$28, resulting in a net loss of \$89,374.

In comparison, during the three and six months ended June 30, 2015, we incurred selling, general and administrative expenses of \$73,868 and \$313,239, respectively. Selling, general and administrative expenses primarily consisted of professional fees, independent contractor fees, and reimbursement for expenses incurred by our CEO and independent contractors. During the three months ended June 30, 2015, we earned interest income of \$23,897, resulting in a new loss of \$49,971. During the six months ended June 30, 2015, we earned interest income of \$43,776 and other income of \$2,267, resulting in a net loss of \$267,196.

We used net cash in operating activities of \$55,980 for the six months ended June 30, 2016 primarily to pay professional fees, independent contractor fees and to reimburse our CEO and independent contractor for expenses that they incurred during the period. In comparison, we used net cash in operating activities of \$276,293 for the six months ended June 30, 2015 primarily to pay professional fees and to reimburse the Company's CEO and independent contractors for expenses that they incurred during the period.

During the six months ended June 30, 2016, cash decreased by \$26,880, leaving us with \$901 in unrestricted cash at June 30, 2016. In comparison, during the six months ended June 30, 2015, cash decreased by \$371,243, leaving us with \$216,694 in unrestricted cash at June 30, 2015.

We currently have no revenue-generating subsidiaries. We plan to sustain the Company as a going concern by taking the following actions: (1) acquiring and/or developing profitable businesses that will create positive income from operations; (2) acquiring valuable real estate in exchange for common stock and/or preferred stock; and/or (3) completing private placements of our common stock and/or preferred stock. We believe that by taking these actions, we will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that we will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

Critical Accounting Policies

Use of Estimates – The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. In the past, significant estimates included share-based compensation forfeiture rates and the potential outcome of future tax consequences of events that have been recognized for financial reporting purposes. Actual results and outcomes may differ from our estimates and assumptions.

Income Taxes – Provisions for income taxes are based on taxes payable or refundable for the current year and deferred income taxes. Deferred income taxes are provided on differences between the tax bases of assets and liabilities and their reported amounts in the financial statements and on tax carry forwards. 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. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. A valuation allowance is provided against deferred income tax assets when it is not more likely than not that the deferred income tax assets will be realized.

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. At January 1, 2016 through May 17, 2016, there were 4,848,774 stock options and 478,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive. On May 18, 2016, 100,000 of these stock options were exercised. As a result, at June 30, 2016, there were 4,748,774 stock options and 478,000 financing warrants outstanding that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

There were 6,198,774 employee stock options and 938,000 warrants outstanding during the three and six months ended June 30, 2015 that were excluded from the computation of diluted earnings loss per share because their effects would have been anti-dilutive.

Recent Accounting Pronouncements – In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-12, Compensation-Stock Compensation (Topic 718)-Accounting for Share-Based Payments

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When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force). ASU No. 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. The effective date is the first quarter of fiscal year 2016. We adopted ASU No. 2014-12; the adoption of this has had no effect on the financial statements.

In March 2016, FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments in this update change the accounting for certain stock-based compensation transactions, including the income tax consequences and cash flow classification for applicable transactions. The amendments in this update are effective for annual periods beginning after December 31, 2016 and interim periods within those annual periods. We are currently evaluating the impact that this amendment will have on our financial statements.

Off Balance Sheet Arrangements – We have no off-balance sheet arrangements.

The William Noyes Webster Foundation, Inc.

The William Noyes Webster Foundation, Inc. (the "Foundation"), a non-profit Massachusetts corporation, has received a provisional registration from the Commonwealth of Massachusetts to own and operate a medical marijuana cultivation facility in Plymouth, Massachusetts, and a medical marijuana dispensary in Dennis, Massachusetts. Heatley is the founder and a member of the board of directors of the Foundation.

Teaming Agreement – We believe it is highly likely that the board of directors of the Foundation will only approve contracts that have been negotiated and approved by Heatley. Consequently, on July 8, 2014, we entered into a Teaming Agreement (the "Teaming Agreement") with Heatley, in which, among other things: (1) we and Heatley agreed to use our respective best efforts, working exclusively together as a team, and not as a partnership or other entity, in order to consummate transactions, agreements, contracts or other arrangements pursuant to which we will provide capital and expertise to the Foundation; and (2) Heatley agreed that Heatley shall not, and shall not permit the Foundation to, discuss or negotiate for debt or equity financing, or consulting services or other expertise, from any third party. We claim that Heatley violated the Teaming Agreement by discussing and negotiating for debt or equity financing, or consulting services or other expertise, from at least one third party. Heatley claims that we violated the Teaming Agreement alleging that we failed to lend funds to the Foundation in accordance with the Teaming Agreement. We believe Heatley's claim to be baseless. No assurances whatsoever can be made that Heatley will comply with the terms of the Teaming Agreement, nor that we will be able to adequately enforce the terms of the Teaming Agreement if it is ever the subject of litigation.

Promissory Note – On July 14, 2014, the Foundation signed and delivered to us a Secured Promissory Note (the "Note") which is in the stated loan amount of \$1,500,000, and is secured by a Security Agreement of even date therewith (the "Security Agreement"). The Note provides that the \$1,500,000 loan may be advanced in one or more installments as the Foundation and we may mutually agree upon. The Foundation and we mutually agreed that the first installment of this loan would be \$602,500. Pursuant to instructions from the Foundation, on July 14, 2014, we paid \$2,500 owed by the Foundation to one of its consultants, and we advanced \$600,000 directly to the Foundation. The amount and timing of subsequent loan installments under the Note, which could have totaled \$897,500, had not yet been mutually agreed upon between the Foundation and us as of the date of the Note.

Between April and July 2015, we loaned an additional \$135,350 to the Foundation, evidenced by the Note and secured by the Security Agreement. Following such additional loans, the principal of the loan from us to the Foundation, evidenced by the Note and secured by the Security Agreement, is now \$737,850.

The principal balance outstanding under the Note bore interest at the rate of 12.5% per annum, compounded monthly. It was contemplated that the first payment of accrued interest by the Foundation under the Note would be made as soon after the Foundation commences operations of the Plymouth Cultivation Facility and the Dennis Dispensary as the Foundation's cash flows shall reasonably permit, but in any event no later than one year after the Foundation commences operations. The principal of the Note would be payable in eight consecutive equal quarterly installments, commencing on the last day of the calendar quarter in which the Foundation commences operations. Principal on the Note and related accrued interest would be considered past due if the aforementioned payments were not received by their due dates.

Uncollectable Note and Interest Receivable – We assessed the collectability of the Note based on the adequacy of the Foundation's collateral and the Foundation's capability of repaying the Note according to its terms. Based on this assessment, on September 1, 2015, we concluded that Note and interest receivable would not be collectible. As such, we wrote off the Note totaling \$737,850 and interest receivable totaling \$97,427 as bad debt expense on September 1, 2015.

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Contractual Cash Obligations and Commercial Commitments

Cultivation and dispensary of Medical Marijuana in the State of Massachusetts – On July 20, 2014, we entered into an agreement to pay a lump sum finder's fee to Parare Partners Inc. in the event that all of the following conditions occur: (1) we make certain loans to the Foundation which was found by Parare Partners Inc., (2) the Foundation constructs and brings into operation its planned medical marijuana cultivation facility in Plymouth, Massachusetts and a medical marijuana dispensary in Dennis, Massachusetts, (3) we directly or via subsidiaries enter into certain consulting agreements with the Foundation, and (4) all necessary approvals are obtained. If all of such conditions occur, then the finder's fee will be calculated as follows:

5% of the first \$1,000,000 of the aggregate principal amount of such loans
4% of the second \$1,000,000 of the aggregate principal amount of such loans
3% of the third \$1,000,000 of the aggregate principal amount of such loans
2% of the fourth \$1,000,000 of the aggregate principal amount of such loans
1% of the aggregate principal amount of such loans that are in excess of \$4,000,000

We have not paid any fees under this Agreement. All of the conditions have not been met for the finder's fee to have accrued on the amounts loaned to the Foundation; therefore, a liability has not been recorded for the finder's fee at June 30, 2016.

During the nine month period ended September 30, 2015, MVJ Realty, LLC, an affiliate of AQSP director Vincent J. Mesolella ("MVJ Realty"), loaned a total of \$23,000 to the Foundation, which \$23,000 was purportedly used as follows: (a) \$9,500 was used by the Foundation to pay the rent of the Plymouth Cultivation Facility for the month of May, 2015; (b) \$6,900 was used by the Foundation to pay the rent of the Dennis Dispensary for the months of April and May, 2015; (c) \$3,600 was used by the Foundation to pay for the general liability insurance policy covering the Plymouth Cultivation Facility and the Dennis Dispensary; and (d) \$3,000 was used by the Foundation to pay the application fees for two applications (the "Two New Applications") by the Foundation to the Commonwealth of Massachusetts for licenses (the "Two New Licenses") to operate two new medical marijuana dispensaries in Massachusetts (the "Two New Dispensaries"). In making these \$23,000 loans to the Foundation, MVJ Realty viewed itself as acting as an agent for us, and expected to eventually be reimbursed for the \$23,000 by us subject to the execution and delivery by the Foundation to us of loan documents evidencing that the principal amount of the loan from us to the Foundation, evidenced by the Note and secured by the Security Agreement, had been increased by \$23,000. The execution and delivery of such loan documents occurred on July 15, 2015, and MVJ Realty was reimbursed for the \$23,000 in August 2015.

In the Two New Applications, the Foundation included background information in regard to each of our directors and officers. If the Two New Licenses are awarded to the Foundation, then the Foundation may seek to obtain financing for the Two New Dispensaries from MVJ Realty/Acquired Sales. The Foundation and MVJ Realty/Acquired Sales have not yet entered into any agreements in regard to such potential financing, and we consider it to be extremely doubtful that any such agreements will ever be entered into in light of the on-going disputes between Heatley, the Foundation, and us regarding the Teaming Agreement.

At this time, no assurances or guarantees whatsoever can be made as to whether any transaction with the Foundation will be successfully consummated, nor on what terms.

Acquisition of Real Estate in Rhode Island

As discussed in our prior public filings, we have attempted to acquire one or more of the Mesolella/Jacobs Properties. The Mesolella/Jacobs Properties are parcels of real estate in Rhode Island that are owned by entities affiliated with Vincent J. Mesolella and his son Derek V. Mesolella, formerly an independent contractor to AQSP. One of the

Mesolella/Jacobs Properties is also partly owned by an affiliate of our CEO, Gerard M. Jacobs.

Recent discussions among Messrs. Mesolella and Jacobs and our independent directors have made it increasingly likely that we will never purchase any of the Mesolella/Jacobs Properties.

Simultaneous with Vincent J. Mesolella's agreement to negotiate in good faith regarding the possibility of us acquiring the Mesolella/Jacobs Properties, in November 2014, the officers and directors of the Company were awarded the right to purchase, directly or using a designee, for an aggregate price of \$2 per director: (a) warrants to purchase an aggregate of 1.35 million shares of common stock of the Company at an exercise price of \$0.01 per share; and (b) warrants to purchase an aggregate of 1.35 million shares of common stock of the Company at an exercise price of \$1.85 per share, 100,000 of which warrants are vested, and 1.25 million of which warrants are subject to the condition that the Company shall have acquired at least one of the Mesolella/Jacobs Properties.

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Royalties

As an incentive to William C. Jacobs and to Derek V. Mesolella to provide services to the Company as foresaid, and to develop and acquire high quality deals (high rate/high occupancy), we have agreed that Derek V. Mesolella (or an entity designated by him) and William C. Jacobs (or an entity designated by him), shall receive a royalty, for the maximum period of time allowed pursuant to applicable law, evidenced by recorded covenants running with the land, in regard to all self-storage facilities developed ("Developed SSF"), self-storage facilities acquired ("Acquired SSF"), mobile home and/or RV parks developed ("Developed MH/RV Parks") and mobile home and/or RV parks acquired ("Acquired MH/RV Parks") during the period of time when he is employed by us as an independent contractor or full-time employee, such royalty to be calculated as follows:

- (a) Developed SSF: \$1.50 per month per occupied unit;
- (b) Acquired SSF: \$1.00 per month per occupied unit;
- (c) Developed MH/RV Parks: \$1.50 per month per occupied pad; and
- (d) Acquired MH/RV Parks: \$1.00 per month per occupied pad;

subject to percentage rate adjustments every five years based upon increases or decreases in the average rent per occupied unit during such five year period.

We would expect to pay industry-standard development fees and expenses to individuals and companies that assist us in developing real estate, including but not limited to related parties who perform services for the Company, whether as independent contractors, employees or directors (such as Vincent J. Mesolella, Derek V. Mesolella and William C. Jacobs).

Other Matters

We are subject to other legal proceedings, claims, and litigation arising in the ordinary course of business. We intend to defend vigorously against any such claims. Although the outcome of these other matters is currently not determinable, our management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its financial position, results of operations, or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of June 30, 2016, our disclosure controls and procedures were not effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules, regulations and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As indicated in our Form 10-K for the year ended December 31, 2015, management concluded that our internal control over financial reporting was not effective. Management's assessment of internal controls over financial reporting has not changed at June 30, 2016. There existed a lack of segregation of duties in regard to the Company's financial reporting, procedures for depositing of funds, procedures for cash disbursements, procedures for checkbook entries, period close procedures, and procedures for financial statement preparation that result in material weaknesses in internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Our management, with the participation of the chief executive officer and chief financial officer, has concluded that there were no significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

To the best knowledge of the officers and directors, the Company is not a party to any legal proceeding or litigation.

Item 1A. Risk Factors.

Not required.

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

None; not applicable.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

Item 4. Mine Safety Disclosures.

None; not applicable.

Item 5. Other Information.

None; not applicable.

Item 6. Exhibits.

The following Exhibits have been previously filed in the below referenced filings or have been attached hereto, and in any case, as is stated on the cover of this Report, all of the below Exhibits are incorporated herein by reference.

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Form 10-SB	March 23, 2007
3.1	Articles of Incorporation dated December 12, 1985
3.2	Amended Articles of Incorporation Dated July 1992
3.3	Amended Articles of Incorporation Dated November 1996
3.4	Amended Articles of Incorporation Dated June 1999
3.5	Amended Articles of Incorporation Dated January 25, 2006
3.6	Amended Bylaws
Form 8-K	August 2, 2007
5.01	Shareholder Agreement
Form 10-Q	May 18, 2009
10.1	Private Merchant Banking Agreement-Anniston Capital, Inc.
10.2	Warrant Agreement #1-Anniston Capital, Inc.
10.3	Warrant Agreement #2-Anniston Capital, Inc.
10.4	\$100,000 Promissory Note – December 1, 2007
10.5	\$10,000 Promissory Note – January 30, 2008
10.6	\$10,000 Promissory Note – November 9, 2008
Form 10-K	August 20, 2010
10.7	\$4,000 Promissory Note – April 19, 2010
Form 8-K	November 5, 2010
10.1	Letter of Intent Agreement Cogility Software dated November 4, 2010
99.1	Press Release
Form 10-K	December 17, 2010
10.8	\$20,000 Promissory Note – October 12, 2010
Form 10-Q	June 30, 2011
4.1	Form of Note 3%
4.2	Form of Warrant
10.10	Subscription Agreement
Schedule DEF	August 9, 2011
14-C	
Information Statement	
10.11	The Johns Hopkins University Applied Physics Laboratory Firm Fixed Price-Time And Material Contract No. 961420, dated October 20, 2009 (filed as Exhibit (E)(i) thereto)
10.12	The Analysis Corporation Task Order Subcontract Agreement, dated January 4, 2010 (filed as Exhibit (E)(ii) thereto)
10.13	Defense & Security Technology Group, LLC, Program Budget & Asset Management Tool Proof of Concept Pilot, dated June 27, 2011 (filed as Exhibit (E)(iii) thereto)
10.14	Defense & Security Technology Group, LLC, Command Information Center – Data Integration Proof of Concept, dated June 27, 2011 (filed as Exhibit (E)(iv) thereto)
Form 8-K	October 4, 2011
10.15	Agreement and Plan of Merger
10.16	NAVAIR PMA 265 contract, in regard to a Program Budget & Asset Management Tool Proof of Concept Pilot, dated July 15, 2011
10.17	NAVAIR 4.2 Cost Performance contract, in regard to Command Information Center - Data Integration (CIC-DI) Proof of Concept, dated July 15, 2011
10.18	Sotera Defense Solutions, Inc. subcontract number SOTERA-SA-FY11-040, dated June 20, 2011
10.19	\$4,000 Promissory Note – September 13, 2011
10.20	CACI Prime Contract No.: W15P7T-06-D-E402 Prime Delivery Order No.: 0060, dated August 24, 2011
10.21	\$4,000 Promissory Note – September 13, 2011

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14.1 [Proposed] Code of Business Conduct and Ethics

Form 10-Q May 21, 2012

10.22 Agreement dated as of October 17, 2011, by and among Deborah Sue Ghourdjian Separate Property Trust, Matthew Ghourdjian, Daniel F. Terry, Jr., Roberti Jacobs Family Trust, Acquired Sales Corp., Vincent J. Mesolella, and Minh Le

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Form 10-Q	November 13, 2012
10.23	Firm Fixed Price subcontract; Defense & Security Technology Group, Inc. subsidiary and CAS, Inc., dated September 19, 2012
10.24	Firm-Fixed-Price, Level-of-Effort, IDIQ Subcontract; Cogility subsidiary and Booz Allen Hamilton, dated November 1, 2012
Form 8-K	January 16, 2013
10.25	Stock Purchase Agreement dated January 11, 2013 regarding sale of our subsidiary Cogility Software Corporation to Drumright Group, LLC.
99.1	Press Release
Form 8-K	February 12, 2013
10.26	Amendment No. 1 Stock Purchase Agreement
Form 8-K	August 1, 2013
10.27	Amendment No. 2 Stock Purchase Agreement
10.28	Release Agreement
Form 8-K	September 4, 2013
99.1	Letter – Change of certifying accountant due to acquisition of accountant
Form 8-K	October 4, 2013
10.29	Stock Purchase Agreement dated March 31, 2013
Form 8-K	July 16, 2014
10.30	Promissory Note; William Noyes Webster Foundation, Inc.
10.31	Security Agreement relating to Promissory Note with the William Noyes Webster Foundation, Inc.
Form 8-K	December 2, 2014
10.32	Letter of Intent; Acquired Sales Corp. Merger with PPV, Inc. and Bravo Environmental NW, Inc.
99.1	Press Release
Form 8-K	June 24, 2016
10.33	Letter of Intent; Acquired Sales Corp. acquisition of Aggregated Marketing Platform Inc. and Processing for a Cause Inc.
99.1	Press Release

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This 10-Q

- Certification of principal executive officer and principal financial officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs
- 31.1 Certification of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs
- 32.1
- 101.INS XBRL Instance Document*
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase*
- 101.LAB XBRL Taxonomy Extension Label Linkbase*
- 101.DEF XBRL Taxonomy Extension Definition Linkbase*
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase*
- 101.SCH XBRL Taxonomy Extension Schema*

*Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed "furnished" and not "filed" or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, or deemed "furnished" and not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are 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.

Dated: August 12, 2016

ACQUIRED SALES CORP.

By: /s/ Gerard M. Jacobs
Gerard M. Jacobs
Chief Executive Officer

