TELECOM ITALIA S P A
Form 6-K
March 10, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF MARCH 2003

TELECOM ITALIA S.p.A.
(Translation of registrant's name into English)

CORSO D'ITALIA 41
ROME, ITALY 00198
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F [X]   FORM 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ]

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

YES [ ]   NO [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _______

[OLIVETTI LOGO]   [TELECOM ITALIA LOGO]

PRESS RELEASE

Milan, 9 March 2003 - With reference to the press release of 7 March 2003, it is announced that the Olivetti S.p.A and Telecom Italia S.p.A Board of Directors

Meetings announced for the 12 March 2003 to examine extraordinary operations, will be brought forward to 11 March 2003.

The relative press releases will be distributed at 8:00am on 12 March 2003.

Marco Tronchetti Provera, Chairman of Telecom Italia, will hold a press conference at 9:00am on 12 March.

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Cautionary Statement for Purposes of the "Safe Harbor" Provision of the United States Private Securities Litigation Reform Act of 1995.

The Private Securities Litigation reform Act of 1995 provides a "safe harbor" for forward-looking statements. The Press Release included in this Form 6-K contains certain forward looking statements and forecasts reflecting management's current views with respect to certain future events. The ability of the Telecom Italia Group to achieve its projected results is dependant on many factors which are outside of management's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and are based on certain key assumptions.

The following important factors could cause the Telecom Italia Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- the continuing impact of increased competition in a liberalized market, including competition from global and regional alliances formed by other telecommunications operators in the core domestic fixed-line and wireless markets of the Telecom Italia Group;

- the ability of the Telecom Italia Group to introduce new services to stimulate increased usage of its fixed and wireless networks to offset declines in its fixed-line business due to the continuing impact of regulatory required price reductions, market share loss and pricing pressures generally;

- the ability of the Telecom Italia Group to achieve cost-reduction targets in the time frame established or to continue the process of rationalizing its non-core assets;

- the impact of regulatory decisions and changes in the regulatory environment;

- the impact of the slowdown in Latin American economies and the slow recovery of economies generally on the international business of the Telecom Italia Group focused on Latin America and on its foreign investments and capital expenditures;

- the continuing impact of rapid changes in technologies;

- the impact of political and economic developments in Italy and other countries in which the Telecom Italia Group operates;

- the impact of fluctuations in currency exchange and interest rates;

- Telecom Italia's ability to continue the implementation of its 2002-2004 Industrial Plan, including the rationalization of its corporate structure and the disposition of Telecom Italia's interests in various companies;

- the ability of the Telecom Italia Group to successfully achieve its debt reduction targets;

- Telecom Italia's ability to successfully roll out its UMTS networks and services and to realize the benefits of its investment in UMTS licenses and related capital expenditures;

- SEAT's ability to successfully implement its internet strategy;

- the ability of the Telecom Italia Group to achieve the expected return on the significant investments and capital expenditures it has made in Latin America and in Europe;

- the amount and timing of any future impairment charges for Telecom Italia's licences, goodwill or other assets; and

- the impact of litigation or decreased mobile communications usage arising from actual or perceived health risks or other problems relating to mobile handsets or transmission masts.

The foregoing factors should not be construed as exhaustive. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Accordingly, there can be no assurance that the group will achieve its projected results.

SIGNATURES

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

Date: March 09, 2003

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager

> — — — — — 35,000 8/22/2018 8% 40% discount of average two lowest price of last 20 trading days prices 15,000 — — — — — 15,000 9/26/2018 8% 40% discount of average two lowest price of last 20 trading days prices 2,056,923 1,547,023 1,738,423 Debt Discount (45,000) (410,866) Convertible debt balance, net of debt discount 1,502,023 1,327,557

In connection with the convertible debt, debt discount balance as of September 30, 2017 and June 30, 2017 were $410,866 and $45,000 respectively and were being amortized and recorded as interest expenses over the term of the convertible debt.

Please note that there is $91,906 and $0 debt discount amortized for the 3 months ended September 2017 and 2016 respectively.

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6. Derivative liabilities

The derivative liability is derived from the conversion features in note 5 and stock warrant in note 7. All were valued using the weighted-average Black-Scholes-Merton option pricing model using the assumptions detailed below. As of September 30, 2017 and June 30, 2017, the derivative liability was $1,479,052 and $1,134,000, respectively. The Company recorded $145,653 loss and $243,000 gain from changes in derivative liability during the three months ended September 30, 2017 and 2016, respectively. The Black- Scholes model with the following assumption inputs:

	September 30, 2017
Annual dividend yield	—
Expected life (years)	0.01 – 1 year
Risk-free interest rate	0.83% – 1.31%
Expected volatility	91% - 215%

	June 30, 2017	
Annual dividend yield	—	
Expected life (years)	0.01	
Risk-free interest rate	0.21	%
Expected volatility	449	%

Fair value of the derivative is summarized as below :

Beginning Balance, June 30, 2017	$1,134,000
Additions	419,267
Mark to Market	140,653
Reclassification to APIC due to conversions	(214,868)
Balance, September 30, 2017	$1,479,052

7. Stock warrants

In connection with the issuance of the promissory notes in 2012, the investors in the aggregate received two-year warrants to purchase up to a total of 50,000 shares of common stock at an exercise price of $0.50 per share, and two-year warrants purchasing up to a total of 81,250 shares of common stock at an exercise price of $0.01 per share. For purposes of accounting for the detachable warrants issued in connection with the convertible notes, the fair value of the warrants was estimated using the Black-Scholes-Merton option pricing formula. The value of all warrants granted at the date of issuance totaled $508,413 and was recorded as a discount to the notes payable. The amount was amortized over the nine (9) month term of the respective convertible note as additional interest expense.

On various dates during June 2014 and December 2014 the Company and holders of certain convertible notes agreed to cancel warrants to purchase common shares in the Company and to extend the due dates on the Notes to July 1, 2016. $0.50 warrants and Bonus Warrants priced at $0.01, as defined in the original Convertible Note Purchase Agreements we cancelled pertaining to the Note and warrants acquired on the following dates for the following Convertible Notes and amounts. These warrants were expired on July 1, 2016.

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On May 17, 2017, the Company entered a promissory note with an investor for a total amount of $1,375,000 (after $10,000 legal and due diligence fee) with an OID of $125,000, the note will be fulfilled through a series of funding. In connection with the note, the investor will also receive warrants and is calculated based on 15% of the maturity amount. The warrants have a life of four years with an exercise price of $0.15 per share and have cashless exercise option. The fair value of the warrants at the grant date was $40,400. As of September 30, 2017 and June 30, 2017, the fair value of the warrant liability was $15,654 and $25,250, respectively. The Black-Scholes model with the following assumption inputs:

Warrants liability	September 30, 2017	
Annual dividend yield	—	
Expected life (years)	3.61	
Risk-free interest rate	1.89	%
Expected volatility	424	%

Warrants issued in May 2017	June 30, 2017	
Annual dividend yield	—	
Expected life (years)	3.86	
Risk-free interest rate	1.89	%
Expected volatility	440	%

Warrants issued in 2012 with extension to July 1, 2016	June 30, 2016	
Annual dividend yield	—	
Expected life (years)	0.01	
Risk-free interest rate	0.21	%
Expected volatility	449	%

Below is the movement of warrants for the period ending September 30, 2017:

	Number of Shares	Weighted Average Exercise Price		Weighted Average Remaining contractual life
Outstanding at June 30, 2015	131,250	$	0.20	
Granted	—		—	
Exercised	—		—	
Outstanding at June 30, 2016	131,250		0.20	
Expired	131,250		0.20	
Granted	505,000	$	0.15	4
Outstanding at June 30, 2017	505,000	$	0.15	3.86
Granted	—		—	
Exercised	—		—	
Outstanding at September 30, 2017	505,000	$	0.15	3.61

Note payable due to bank

During October 2011, we entered into a revolving demand note (line of credit) arrangement with HSBC Bank USA, with a revolving borrowing limit of $150,000. The line of credit bears a variable interest rate of one quarter percent (0.25%) above the prime rate (3.25% as of September 30, 2013). In the event the deposit account is not established or minimum balance maintained, HSBC can charge a higher rate of interest of up to 4.0% above prime rate. As of September 30, 2017 and June 30, 2017, the loan principal balance was $25,982.

Note payable due to related party

On January 23, 2013, the Company entered into a promissory note with its former employee of the Company who owns less than 5% of the Company s stock. The original principal amount was $40,000 and the note bore no interest. The note was payable upon demand. As of September 30, 2017 and June 30, 2017, this note had a balance of $18,000.

On December 31, 2013, the Company entered into a promissory note with Kalvin Kwong (an employee of the Company, who owns less than 5% of the Company s stock). The principal amount was $20,000 and the interest rate on the note was 10%. The note had a term of six (6) months. However, this note was now payable upon demand per the oral agreement with the lender. As of September 30, 2017 and June 30, 2017, this note had a balance of $20,000.

On January 13, 2014, the Company entered into a promissory note with an employee (an employee of the Company, who owns less than 5% of the Company s stock). The principal amount was $25,000 and the note bore no interest. The note had a term of twenty-four (24) months and was due on January 13, 2016, and became payable upon demand after January 13, 2016. As of September 30, 2017 and June 30, 2017, this note had a balance of $1,000 and $12,666, respectively.

On January 14, 2015, the Company entered into a promissory note with Richard Ko (an employee of the Company, who owns less than 5% of the Company s stock). The principle amount was $30,000 and the note bore no interest. The note had a term of one (1) year and was due on January 14, 2016, and became payable upon demand after January 14, 2016. As of September 30, 2017 and June 30, 2017, this note had a balance of $20,000 and $20,000, respectively.

As of September 30, 2017 and June 30, 2017, the Company has an outstanding balance of notes payable due to related parties of 59,000 and $70,666, respectively.

8. Stockholder s Deficiency

The Company is authorized to issue 300,000,000 shares of $.001 par value common stock and 10,000,000 shares of$.001 par value preferred stock.

As of September 30 and June 30, 2017, the Company had 244,226,026 and 226,734,372 shares of its common stock issued and outstanding.

9. Common shares issued for services

In September 2017, the Company issued 4,736,842 shares of commons stock for services. The fair value of the shares were valued at $0.04, the closing price of the grant date.

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10. Related party transactions

As of September 30, 2017, the Company had outstanding balance of $240,427 owed to various related parties. See note 13 for the details.

11. Loans payable

On January 25, 2017, SWC entered into an agreement with a lending company for $100,000 for its working capital needs. As of September 30, 2017 and June 30, 2017, the Company has an outstanding balance of $0 and $10,036, respectively.

During the year ended June 30, 2017, the Company entered a series of short-term loan agreements with Greater Asia Technology Limited (Greater Asia) for borrowing $375,000, with interest rate at 40% - 50% of the principal balance. As of September 30, 2017 and June 30, 2017, the outstanding balance with Greater Asia loans were $114,400 and $140,125, respectively.

On July 1, 2016, the Company entered into a repayment agreement with its employee for $20,280 at no interest. As of September 30, 2017 and June 30, 2017, the Company has an outstanding balance of $8,780. Repayment on this loan will be repaid at a later date with no interest being accrued.

On January 6, 2015, the Company entered into repayment agreement with its former employee for a loan of $9,500 at no interest. As of September 30, 2017 and June 30, 2017, the Company has an outstanding balance of $4,076.

On July 2, 2015, the Company entered into a repayment agreement with an individual for $22,583 at no interest. As of September 30, 2017 and June 30, 2017, the Company has an outstanding balance of $17,583.

On March 5, 2013, the Company entered an equipment loan agreement with Toyota financial services with maturity date of April 4, 2018. As of September 30, 2017 and June 30, 2017, the balance under this loan were $2,693 and $4,308, respectively.

On July 1, 2012, CarryOutSupplies entered an equipment loan agreement with a bank with maturity on June 1, 2017. The monthly payment is $255. As of September 30, 2017 and June 30, 2017, the outstanding balance under this loan were $0 and $261, respectively.

As of September 30, 2017 and June 30, 2017, the Company had an outstanding loan balance of $1,599 from one (1) vendor of the Company.

12. ***Loan payable – related parties***

On June 26, 2017, SGMD entered a straight promissory note with a company (whose major shareholder is the former director of the Company) for borrowing $150,820 with maturity date on December 31, 2017; the note bears an interest rate of 12%, commencing on October 31, 2017, and on the last day of each moth thereafter until the notes is paid in full, the Company shall make an interest payment. As of June 30, 2017, the outstanding balance under this note was $150,820 with $6,033 interest discount to loan payable. As of September 30, 2017, the outstanding balance under this note was $150,820.

On July 7, 2016, SWC received a loan from an employee. The amount of the loan bore no interest and amortized on a monthly basis over the life of the loan. As of September 30, 2017 and June 30, 2017, the balance of the loan were $17,984 and $34,015, respectively.

On November 21, 2016, SGMD received a loan from the Company s director. The amount of the loan bore no interest and amortized on a monthly basis over the life of the loan. As of September 30, 2017 and June 30, 2017, the balance of the loan from Sugarmade were $29,951 and $9,252, respectively.

On December 1, 2016, SGMD received a loan from an employee for $12,500 with an interest charge of $12,500. This amount was recorded as interest owed to the loan payable amount and is to be amortized on a monthly basis over the life of the loan. The loan is due on December 1, 2017. As of June 30, 2017, the balance is $6,250.

From time to time, SWC would receive short-term loans from LMK Capital, LLC (LMK) for its working capital needs. As of September 30, 2017 and June 30, 2017, the Company had outstanding balance of $34,107 borrowed from LMK Capital., LLC, a company affiliated with CEO Chan.

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13. Shares to be issued

At September 30, 2017, the Company was obligated to issue 2,000,000 shares of Series B Convertible Preferred Stock for three EB-5 investments with the total amount of $1,500,000. The Company received $2,000,000 proceeds during the year ended June 30, 2017 with fair value of $2,000,000. On April 1, 2015, the Company completed a series of transactions and amended its Articles of Incorporation creating a series of preferred stock of 10,000,000 shares, which shall be designated Series B Convertible Preferred Stock, par value $0.001 per share (the Series B Preferred Stock). Series B will not be eligible for dividends. Five years from the date of issue (the Conversion Date), assuming the Series B investor is approved for l-526 under the U.S Government s EB-5 Investment Program, each Preferred Share will automatically convert into that number of Common Shares having a fair market value of the Initial Investment plus a five (5) percent annualized return on Initial Investment. Fair market value will be determined by averaging the closing sale price of a Common Share for the 40 trading days immediately preceding the date of conversion on the U.S. stock exchange on which Common Shares are publicly traded. The offering was made pursuant to SEC Rule 506 Section 4(2), which provides exemption from registration for transactions, which are not public offerings. The funds received were used for general working capital purposes and to accelerate order deliveries to customers.

Subsequent to September 30, 2017, the Company was obligated to issue 2,500,000 restricted common shares for equity financing of $125,000.

As of September 30, 2017, the company was obligated to issue 2,474,474 restricted common shares for debt conversion.

As of September 30, 2017, the company was obligated to issue 1,007,286 restricted common shares for services in lieu of cash.

As of September 30, 2017, the Company was obligated to issue 300,000 restricted common shares for past services. The market value of the shares issued was $0.06 per share. The fair market value of the 300,000 shares was $18,000, and was recorded as a liability for stock to be issued - common shares.

14. Commitments and contingencies

On April 1, 2015, the Company entered into a lease for general office and warehouse in City of Industry, California with a lease term of one year. The monthly rent was $11,884. The Company renewed the lease to March 31, 2016, effective April 1, 2016 to March 31, 2017, increasing the rent from $11,884 to $13,238. On March 6, 2017, the Company executed a Fifth Amendment to the Lease, in which the Monthly rent increased from $13,238 to $15,043 effective from April 1, 2017 to March 31, 2018. As of September 30, 2017, the Monthly rent is $15,043. As of April 1, 2018, the have vacated and return the property to the property owner and have no further lease commitment associated with this property.

On February 23, 2018 the Company entered into lease agreement for a new office space as part of the plan to expand operation, the lease is set to commence Commencing March 1, 2018. The term of the lease is for a (5) Five Years with 1 month free on the 1st year of the term. The monthly rent on the 1st year will be $11,770 with a 3% increase for each subsequent year. Total commitment for the full term of the lease will be $737,367. As of the date of this filing, this property became the headquarter of the company.

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15. Subsequent events

On October 1, 2017, the Company entered a consulting agreement with a consultant for services related in fulfillment and customer services in relation to Sriracha Seasoning Stix project. The service term is twelve months, the company will issue 660,000 restricted common shares to the consultant in lieu of $21,120. The fair value of the 660,000 shares at grant date was $19,800.

On October 1, 2017, the Company entered a consulting agreement with a consultant for services related to analytic of e-commerce sales and intelligent reports in relation to Sriracha Seasoning Stix project. The service term is twelve months, the company will issue 1,200,000 restricted common shares to the consultant in lieu of $38,400. The fair value of the 1,200,000 shares at grant date was $36,000.

On October 1, 2017, the Company entered into a promissory note agreement with principle of $100,000 and a fixed interest of $25,000. Amortized over nine months, the monthly principle and interest payment is $13,888.88. Maturity date of the note is June 30, 2018.

On October 26, 2017, the Company was committed to issue 1,638,819 common shares from the company s 2017 employee benefit plan to a consultant for e-commerce marketing and media production services, in relations to Sriracha Stix and Seasoning Stix project. The fair value of 1,638,819 common shares at grant date was $54,081. As of the date of this filing, these were have not been issued.

On March 23, 2017, the Company entered into a convertible promissory note with an accredited investor for $70,000. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On October 26, 2017, the Company issued 4,046,872 common shares in exchange for the conversion of $70,000 of convertible debt and accrued interest of $3,329.

On February 8, 2017, the Company entered into a convertible promissory note with an accredited investor for $50,000. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On October 26, 2017, the Company issued 2,931,188 common shares in exchange for the conversion of $50,000 of convertible debt and accrued interest of $2,849.

On February 28, 2017, the Company entered into a convertible promissory note with an accredited investor for $75,000. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On October 26, 2017, the Company issued 4,378,547 common shares in exchange for the conversion of

$75,000 of convertible debt and accrued interest of $3,945.

On March 31, 2017, the Company entered into a convertible promissory note with an accredited investor for $200,000. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On November 1, 2017, the Company issued 11,557,652 common shares in exchange for the conversion of $200,000 of convertible debt and accrued interest of $9,424.

On November 8, 2017, the Company received a notice from a convertible note holder informing the Company the note originally dated March 1, 2017 was in default due to the Company s lack of timely reporting. The note began accruing interest on August 8, 2017, after it was exchanged in an agreement on that date. As a result of the default, the interest rate on the note was raised from 10% to the default rate of 22% per annum and the outstanding balance due increased by 15%. As of the date of the notice on November 8, 2017, and after the adjustments outlined herein, the balance on the note will increase by $9,461.

On January 20, 2017, the Company entered into a convertible promissory note with an accredited investor for $80,000. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On November 14, 2017, the Company issued 4,530,846 common shares in exchange for the conversion of $80,000 of convertible debt and accrued interest of $5,225.

On February 24, 2017, the Company entered into a convertible promissory note with an accredited investor for $66,023. The note has a term of six (6) months with an interest rate of 8% and is convertible into common shares at a 40% discount. On November 14, 2017, the Company issued 3,712,324 common shares in exchange for the conversion of $66,023 of convertible debt and accrued interest of $3,806.

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On November 14, 2017, the company sold 400,000 restricted common shares to an investor for $20,000, at a price per share equal $0.05.

On November 30, 2017, the Company issued 737,748 common shares in exchange for the conversion of $20,000 of convertible debt and accrued interest of $1,394.

On December 7, 2017 the Company entered into a convertible promissory note with an accredited investor for $50,000. The note has a term of twelve (12) months with an interest rate of 8% and is convertible into common shares at a fixed price per share equal to $0.05.

On December 7, 2017, The Company received a notice from a convertible note holder informing the Company the note dated May 12, 2017 was in default due to the Company s lack of timely reporting. As a result of the default, the interest rate on the note was raised from 10% to 22%. As a result of the late filing of the Company s fiscal year ending June 30, 2017 on Form 10-K, the balance due on the note increased by 15%. As a result of the late filing of the Company s fiscal quarter ending September 30, 2017 on Form 10-Q, the balance due on the note is increased by an additional 15%. After the accrual of interest and the increases outlined herein, the balance on the note may be increase by $86,876.

On December 12, 2017, the Company entered a consulting agreement with a consultant for services related to audit procedures, tax consultant, identifying and consummation of strategic alliances, merger and acquisitions that benefit the company. The service term is twelve months, the company will issue 1,000,000 restricted common shares to the consultant in lieu of $40,000. The fair value of the 1,000,000 shares at grant date was $80,000.

On December 12, 2017, the Company entered a consulting agreement with a consultant for services related to identifying and consummation of strategic alliances, merger and acquisitions that benefit the company. The service term is twelve months, the company will issue 5,000,000 restricted common shares to the consultant in lieu of $200,000. The fair value of the 5,000,000 shares at grant date was $400,000.

On December 13, 2017, the company signed a definitive exclusive master marketing agreement with BizRight Hydroponics Inc. the term of the agreement for the period of 20 years. BizRight will be compensated with both cash and restricted common shares. Effective date of the contract Bizright will be compensated with 200,000,000 restricted common shares in lieu of first initial payment of $2,000,000 and $2,000,000 cash upon first major funding and $4,000,000 due upon second major funding, the maximum share earn out is 450,000,000 total based on monthly revenue of $2,500,000 or $30,000,000 annualized. The fair market value of 200,000,000 restricted common shares at grant date was $16,800,000.

On December 14, 2017, the Company sold 1,000,000 restricted common shares to an investor for $50,000, at a price per share equal to $0.05.

On December 21, 2017, the Company sold 5,000,000 restricted common shares to an accredited investor for $250,000, at a price per share equal to $0.05.

On January 9, 2018 the Company sold 2,000,000 restricted common shares to an accredited investor for $100,000, at a price per share equal to $0.05

On January 9, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On January 11, 2018 the Company sold 2,000,000 restricted common shares to an accredited investor for $100,000, at a price per share equal to $0.05.

On January 13, 2018 the Company sold 1,200,000 restricted common shares to an accredited investor for $60,000, at a price per share equal to $0.05.

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On January 18, 2018 the Company sold 600,000 restricted common shares to an accredited investor for $30,000, at a price per share equal to $0.05.

On January 13, 2018 the Company sold 750,000 restricted common shares to an accredited investor for $60,000, at a price per share equal to $0.08.

On January 22, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On January 23, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On Feb 23, 2018 the Company entered into lease agreement for a new office space as part of the plan to expand operation, the lease is set to commence Commencing March 1, 2018. The term of the lease is for a (5) Five Years with 1 month free on the 1st year of the term. The monthly rent on the 1st year will be $11,770 with a 3% increase for each subsequent year. Total commitment for the full term of the lease will be $737,367. This location will be replacing our existing Head Quarter located in City of Industry.

On Feb 28, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On March 15, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On March 20, 2018 the Company sold 4,000,000 restricted common shares to an accredited investor for $200,000, at a price per share equal to $0.05.

On March 26, 2018 the Company sold 300,000 restricted common shares to an accredited investor for $15,000, at a price per share equal to $0.05.

On March 19, 2018, the Company entered a consulting agreement with a consultant for services related to Research Distribution Services. The company will issue 75,000 restricted common shares to the consultant in additions to the $10,500 cash payment. The fair value of the 75,000 shares at grant date was $13,125.

On June 26, 2017, the Company entered into a straight promissory note with a Nevada Company that is managed by one of our former director Mr. Yu for $150,820. The note has a term of six (6) months with an interest rate of 12%. On March 19, 2018, the Nevada Company agreed to settled the outstanding principle and interest balance of $150,820 for 1,508,200 shares of restricted common shares. The fair value of the 1,508,200 shares at settlement date was $0.175 per share x share counts.

On July 17, 2017, the Company entered into a convertible promissory note with a Nevada Company that is managed by one of our former director Mr. Yu for $164,900. The note has a term of twelve (12) months with an interest rate of 8% and is convertible into common shares at a fixed price of $0.025. On March 20, 2018, the Company issued 4,530,846 common shares in exchange for the conversion of $164,900 of convertible debt and accrued interest of $5,225.

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On March 20, 2018, the Company entered a consulting agreement with a consultant for services related to sourcing and quality control. The service term is six months, the company will issue 1,000,000 restricted common shares to the consultant in lieu of $50,000. The fair value of the 1,000,000 shares at grant date was $184,900.

On April 2, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On August 3, 2017, the Company entered into a convertible promissory note with an accredited investor for $150,000. The note has a term of nine (9) months with an interest rate of 10% and is convertible into common shares at a 45% discount. On April 3, 2018, the Company issued 2,234,696 common shares in exchange for the conversion of $159,781 of convertible debt and accrued interest of $9,781.

On April 18, 2018 the Company sold 1,428,571 restricted common shares to an accredited investor for $100,000, at a price per share equal to $0.07.

On April 19, 2018 the Company sold 1,171,429 restricted common shares to an accredited investor for $82,000, at a price per share equal to $0.07.

On April 20, 2018 the Company sold 1,828,571 restricted common shares to an accredited investor for $128,000, at a price per share equal to $0.07.

On May 8, 2018 the Company sold 2,400,000 restricted common shares to an accredited investor for $120,000, at a price per share equal to $0.05.

On May 10, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On May 11, 2018 the Company sold 300,000 restricted common shares to an accredited investor for $15,000, at a price per share equal to $0.05.

On May 14, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

On May 14, 2018 the Company sold 1,000,000 restricted common shares to an accredited investor for $50,000, at a price per share equal to $0.05.

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Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On April 2, 2018, the Registrant engaged L&L CPAS, PA as Registrant s independent registered public accounting firm. Neither the Registrant, nor anyone on its behalf, has consulted with L&L CPAS, PA regarding (i) the type of final audit opinion that might be rendered on the Company s financial statements and neither a written report nor oral advice was provided to the Company that L&L CPAS, PA concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue, (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K, or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

On March 21, 2018, the Board of Directors of Sugarmade, Inc. (the Company) dismissed BF Borgers CPA (Borgers) as the principal auditor for the Company. The Company s Board of Directors approved the dismissal of Borgers. The principal accountant s report on the financial statements for the period from June 30, 2014 to and as of June 30, 2017 did not contain an adverse opinion or a disclaimer of opinion, nor did such statements contain qualifiers or modifiers as to uncertainty, audit scope, or accounting principles. There were no disagreements with Borgers whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Borgers satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its report on the Company s financial statements.

On November 2, 2015, the Company dismissed its independent registered public accounting firm, MJF & Associates, APC. The Registrant s Board of Directors made the decision to dismiss MJF & Associates, APC and engage Anton & Chia, LLC. as Registrant s independent registered public accounting firm, as described below. During Registrant s two most recent fiscal years and any subsequent interim period before such dismissal, there were no substantial disagreements with MJF & Associates, APC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which remain unresolved. On November 2, 2015 the Registrant engaged Anton & Chia, LLC. as Registrant s independent registered public accounting firm.

On November 11, 2014, the Company dismissed its independent registered public accounting firm, Anton & Chia, LLC. The Registrant s Board of Directors made the decision to dismiss Anton & Chia, LLC and engage MJF & Associates, APC as Registrant s independent registered public accounting firm, as described below. During Registrant s two most recent fiscal years and any subsequent interim period before such dismissal, there were no substantial disagreements with Anton & Chia, LLC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which remain unresolved. On November 11, 2014 the Registrant engaged MJF & Associates, APC as Registrant s independent registered public accounting firm.

On July 20, 2011, our Company engaged Anton & Chia, LLP (A&C) as its independent registered public accounting firm effective July 20, 2011. The decision to engage A&C was approved by our Company s audit committee. A&C previously audited the financial statements of our wholly owned subsidiary Sugarmade, Inc. (incorporated in California – Sugarmade-CA) as of December 31, 2010 and 2009 and for the year ended December 31, 2010 and the period March 2, 2009 (inception) to December 31, 2009.

Michael Cronin, Certified Public Accountant was the independent registered public accountant of Diversified Opportunities, Inc. and resigned as the independent registered public accountant effective July 20, 2011. The reports of Mr. Cronin on our Company s consolidated financial statements for the past two fiscal years did not contain an adverse opinion or disclaimer of opinion, nor were they modified as to uncertainty, audit scope, or accounting principles, other than to state that there is substantial doubt as to the ability of our Company to continue as a going concern.

During our Company s two most recent fiscal years and the subsequent interim period up to the resignation of Mr. Cronin, there have not been any disagreements between our Company and Mr. Cronin, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to the satisfaction of Mr. Cronin would have caused Mr. Cronin to make reference thereto in its reports on our Company s audited financial statements.

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

This discussion and analysis may include statements regarding our expectations with respect to our future performance, liquidity, and capital resources. Such statements, along with any other non-historical statements in the discussion, are forward-looking. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, factors listed in other documents we file with the Securities and Exchange Commission (SEC). We do not assume an obligation to update any forward- looking statement. Our actual results may differ materially from those contained in or implied by any of the forward-looking statements in this Form 10-Q. See SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS above.

The Company s primary business, via its CarryOutSupplies.com business operation, is providing custom and generic printed supplies for the quick service sector of the restaurant industry, with an emphasis on yogurt and ice cream establishments. Many of these establishments are underserved by the larger suppliers that usually require restaurant customers to order large quantities of custom and generic printed paper and other products. CarrryOutSupplies allows these smaller establishments to gain the marketing and advertising benefits of customized printed products without tying up large amounts of working capital.

The Company is in process of significantly increasing the number of products offered to the restaurant industry. Whereas the current product emphasis is limited mainly to custom and generic printed items, a new division of the Company, called CaliRestaurantSupplies.com, will expand both the number of products offered and the target market for the Company. The Company already services approximately 2,500 takeout establishments, restaurants, and other food service operators via a product offering of approximately 2,000 items. CaliRestaurantSupplies will expand the Company s target market to include virtually every type of restaurant and institutional food service operation and the scope of products offered to include virtually every type of non-food product purchased by restaurants. The Company plans to offer over 6,000 products by mid-calendar 2016 and over 20,000 products by year-end via its CailRestaurantSupplies.com website.

The Company s is also a distributor printer and copier paper derived from non-wood sources via its Sugamade Paper product. Third party contract manufacturers use agricultural residuals, namely bagasse (derived from sugar cane) and bamboo, as opposed to wood products, significantly reducing the manufacturing carbon footprint, energy consumption, and attendant water pollution during the manufacture of its products. This allows us to offer our unique, exclusive, tree-free paper products at price-parity equal to or less than current recycled fiber products already on the market. Our products are unique and we believe offer an ideal solution for those consumers (both corporate and individual) seeking to meet their sustainability mandates or personal environmentally conscious goals, at a price that is equal to or less than current recycled products. The Company markets this tree free paper product via school and organization fund-raisers and directly to corporations and institutions.

In October of 2014, Sugarmade entered into an agreement to acquire City of Industry, California based S W C Group, Inc., a California Corporation, which does business as CarryOutSupplies.com.

Employees and consultants

The company employees approximately 45 full-time and part-time workers, and consultants, most of whom work within the City of Monrovia, California headquarters location, while small numbers are in our distribution warehouse located in Duarte, California.

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Overview and Financial Condition

Discussions with respect to our Company s operations included herein refer to our operating subsidiary, Sugarmade-CA. Our Company purchased Sugarmade-CA on May 9, 2011. As of the date of this filing, we had no other operations other than those of Sugarmade-CA. Information with respect to our Company s nominal operations prior to the Sugarmade Acquisition is not included herein.

Results of Operations

The following table sets forth the results of our operations for the three months ended September 30, 2017 and 2016.

	For the three months ended September 30, 2017	2016
Net Sales	1,177,214	1,127,554
Cost of Goods Sold:	852,949	699,651
Gross profit	324,265	427,903
Operating Expenses	1,018,988	489,495
Loss From Operations	(694,724)	(61,592)
Other non-operating Income (Expense):	(394,610)	202,789
Net Income (Loss)	(1,089,334)	141,197

Revenues

For the three-month periods ending September 30, 2017 and September 30, 2016, revenues were $1,177,214 and $1,127,554, respectively. The increase was primarily due to the industry s seasonal trend.

Cost of goods sold

For the three-month periods ending September 30, 2017 and September 30, 2016, costs of goods sold were $852,949 and $699,651 respectively. The increase was primarily due to the frozen yogurt sector expanding and preparing for the industry s pick-up in its seasonal trend.

Gross profit

For the three months period ending September 30, 2017 and September 30, 2016, gross profit were $324,265 and $427,903, respectively. The decrease was primarily due to a refocus on the types of products sold by the Company.

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Operating expenses

For the three-month periods ending September 30, 2017 and September 30, 2016, operating expenses were $1,018,988 and $489,495, respectively. The increase was primarily due to higher stock compensation expense for consulting expense as the company engaged certain industry experts to help the company expanding its markets.

Other non-operating income expense.

The Company had total other non-operating expense of $394,610 and a income of $202,789 for the three months ending September 30, 2017 and September 30, 2016, respectively. The increase in operating expenses is related to the accounting for derivative liabilities.

Net income (loss)

Net loss totaled $1,089,334 for the three month period ending September 30, 2017, compared to a net income totaling $141,197 for the three-month period ending September 30, 2016. The decrease in net income was primarily due the increasing in total operating expenses.

Liquidity and Capital Resources

We have primarily financed our operations through the sale of unregistered equity and convertible notes payable. As of September 30, 2017, our Company had cash balance of $926, current assets totaling $972,499 and total assets of $1,260,307. We had current and total liabilities totaling $6,540,861. Stockholders equity reflected a deficit of $5,280,554.

The following is a summary of cash provided by or used in each of the indicated types of activities during the three months ended September 30, 2017 and 2016:

	2017	2016
Cash (used in) provided by:		
Operating activities	$(692,508)	$(296,834)

Investing activities	(139,316)	—
Financing activities	730,870	310,345

Net cash used in operating activities was $692,508 for the three months ending September 30, 2017, and $296,834 for the three months ending September 30, 2016. The decrease of net cash flows used in operating activities was primarily due to the increasing in the operating expenses.

There were fixed assets purchased during the three months ended September 30, 2017 relating to investing activities.

Net cash provided by financing activities was $730,870 for the three months ended September 30, 2017 and $310,345 for the three months ended September 30, 2016. The increase was due to proceeds from issuance of convertible notes.

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Our capital requirements going forward will consist of financing our operations until we are able to reach a level of revenues and gross margins adequate to equal or exceed our ongoing operating expenses. Other than the notes payable discussed above, borrowings from our bank and the production credit facility with our suppliers, we do not have any credit agreement or source of liquidity immediately available to us.

Given estimates of our Company s future operating results and our credit arrangements with our suppliers, we are currently forecasting that we will need to secure additional financing to obtain adequate financial resources to reach profitability. As of the date of this report, we estimate that the cash necessary to implement our current business plan for the next twelve months is approximately

$2,000,000.

Based on our need to raise additional funds to implement our business plans for the next twelve months, we have included a discussion concerning the presentation of our financial statements on a going concern basis in the notes to our financial statements and our independent public accountants have included a similar discussion in their opinion on our financial statements through June 30, 2017. We will be required in the near future to issue debt or sell our Company s equity securities in order to raise additional cash, although there are no firm arrangements in place for any such financing at this time. We cannot provide any assurances as to whether we will be able to secure the necessary financing, or the terms of any such financing transaction if one were to occur. The failure to secure such financing could severely curtail our plans for future growth or in more severe scenarios, the continued operations of our Company.

Capital Expenditures

Our current plans do not call for our Company to expend significant amounts for capital expenditures for the foreseeable future beyond relatively insignificant expenditures for office furniture and information technology related equipment as we add employees to our Company. We are however continually evaluating the production processes of our third party contract manufacturers to determine if there are investments we could make in their processes to achieve manufacturing improvements and significant cost savings. Any such desired investments would require additional cash above our current forecast requirements.

Critical Accounting Policies Involving Management Estimates and Assumptions

Please see the notes to our financial statements.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Intentionally omitted pursuant to Item 305(e) of Regulation S-K.

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ITEM 4 – CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission s rules 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. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives.

As required by the Securities and Exchange Commission Rule 13a-15(e) and Rule 15d-15(e), we carried out an evaluation, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2017, our disclosure controls and procedures were ineffective due to the Company is relatively inexperienced with certain complexities within USGAAP and SEC reporting.

We have taken, and are continuing to take, certain actions to remediate the material weakness related to our lack of U.S. GAAP experience. We plan to hire additional credentialed professional staff and consulting professionals with greater knowledge and experience of U.S. GAAP and related regulatory requirements to oversee our financial reporting process in order to ensure our compliance with U.S. GAAP and other relevant securities laws. In addition, we plan to provide additional training to our accounting personnel on U.S. GAAP, and other regulatory requirements regarding the preparation of financial statements.

Notwithstanding the above identified material weakness, the Company s management believes that its condensed consolidated financial statements included in this report fairly present in all material respects the Company s financial condition, results of operations and cash flows for the periods presented and that this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Changes in Internal Controls over Financial Reporting

There have not been any changes in our internal controls over financial reporting during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

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PART II: Other Information

ITEM 1 – RISK FACTORS

Investment in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this herein before making an investment decision. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that case, the market price of our common stock could decline, and you may lose all or part of your investment. You should also read the section entitled Special Notes Regarding Forward-Looking Statements below for a discussion of what types of statements are forward-looking statements as well as the significance of such statements in the context of this report.

Investment in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this herein before making an investment decision. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that case, the market price of our common stock could decline, and you may lose all or part of your investment.

The Company, as of the end of the 2015 fiscal year (June) was at a stage where it requires external capital to continue with its business. It must obtain additional significant capital in the future to continue its operations. There can be no certainty that the Company can obtain these funds.

ITEM 2 –UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

There were no sales of unregistered securities during the period.

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4 – MINE SAFETY DISCLOSURES

None.

ITEM 5 – OTHER INFORMATION

None

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ITEM 6 – EXHIBITS

Exhibit No.		Description
31.1	(1)	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	(1)	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	(1)	Certifications of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	(1)	Certifications of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted

		pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	(1)	XBRL Instance Document
101.SCH*	(1)	XBRL Taxonomy Extension Schema
101.CAL*	(1)	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	(1)	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	(1)	XBRL Taxonomy Extension Label Linkbase
101.PRE*	(1)	XBRL Taxonomy Extension Presentation Linkbase

(1) Filed as an exhibit to this Report.

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SIGNATURES

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

	Sugarmade, Inc., a Delaware corporation
June 7, 2018	By: /s/ Jimmy Chan Jimmy Chan CEO, CFO, and Director

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