

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

LevelBlox, Inc.

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2018

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 333-173028



LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

26-3748249

(IRS Employer Identification No.)

**6371 Business Blvd. Suite 200
Sarasota, FL 34240**

(Address of principal executive offices) (Zip Code)

(941) 907-8822

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.01 par value
(Title of Class)

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

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

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if smaller reporting company)

Emerging growth company ☐

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

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

As of September 30, 2018, the Company had 96,543,259 shares of Common Stock outstanding.

**LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
and Subsidiaries**

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
and Subsidiaries
Consolidated Balance Sheets**

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 130,620	\$ 1,440
Prepaid and other current assets	53,497	—
Total current assets	184,117	1,440
Deposit	60,000	—
Total assets	<u>\$ 244,117</u>	<u>\$ 1,440</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 50,013	\$ 57,004
Accrued expenses	646,448	459,755
Related party payables	175,721	214,132
Total current liabilities	872,182	730,891
Total liabilities	<u>872,182</u>	<u>730,891</u>
Commitments and contingencies (Note 4)		
Stockholders' deficit:		
Common stock, 500,000,000 shares authorized, \$0.01 par value, 96,543,259 and 77,413,529 issued and outstanding at September 30, 2018 and December 31, 2017, respectively	965,433	774,133
Additional paid-in capital	3,541,772	2,686,683
Accumulated deficit	(5,135,270)	(4,190,267)
Total stockholders' deficit	(628,065)	(729,451)
Total liabilities and stockholders' deficit	<u>\$ 244,117</u>	<u>\$ 1,440</u>

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

**LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue	\$ —	\$ —	\$ —	\$ —
Operating expenses:				
Compensation	60,189	60,388	186,693	191,528
Professional fees	276,970	8,550	710,142	58,813
General and administrative	64,357	6,558	104,779	39,378
Stock compensation	—	—	51,389	—
Total operating expenses	<u>401,516</u>	<u>75,496</u>	<u>1,053,003</u>	<u>289,719</u>
Loss from operations	(401,516)	(75,496)	(1,053,003)	(289,719)
Other income	108,000	—	108,000	—
Net loss	<u>\$ (293,516)</u>	<u>\$ (75,496)</u>	<u>\$ (945,003)</u>	<u>\$ (289,719)</u>
Loss per share, basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding primary and dilutive	<u>96,283,476</u>	<u>77,413,259</u>	<u>89,152,856</u>	<u>77,413,259</u>

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

**LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)**

	For the Nine Months Ended September 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net loss	\$ (945,003)	\$ (289,719)
Adjustments to reconcile Net Loss to net cash used by operating activities:		
Stock-based expense	642,892	—
Changes in assets and liabilities:		
Accounts payable and accrued expenses	179,702	155,641
Prepays and other current assets	—	(2,203)
Net Cash Used by Operating Activities	(122,409)	(136,281)
Cash Flows from Investing Activities:		
Deposit	(60,000)	—
Net Cash Used by Investing Activities	(60,000)	—
Cash Flows from Financing Activities:		
Net (repayments to) proceeds from related parties	(38,411)	135,226
Proceeds from the issuance of common stock and warrants	350,000	—
Net Cash Provided by Financing Activities	311,589	135,226
Net Change in Cash	129,180	(1,055)
Cash at beginning of period	1,440	1,413
Cash at end of period	<u>\$ 130,620</u>	<u>\$ 358</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ —	\$ —
Cash paid for taxes	\$ —	\$ —

NON CASH FINANCING TRANSACTIONS

During 2018, the Company issued an aggregate total of 8.63 million shares of common stock to four separate parties in exchange for services to be rendered over a period of time. The total value of these services yet to be rendered as of September 30, 2018 is \$53,497, and is reflected as a prepaid expense in the accompanying consolidated balance sheets.

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

**LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc.
and Subsidiaries
Notes to the Consolidated Financial Statements
September 30, 2018
(Unaudited)**

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

LevelBlox, Inc., formerly known as AlphaPoint Technology, Inc., principal objective is to partner with innovative Blockchain technology focused companies that are interested in pursuing growth through the public markets. We are developing relationships with a portfolio of high-quality businesses and establishing a sustainable business model, to achieve superior and sustainable financial results.

LevelBlox, is a developer of Software Asset Management (SAM) applications for the Blockchain. LevelBlox has developed a patent-pending software application called AssetCentral (AC). Through AssetCentral use cases we have identified the growing complexity and scope with the current methodology and tracking of Software Asset Management licenses. LevelBlox's SAM Blockchain application will connect software entitlements to their licenses and components with the software decision makers, to drive automation with transparency to reduce SAM content, effort, and cost. LevelBlox's Blockchain auditing and compliance tool will assist companies with their compliance audits, internal controls, and best business practices.

We intend to accomplish these objectives through targeted strategic acquisitions and partnerships. We seek companies that either strategically fit within our existing business portfolio or expand our business into new and attractive target markets. Given the rapid pace of Blockchain developments and the specialized expertise typical of our served markets, acquisitions also provide us essential access to new technologies and domain expertise.

LevelBlox has been selected to join the Oracle Scaleup Ecosystem, and the Oracle Cloud Infrastructure platform, utilizing the global resources, cloud technology, infrastructure and expertise Oracle has to offer, as the company moves into its next phase of growth.

LevelBlox is committed to Blockchain deployments for enterprise markets. It seeks to eliminate intermediaries by increasing efficiency and speed and simplifying operations by reducing cost and time related to Software Asset Management (SAM) reconciliations and disputes.

All references to the previously acquired businesses have been removed for this quarterly report.

Basis of Presentation

In the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair presentation of (a) the consolidated financial position at September 30, 2018 and December 31, 2017 and (b) the consolidated statements of operations, and cash flows for the nine months ended September 30, 2018 and 2017 have been made.

The unaudited consolidated financial statements and notes are presented as permitted by Form 10-Q. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) have been omitted. The accompanying statements and notes should be read in conjunction with the audited financial statements and notes of the Company for the year ended December 31, 2017.

Application of Critical Accounting Policies and Use of Estimates

Our discussion and analysis of our financial condition and results of operations that follows is based upon our consolidated financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The application of GAAP requires management to make assumptions, judgments and estimates that affect our reported amounts of assets, liabilities, revenue and expenses, and the related disclosures regarding these items. We base the assumptions, judgments and estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances. Actual results could differ significantly from these estimates under different assumptions or conditions. To the extent that there are material differences between these estimates and actual results, our future financial condition or results of operations will be affected. On a regular basis, we evaluate our assumptions, judgments and estimates.

We believe that the assumptions, judgments and estimates involved in the accounting for stock-based expenses and income taxes have the greatest potential impact on our consolidated financial statements. These areas are key components of our results of operations and are based on complex rules which require us to make judgments and estimates. Historically, our assumptions, judgments and estimates in accordance with our critical accounting policies have not materially differed from actual results.

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 820, which defines fair value, establishes a framework for using fair value to measure assets and liabilities, and expands disclosures about fair value measurements. The statement applies whenever other statements require or permit assets or liabilities to be measured at fair value.

At each balance sheet date, the Company performs an analysis of all instruments subject to fair value measurement. The Company applied ASC 820 for all non-financial assets and liabilities measured at fair value on a non-recurring basis. As of September 30, 2018, and December 31, 2017 the fair values of the Company's financial instruments approximate their historical carrying amount.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less when purchased which are readily convertible to cash.

Long-lived Assets and Intangible Property

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. The Company did not recognize any impairment losses for any periods presented.

Share-based payments

Share-based payments to employees and non-employees, including grants of employee stock options or shares of stock are recognized as expense in the financial statements based on their fair values. That expense is recognized over the period during which services are provided in exchange for the award.

The Company may issue restricted stock to consultants for various services. Cost for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is to be measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete.

We use the Black-Scholes option pricing model to determine the estimated fair value of warrants issued in connection with stock.

Revenue recognition

The Company recognizes revenue under the core principle to depict the transfer of control to the Company's customers in an amount reflecting the consideration the Company expects to be entitled. In order to achieve that core principle, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

Income taxes

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized. A valuation allowance may be applied against the net deferred tax due to the uncertainty of its ultimate realization.

Deferred tax assets have been fully offset by a valuation allowance, because at this time the Company believes that it is more likely than not that the future tax benefit will not be realized as the Company has a history of net operating losses.

Earnings (loss) per share

Basic earnings (loss) per share calculations are determined by dividing net income (loss) by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share calculations are determined by dividing net income by the weighted average number of shares plus any potentially dilutive shares. The Company does not have any potentially dilutive instruments and, thus, anti-dilution issues are not applicable.

Risks and concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk include cash in banks in excess of federally insured amounts. The Company manages this risk by maintaining all deposits in high quality financial institutions.

2. Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has a history of losses resulting in an accumulated deficit. The Company has been dependent on financing from its majority shareholder and related parties to meet its operating obligations. In view of these matters, there is doubt regarding the Company's ability to continue as a going concern, which is dependent upon the Company's ability to identify revenue sources and to achieve a level of profitability. The Company intends on financing its future development activities, marketing plan and its working capital needs largely from the sale of public equity securities with some additional funding from other traditional financing sources, including term notes until such time that funds provided by operations are sufficient to fund working capital requirements. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Recent Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Updates ("ASU") and interpretations thereof that have effectiveness dates during the periods reported and in future periods.

In February 2016, the FASB issued ASU No. 2016-02, "Leases". This standard requires the lessee to recognize virtually all of their leases on the balance sheet, by recording a right-of-use asset and lease liability.

Public business entities will be required to adopt this standard for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted upon issuance of this standard.

The new leasing standard requires modified retrospective transition, which requires application of the new guidance at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently assessing the impact of the new standard in order to determine the impact on the consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" that supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disaggregated disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized. The amendments were adopted by the Company on January 1, 2018. Transition to the new guidance may be done using either a full or modified retrospective method. As the Company currently has not realized revenues during 2018 or 2017, there is no impact related to the adoption of this standard for the periods presented.

4. Contingencies

Some of the officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts. In addition, officers and certain members of upper management have executed employment agreements with the Company, which include, among other things, bonuses contingent on the achievement of certain performance targets and provisions for severance payments in the event of termination without cause.

Litigation

From time to time the Company may become a party to litigation matters involving claims against the Company.

Current regulations and reporting requirements require the Company to disclose any legal proceedings that are ongoing and could have a material impact on the financial statements for the quarter ended September 30, 2018. We know of no active or pending legal proceedings against us, nor are we involved as a plaintiff in any active or pending legal proceedings that are material. There are no proceedings in which any of our directors, sole officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

5. Equity

On April 13, 2018, the Board of Directors approved a Board resolution to issue 250,000 shares of common stock to James Whelan, Chief Technology Officer, which is comprised of a signing bonus and compensation in lieu of salary from the start of his employment with the Company until the time of the equity financing that was completed in May 2018 (see discussion below). The fair value of these shares was determined based on Mr. Whelan's annual salary prorated over the service period covered by this non-cash compensation. The resulting stock-based compensation expense was approximately \$51,000, which was recorded in the second quarter of 2018.

On April 14, 2018 the Board of Directors approved a Board resolution to issue an aggregate total of 7,700,000 shares of common stock to American Capital Ventures and Leone Group, LLC (3,850,000 to each party) in exchange for consulting services related to capital raise efforts, legal and compliance guidance, and strategic business planning. The service period covered in the respective consulting agreements ended in August 2018. The resulting expense of \$539,000 is included in professional fees in the consolidated statement of operations as of September 30, 2018.

On May 7, 2018, the Company received cash totaling \$100,000 from four investors in exchange for an aggregate total of 4,200,000 shares of the Company's common stock and warrants to purchase an aggregate total of 4,000,000 shares of the Company's common stock. The warrants have a term of 3 years from the date of issuance and an exercise price of \$0.10 per share. The proceeds were allocated among the shares and the warrants based on their relative fair values. The fair value of the shares was determined using the closing price of the Company's common stock on the transaction date (\$0.07 per share). The fair value of the warrants was determined using the Black Scholes Merton option-pricing model, assuming stock price volatility of 174% and a risk-free interest rate of 2.67%. Approximately \$55,000 and \$45,000 was allocated to the shares and the warrants, respectively. As the warrants are classified as equity instruments, the resulting allocation is deemed a dividend on the shares issued and is reflected in additional paid-in capital in the consolidated balance sheet.

On May 23, 2018, the Company received cash totaling \$250,000 from one investor in exchange for an aggregate total of 4,950,000 shares of the Company's common stock and warrants to purchase an aggregate total of 9,000,000 shares of the Company's common stock. As a condition of the closing, the Company issued 1,100,000 shares of common stock to a non-profit organization named by the investor. The warrants have a term of 3 years from the date of issuance and an exercise price of \$0.10 per share. The proceeds were allocated among the total number of shares issued (6,050,000) and the warrants based on their relative fair values. The fair value of the shares was determined using the closing price of the Company's common stock on the transaction date (\$0.06 per share). The fair value of the warrants was determined using the Black Scholes Merton option-pricing model, assuming stock price volatility of 174% and a risk-free interest rate of 2.67%. Approximately \$111,000 and \$139,000 was allocated to the shares and the warrants, respectively. As the warrants are classified as equity instruments, the resulting allocation is deemed a dividend on the shares issued and is reflected in additional paid-in capital in the consolidated balance sheet.

On June 15, 2018, the Company issued 500,000 shares of common stock to an Advisory Board Member for services to be rendered in the future. The fair value of these shares was determined based on the closing stock price on that date (\$0.11). The resulting stock-based compensation totaled \$55,000, of which \$13,750 was expensed and included in professional fees in the consolidated statement of operations. The remaining balance of \$41,250 is reflected in prepaid expenses and other current assets in the consolidated balance sheet.

and will be expensed over the remaining service period of nine months.

On July 5, 2018, the Company issued a total of 180,000 shares of common stock to two executive recruitment firms (90,000 shares to each party) in exchange for services valued at an aggregate amount of \$36,000. This amount is included in general and administrative expenses in the consolidated statement of operations. Additionally, on July 25, 2018 the Company issued 250,000 shares of common stock to a new member of the Board of Directors. The shares were valued at \$0.06 per share for a total expense of \$15,000, of which \$2,753 is included in professional fees in the consolidated statement of operations. The remaining balance of \$12,247 is included in prepaid expenses and other current assets in the consolidated balance sheet and will be expensed over the remaining service period of approximately ten months.

6. Related Party Transactions

Advances from Shareholders

In support of the Company's efforts and cash requirements, it has historically relied upon advances from related parties. At September 30, 2018 and December 31, 2017, advances from shareholders totaled \$175,721 and \$214,132, respectively. These advances are non-interest bearing with no set repayment terms.

Additionally, at September 30, 2018 and December 31, 2017, the Company had accrued compensation payable to the Principal Executive Officer in the amount of \$606,050 and \$430,100, respectively.

7. Subsequent Events

Management has evaluated subsequent events that occurred through the date of this report that would have a material impact on the consolidated financial statements. Based on the evaluation, management did not identify any subsequent events that would require adjustment or disclosure in the accompanying consolidated financial statements.

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

Overview

LevelBlox, Inc. ("LevelBlox") formerly known as AlphaPoint Technology, Inc. ("AlphaPoint") was incorporated in the State of Delaware on September 27, 2018. The effective date of the Amendment for purposes of Delaware law was September 27, 2018. However, the corporate name change did not take effect at that time, as it required approval by the Financial Industry Regulatory Authority ("FINRA"). On October 18, 2018, FINRA notified the Company that its corporate name change and ticker symbol change would take effect on October 19, 2018.

LevelBlox, is a developer of Software Asset Management applications for the Blockchain. LevelBlox has also developed a patent-pending software application called AssetCentral (AC). Through AssetCentral use cases we have identified the growing complexity and scope with the current methodology tracking of Software Asset Management licenses. By leveraging AC's patent pending processes with Blockchain technology, LevelBlox's SAM Blockchain application will connect software entitlements to their licenses and components with the software decision makers, to drive automation with transparency to reduce SAM content, effort, and cost. LevelBlox's Blockchain auditing and compliance tool will assist companies with their compliance audits, internal controls, and best business practices.

LevelBlox management is currently seeking alternative opportunities in line with their original strategy of acquiring a business in the Blockchain technology sector that is capable of growth and development.

RESULTS OF OPERATIONS

Three months ended September 30, 2018 and 2017

Our consolidated revenues were \$0 and \$0 for the three months ended September 30, 2018 and 2017, respectively.

Operating expenses were \$401,516 and \$75,496 for the three months ended September 30, 2018 and 2017, respectively. The increase in year-over-year expenses resulted mainly from higher professional fees incurred in the Company's efforts to seek executive talent and business advisors to assist in developing new business strategies. In addition, a significant portion of operating expenses during the period consisted of stock-based compensation expense related to issuances of stock in exchange for services.

Net losses incurred in the periods presented have been primarily due to operating costs in the absence of revenues. The Company recognized \$108,000 in other income resulting from the sale of the corporate name AlphaPoint Technology, Inc. to an unrelated third party. The Company incurred net losses of \$293,516 and \$75,496 for the three months ended September 30, 2018 and 2017, respectively.

Nine months ended September 30, 2018 and 2017

Our consolidated revenues were \$0 and \$0 for the nine months ended September 30, 2018 and 2017, respectively.

Operating expenses were \$1,053,003 and \$289,719 for the nine months ended September 30, 2018 and 2017, respectively. The increase in year-over-year expenses resulted mainly from higher professional fees incurred in the Company's efforts to seek executive talent and business advisors to assist in developing new business strategies. In addition, a significant portion of operating expenses during the period consisted of stock-based compensation expense related to issuances of stock in exchange for services.

Net losses incurred in the periods presented have been primarily due to operating costs in the absence of revenues. The Company recognized \$108,000 in other income resulting from the sale of the corporate name AlphaPoint Technology, Inc. to an unrelated third party. The Company incurred net losses of \$945,003 and \$289,719 for the nine months ended September 30, 2018 and 2017, respectively.

LIQUIDITY AND CAPITAL RESOURCES

As reflected in the consolidated financial statements, at September 30, 2018, we had a deficit in working capital, an accumulated deficit and a net loss.

At September 30, 2018, the Company had current assets of approximately \$184,117, including approximately \$130,620 in cash, and current liabilities of approximately \$872,182, resulting in a working capital deficit of approximately \$688,065.

We depend on advances from shareholders, to meet any shortfall in meeting our obligations. However, we will require working capital to meet our current shortfall in working capital. If the Company is unable to raise the funds partially through stock offerings, the Company will seek alternative financing through means such as borrowings from institutions or private individuals. There can be no assurance that the Company will be able to raise such funds.

Consequently, there is doubt about the Company's ability to continue to operate as a going concern. As reflected in the consolidated financial statements we have an accumulated deficit from inception of \$5,135,270 as of September 30, 2018 and have a loss from operations of \$945,003 for the nine months ended September 30, 2018. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and execution of its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

If we are unsuccessful at raising sufficient funds, for whatever reason, to fund our operations, the Company may be forced to seek a buyer for our business or another entity with which we could create a joint venture.

Management believes that actions presently being taken to obtain additional funding and execution of its strategic plans provide the opportunity for the Company to continue as a going concern.

Recent Federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or The NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges are those that address board of directors' independence, audit committee oversight, and the adoption of a code of ethics. Our Board of Directors consists of eight (8) individuals who advise our chief executive officer and chief financial officer. Our chief executive officer makes decisions on all significant corporate matters such as the approval of terms of the compensation of our executive officers.

The Company has adopted a Code of Ethics and Business Conduct. The Company is in the process of introducing them. The Company has not adopted corporate governance measures such as an audit or other independent committees of our board of directors. If we expand our board membership in future periods to include additional independent directors, the Company may seek to establish an audit and other committees of our Board of Directors. It is possible that if our Board of Directors included independent directors and if we were to adopt some or all of these corporate governance measures, stockholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 3 to the consolidated financial statements for a discussion of recent accounting guidance.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to our stockholders.

MANAGEMENT CONSIDERATION OF ALTERNATIVE BUSINESS STRATEGIES

In order to continue to protect and increase shareholder value, management believes that it may, from time to time, consider alternative management strategies to create value for the company or additional revenues.

Strategies to be reviewed may include acquisitions, roll-ups, strategic alliances, joint ventures on large projects, and/or mergers.

Management will only consider these options where it believes the result would be to increase shareholder value while continuing the viability of the company.

INFLATION

The effect of inflation on our revenues and operating results has not been significant.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

When we prepare our consolidated financial statements and accompanying notes in conformity with U.S. GAAP, we must make estimates and assumptions about future events that affect the amounts we report. Certain of these estimates result from judgments that can be subjective and complex. As a result of that subjectivity and complexity, and because we continuously evaluate these estimates and assumptions based on a variety of factors, actual results could materially differ from our estimates and assumptions if changes in one or more factors require us to make accounting adjustments. During the nine months ended September 30, 2018, we reassessed our critical accounting policies and estimates as disclosed in our 2017 Form 10-K; however, we have made no material changes or additions with regard to those policies and estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not applicable to a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 ("Exchange Act"), the Company carried out an evaluation, with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (the Company's principal financial and accounting officer), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Our internal control system was designed to, in general, provide reasonable assurance to the Company's management and board regarding the preparation and fair presentation of published financial statements, but because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2018. The framework used by management in making that assessment was the criteria set forth in the document entitled "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, our management has determined that as of September 30, 2018, the Company's internal control over financial reporting was not effective for the purposes for which it is intended, due to a material weakness related to the lack of an audit committee.

Management intends to give consideration to adopting a more rigorous corporate governance, including the formation of an audit committee during 2018.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not applicable to a smaller reporting company.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(b) Exhibits:

31.1 [Rule 13a-14\(a\) Certification of Principal Executive Officer](#)

32.1 [Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101* Interactive Data Files of Financial Statements and Notes.

* In accordance with Regulation S-T, the Interactive Data Files in Exhibit 101 to the Quarterly Report on Form 10-Q shall be deemed “furnished” and not “filed”.

SIGNATURE

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

LevelBlox, Inc.

By /s/ Gary Macleod
Gary Macleod
Principal Executive Officer

DATED: November 9, 2018

LEVELBLOX, INC. formerly known as ALPHAPoint TECHNOLOGY, INC.

Certification Pursuant to

Section 302 of the Sarbanes-Oxley Act of 2002

I, Gary Macleod, Principal Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LevelBlox, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Gary Macleod

Gary Macleod

Principal Executive Officer

DATED: November 9, 2018

LEVELBLOX, INC. formerly known as ALPHAPPOINT TECHNOLOGY, INC.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of LevelBlox, Inc. (the Company) on Form 10-Q for the quarterly period ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Gary Macleod, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gary Macleod

Gary Macleod

Principal Executive Officer

DATED: November 9, 2018
