

OBITX, INC.

FORM 10-Q (Quarterly Report)

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **April 30, 2020**

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

For the transition period from _____ to _____.

Commission file number: 000-56142

OBITX, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	82-1091922 (I.R.S. Employer Identification No.)
3027 US Highway 17 Fleming Island, FL (Address of principal executive offices)	32003 (Zip Code)
Registrant's telephone number, including area code	(321) 802-2474

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

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

As of July 29, 2020, the Company had 5,706,317 shares of common stock, \$0.0001 par value outstanding.

Transitional Small Business Disclosure Format Yes No

OBITX, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Interim Condensed Financial Statements and Notes to Interim Financial Statements

General

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's original S-1 filing and the annual audit for the year ended January 31, 2020. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three months ended April 30, 2020 is not necessarily indicative of the results that can be expected for the year ending January 31, 2021.

OBITX, Inc., a Delaware corporation (the "Company"), with its headquarters in Jacksonville, Florida filed Form 8-K on June 11, 2020 to announce that in light of the circumstances and uncertainty surrounding the effects of the COVID-19 coronavirus pandemic on the Company's business, employees, consultants and service providers, the Company's board of directors and management has determined that it would delay the filing of its quarterly report on Form 10Q for the quarter ending April 30, 2020 (the "Quarterly Report") by up to 45 days in accordance with the SEC's March 4, 2020 Order (Release No. 34-88318) (the "Order"), which allows for the delay of certain filings required under the Securities and Exchange Act of 1934, as amended. The Company relied upon this Order to file its Form 10Q on July 15, 2020.

The Company's operations and business have experienced disruption due to the unprecedented conditions surrounding the COVID-19 pandemic spreading throughout the United States and the world and thus the Company's business operations have been disrupted and it is unable to timely review and prepare the Company's financial statements for the 2020 fiscal year. Management and key personnel have been restricted during this time from responding in a timely manner causing the preparation of its financial statements and audit to be completed on time.

Please see Risk Factors in the Form 10K filed June 5, 2020 concerning Covid-19 for further information.

OBITX, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets
ASSETS

	(unaudited) April 30, 2020	January 31, 2020
	<u> </u>	<u> </u>
Current Assets		
Undeposited Funds	\$ 15	\$ -
Inventory	15	-
Total current assets	<u>30</u>	<u>-</u>
Total assets	<u>\$ 30</u>	<u>\$ -</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued expenses - related party	\$ 42,307	\$ 48,940
Accounts payable related party	119,602	254,495
Due to Related Party	311,176	304,072
Total current liabilities	<u>\$ 473,085</u>	<u>\$ 607,507</u>
Total Liabilities	<u>\$ 473,085</u>	<u>\$ 607,507</u>
Stockholders' equity		
Series A Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; 150,000 and 0 shares issued and outstanding, as	15	-

Conversion of common to series B preferred	500,000	50	(5,000,000)	(500)	450	-	-
Conversion of accounts payable	-	-	246,317	25	1,662,640	-	1,662,665
Issuance of Series A preferred	150,000	15	-	-	40,137,773	-	40,137,788
Issuance of series B preferred	150,000	15	-	-	6,548,173	-	6,548,188
Imputed Interest	-	-	-	-	3,779	-	3,779
Net loss	-	-	-	-	-	(48,217,968)	(48,217,968)
Balance – April 30, 2020	800,000	\$ 80	5,706,317	\$ 571	\$ 51,853,707	\$ (52,327,413)	\$ (473,055)

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

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OBITX, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the three months ended April 30,

	2020	2019
Cash flows from operating activities:		
Net (Loss)	\$ (48,217,968)	\$ (62,445)
<i>Adjustments to reconcile net loss to net</i>		
<i>Cash provided by (used in) operating activities:</i>		
Stock based compensation	48,153,295	-
Imputed interest	3,779	10,606
<i>Decrease (Increase) in:</i>		
Accounts receivable, net	-	-
Accounts payable to related party	44,727	-
Accrued interest	1,461	1,359
Prepaid expenses and other current assets	-	49
Accounts payable	-	47,348
Net cash used in operating activities	\$ (14,706)	\$ (3,083)
Cash flows from financing activities:		
Borrowing from (payment to) related party	14,706	3,083
Proceeds from issuance of stock, net	15	-
Net cash provided by financing activities	\$ 14,721	\$ 3,083
Net change in cash	15	-
Cash at beginning of quarter	-	-
Cash at end of quarter	\$ 15	\$ -
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-cash Investing and Financing Activities:		
Conversion of accounts payable to common stock	\$ 195,316	\$ -
Conversion of preferred stock to common stock	\$ 500	\$ -
Issuance of preferred stock for inventory	\$ 15	\$ -

See accompanying notes to unaudited consolidated financial statements.

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OBITX, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Organization and Basis of Presentation

The accompanying unaudited financial statements of OBITX, Inc., (the “Company”, “we”, “our”), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”).

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). All significant intercompany accounts and transactions have been eliminated.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Haute Jobs, LLC, (“HAUTE”), Campaign Pigeon, LLC, (“CAMP”), and altCUBE, Inc., (“altCUBE”). altCUBE was closed on December 31, 2018. HAUTE and CAMP were closed in fiscal year ending January 31, 2020.

Description of Business

The Company was incorporated in the State of Delaware on March 30, 2017 originally under the name GigeTech, Inc. On October 31, 2017 the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIG. The Company is headquartered in Fleming Island, Florida.

The Company earned revenue through social media advertising, fees, and services. Under its plan, the Company developed its white label software solution for MCIG under the 420 Cloud brand in support of the cannabis industry. The Company discontinued this operation during the fiscal year ended January 31, 2020.

The company is expanding its services and solutions in software development and internet advertising and promotion into the industry of blockchain technologies.

On December 10, 2018 OBITX, Inc became a publicly reporting company. The Company began trading under the stock symbol “OBTX” on March 24, 2020.

Subsidiaries of the Company

The company had three subsidiaries which have all been discontinued. We incorporated Haute Jobs, LLC on May 10, 2018 in the state of Wyoming. We incorporated Campaign Pigeon, LLC on May 10, 2018 in the state of Wyoming. We incorporated altCUBE, Inc., on June 4, 2018 in the state of Wyoming. The subsidiaries were consolidated for the three months ended April 30, 2019. None of the subsidiaries conducted business in the three months ended April 30, 2020.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the wholly owned subsidiaries of HAUTE, CAMP, and altCUBE.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates include: revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation and recoverability of long-lived assets; property and equipment; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Revenue Recognition Policies

We intend to earn revenue from the subscription, non-software related hosted services, term-based and perpetual licensing of software products, associated software maintenance and support plans, consulting services, training, and technical support.

On February 1, 2018, we adopted Topic 606, using the modified retrospective transition method applied to those contracts which were not completed as of February 1, 2018. Results for reporting periods beginning after February 1, 2018 are presented under Topic 606, while prior period amounts have not been adjusted and continue to be reported in accordance with our historic accounting. The impact of adopting the new revenue standard was not material to our financial statements and there was no adjustment to beginning retained earnings on February 1, 2018.

Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Research and Development

Research and Development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially

improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. The Company has recognized \$0 as a capital asset for the 3 months ended April 30, 2020 and \$0 for the three months ended April 30, 2019.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables and commodities are limited due to the diverse group of customers to whom the Company provides services to. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables or the selling of its commodities warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of \$250,000. The risk is managed by maintaining all deposits in high-quality financial institutions. The Company had \$0 in excess of federally insured limits on April 30, 2020, and January 31, 2020.

For the quarter ended April 30, 2020 there was \$0 in accounts receivable and \$0 for the year ended January 31, 2020.

Cost of Goods Sold

The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as cost of goods sold in the accompanying statement of operations.

Cost of Revenue

Cost of revenue includes: manufacturing and distribution costs for products sold and programs licensed; operating costs related to product support service centers and product distribution centers; costs incurred to include software on PCs sold by OEMs, to drive traffic to our websites and products, and to acquire online advertising space; costs incurred to support and maintain Internet-based products and services, including data center costs and royalties; warranty costs; inventory valuation adjustments; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products.

Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes, the company concentrates its cash holdings in an account at Bank of America. The Company had no cash equivalents as of April 30, 2020, or January 31, 2020.

Basic and Diluted Net Earnings (Loss) Per Share

The Company follows *ASC Topic 260 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* to account for earnings per share. Basic earnings per share (“EPS”) calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will incur and that the amount of the loss can be reasonably estimated. The Company recognized \$0 as a loss on contingencies in the three month periods ending April 30, 2020 and April 30, 2019.

Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history, no certainty of continuation can be stated. The accompanying financial statements for the quarter ended April 30, 2020 and the year ended January 31, 2020, has been prepared to assume that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has negative cash flow and there are no assurances the Company will generate a profit or obtain positive cash flow. The Company has sustained its solvency through the support of its related parties, which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time to the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate the revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

Note 4. Related Party Transactions

The Company entered a Line of Credit with MCIG, for up to \$500,000 in funding on November 1, 2016. The Line of Credit terminated on April 30, 2019. It was given at a 0% interest rate and is payable upon termination date with the option to convert the agreement into equity at a 15% discount to the then current market rate. The Line of Credit was reinstated and increased to \$1,000,000 on January 1, 2018 and expired January 1, 2020. As of April 30, 2020, and January 31, 2020, the amount outstanding on the Line of Credit owed to MCIG was \$218,257. (See Note 9 – Subsequent Events) The imputed interest of this line of credit for the three months ended April 30, 2020 was \$3,779.

On June 14, 2018 the Company entered a Line of Credit with APO Holdings, LLC for up to \$100,000 at any one time. The Line of Credit may be cancelled at any time by either party providing 30 days written notice of cancellation. It was given at a 0.6% monthly interest rate (7.2% annualized interest rate) and may be paid at any time with no definitive payoff date. During the quarter ended April 30, 2020 the Company received \$5,644 under the Line of Credit. As of April 30, 2020, and January 31, 2020 the outstanding balance owed on the line of credit was \$92,920 and \$85,815, respectively. The accrued interest for the quarter ended April 30, 2020 and the year ended January 31, 2020 was \$9,875 and \$8,412 respectively. The interest expense for the three months ended April 30, 2020 was \$1,461.

On April 17, 2020 the Company, issued 50,000 shares of Series A Preferred Stock to Epic Industry Corp and 100,000 shares of Series A Preferred Stock to Overwatch Partners, Inc for par value (\$0.0001) for a total receipt of \$15 paid by Epic Industry Corp. The Agreement was originally between the Company and Epic Industry Corp. The 100,000 shares of Series A Preferred was issued to Overwatch Partners at the discretion of Michael Hawkins, the sole owner of Epic Industry Corp. The Company's CEO is 50% owner of Overwatch Partners. The issuance represents 33% of the Company's stock on a fully diluted basis and 68% of voting control of the Company. (See Note 5 – Stockholder's Equity – Preferred Stock). The Company valued the stock under ASC 820 utilizing the Option Pricing Method to value conversion rights, and the Market Approach to value the voting control. The issuance of stock's recorded value was \$40,137,788.

On April 17, 2020 the Company issued 150,000 shares of Series B Preferred Stock to Paul Rosenberg in exchange for 60 cryptocurrency ATM machines, which the Company believes has no retail or book value. The issuance represents 7% of the Company's stock on a fully diluted basis. (See Note 5 – Stockholder's Equity – Preferred Stock). The Company valued the stock under ASC 820 utilizing the Option Pricing Method to value conversion rights, and the Market Approach to value the voting control. The issuance of stock's recorded value was \$6,548,188.

During the three months ending April 30, 2020 Overwatch Partners paid multiple different expenses on behalf of the Company, which the Company treats as an accounts payable to related party. The total amount owed by the Company to Overwatch Partners as of April 30, 2020 was \$7,601.

On April 22, 2020 the Company converted \$104,987 outstanding accounts payable to Paul Rosenberg into 130,128 shares of common stock of the company at \$0.75 per share. (See Note 5. Stockholder's Equity).

On April 29, 2020 the Company converted 5,000,000 shares of common stock owned by MCIG, Inc., into 500,000 shares of Series B Preferred stock. MCIG is restricted from converting the Series B Preferred stock into common stock for a period of 24 months from the conversion. There was no gain or loss on conversion due to conversion terms (see Note 5).

Note 5. Stockholders' Equity

Common Stock

As of April 30, 2020 and January 31, 2019, the Company had 200,000,000 common shares authorized, with 5,706,317 and 10,460,000 common shares at a par value of \$0.0001 issued and outstanding, respectively.

On April 22, 2020 the Company converted the following accounts payable into shares of common stock at the rate of \$0.75 per share. Based upon the stock price of \$6.75 on April 22, 2020 the Company recorded the following stock-based compensation as part of the accounts payable conversion action:

Name	AP Balance	Shares Issued	FMV	Stock Based Compensation
Paul Rosenberg	\$ 104,987	130,128	\$ 878,364	\$ 773,377
Brandy Craig	\$ 68,995	88,455	\$ 597,071	\$ 528,076
Law Offices of Carl G Hawkins	\$ 6,333	8,504	\$ 57,402	\$ 51,069
Thomas G Amon	\$ 15,000	19,230	\$ 129,803	\$ 114,803
Total	\$ 195,315	246,317	\$ 1,662,640	\$ 1,467,325

Preferred Stock

Series A Preferred

As of April 30, 2020 and January 31, 2020, the company had 1,000,000 Series A Preferred shares, par value \$0.0001, authorized, with 150,000 and 0 Series A Preferred shares issued and outstanding, respectively. The Series A Preferred stock converts into common stock after 2 years since its issuance. The conversion rate for every 1 share of Series A Preferred stock is 50 shares of common stock. The Series A Preferred stock votes 1,000 shares of common stock for every 1 share. Each share of Series A Preferred stock votes 1,000 shares of common stock, has no redemption rights, receives no dividends and has preference in dissolution over Common Stock.

for a total payment of \$15. Epic Industry Corp, through its sole shareholder directed the Company to issue 100,000 shares of Series A Preferred stock to Overwatch Partners, Inc., with the remaining 50,000 shares to Epic Industry Corp. The Company recorded the transaction at FMV of \$40,137,788 with the difference assigned as stock-based compensation. The Company valued the stock under ASC 820 utilizing the Option Pricing Method to value conversion rights, and the Market Approach to value the voting control.

Series B Preferred

As of April 30, 2020 and January 31, 2020, the company had 1,000,000 Series B Preferred shares, par value \$0.0001, authorized, with 650,000 and 0 Series B Preferred shares issued and outstanding, respectively. The conversion rate for every 1 share of Series B Preferred stock is 10 shares of common stock. Each share of Series B Preferred stock votes 50 shares of common stock, has no redemption rights, receives no dividends and has preference in dissolution over Common Stock and Series A Preferred.

During the quarter ending April 30, 2020, the Company issued 150,000 shares of Series B Preferred stock to Paul Rosenberg in exchange for 60 cryptocurrency ATM machines. Par value of \$15 was recorded as inventory with the FMV of \$6,548,188 minus the par value being recorded as stock-based compensation. The Company valued the stock under ASC 820 utilizing the Option Pricing Method to value conversion rights, and the Market Approach to value the voting control.

MCIG, Inc., converted 5,000,000 of its common shares into 500,000 shares of Series B Preferred stock.

Note 6. Basic Income per Share before Non-Controlling Interest

Basic Income Per Share - The computation of basic and diluted loss per common share is based on the weighted average number of shares outstanding during each period.

	For the three months ended April 30,	
Basic and diluted (loss) per share:		
Income(Loss) per share from continuing operations	\$ (4.93)	\$ (0.01)
Income(Loss) per share - discontinued	\$ (0.00)	\$ 0.00
Weighted average shares outstanding - basic	9,773,357	5,460,000

Note 7. Discontinued Operations

On April 20, 2020 the company impaired the 420Cloud software, which was made effective on January 31, 2018. The Company recognized the following revenue(expense) from its discontinued operations for three months ended April 30:

	2020	2019
Other income(loss)	\$ (800)	\$ 9,383
Total income from discontinued operations	\$ (800)	\$ 9,383

Note 8. Warrants

On November 1, 2017 the Company issued 7 warrants to officers, directors, and investors for the purchase of up to 3,000,000 shares of common stock at \$1.00 per share. The warrants expire on November 1, 2022 at 5:00 PM Eastern Standard Time. The warrants contain participation rights to any registration statement filed by the Company. The Holder shall not be entitled to exercise their Warrant when the number of shares exercised by the Warrant Holder would cause the Holder to exceed 4.99% of the total outstanding common stock.

A summary of warrant activity for three months ended April 30, 2020 is as follows:

	Shares	Weighted Average Conversion Price
Warrants outstanding at January 31, 2020	3,000,000	\$ 1.00
Exercised	-	\$ -
Granted	3,000,000	\$ 1.00
Warrants outstanding at April 30, 2020	3,000,000	\$ 1.00

Note 9. Subsequent Events

On May 13, 2020 the Company sold its 420 Cloud Software to First Bitcoin Capital, Inc., for the purchase price of \$1,900,000. The \$1,900,000 was paid through the transfer of \$500,000 in BIT cryptocurrency and a \$1,400,000 convertible promissory note. Subsequently, the Company paid off and cancelled the MCIG Line of Credit. The Company transferred \$218,257 worth of BIT cryptocurrency to MCIG as payment in full of the Line of Credit.

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

Certain statements in this section contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report and not clearly historical in nature are forward-looking, and the words “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “intends,” “potential,” and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) generally are intended to identify forward-looking statements. Any statements in this report that are not historical facts are forward-looking statements. Actual results may differ materially from those discussed from time to time in the Company’s Securities and Exchange Commission filings. The Company undertakes no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.

HISTORY AND BACKGROUND

We were incorporated in the State of Delaware on March 30, 2017, originally under the name GigeTech, Inc. On October 31, 2017, the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIIG. The Company is headquartered in Fleming Island, Florida.

The Company’s original business was to provide computer related services. The Company’s developed and acquired Internet publishing and broadcasting and web search portals. We published and generate textual, audio, and/or video content on the Internet, and operate websites that use a search engine to generate and maintain extensive databases of internet addresses and content. The Company discontinued this line of operations on April 17, 2020.

The Company is engaged in the business of digital cryptocurrency and blockchain development and consulting.

The Company has incurred significant losses since inception and as of April 30, 2020 has a working capital deficit. The Company’s consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through the exercise of warrants, issuance of shares to the public, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future. These consolidated financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue its operations in the normal course of business.

GENERAL OVERVIEW

OBITX is engaged in the business of consulting and developing blockchain technologies. We believe that our services and future products will provide our consumers with an approach to blockchain implementation uniquely designed for them. We provide consulting services in various approaches to cryptocurrencies and blockchain technologies.

Our current website can be found at www.obitx.com, which is not incorporated as part of this Form 10Q. In addition, we have acquired the domain www.everythingblockchain.io which is not incorporated as part of this Form 10Q, nor currently operational.

Corporate Information

Our principal executive office is located at 3027 US Highway 17, Fleming Island, Florida 32003 and our telephone number is (321) 802-2474. Our fiscal year end is January 31 of each calendar year.

INDUSTRY OVERVIEW

A Blockchain is a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network. The blockchain system has been designed to use nodes agreement to order transactions and prevent fraud so that records cannot be altered retroactively. The network orders transaction by putting them together into groups called blocks, each block contains a definite amount of transactions and a link to the previous block. Bitcoin, which is the name of the best-known cryptocurrency, is the one for which blockchain technology was invented. Blockchain is, quite simply, a digital, decentralized ledger that keeps a record of all transactions that take place across a peer-to-peer network.

Bitcoins are not the only type of Digital Assets founded on math-based algorithms and cryptographic security, although it is considered the most prominent as of the date of the filing of this Registration Statement. Over 2,000 other Digital Assets, (commonly referred to as “altcoins”, “tokens”, “protocol tokens”, or “digital assets”), have been developed since the Bitcoin Network’s inception, including Ethereum, Ripple, Litecoin, Dash, and HEX.

Blockchain Technologies

Cryptocurrencies

Cryptocurrency is an encrypted decentralized digital currency transferred between peers and confirmed in a public ledger via a process known as mining. As of April 30, 2020, there are over 2,000 digital currencies in existence.

Blockchain Value

Cryptocurrencies are Digital Asset that is not a fiat currency (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization) and is not backed by hard assets or other credit. As a result, the value of cryptocurrencies is determined by the value that various market participants place on them through their transactions.

Exchange Valuation

Due to the peer-to-peer framework of cryptocurrencies, transferors and recipients of cryptocurrencies are able to determine the value of the cryptocurrency transferred by mutual agreement or barter with respect to their transactions. As a result, the most common means of determining the value of a cryptocurrency is by surveying one or more Exchanges where the cryptocurrency is publicly bought, sold and traded.

Uses of Cryptocurrencies

Global Cryptocurrency Market

Global trade in cryptocurrencies consists of individual end-user-to-end-user transactions, together with facilitated exchange-based trading. There is currently no reliable data on the total number or demographic composition of users on the global exchanges.

Goods and Services

Cryptocurrencies can be used to purchase goods and services, either online or at physical locations, although reliable data is not readily available about the retail and commercial market penetration of the various cryptocurrencies. To date, the rate of consumer adoption and use of cryptocurrencies for paying merchants has trailed the broad expansion of retail and commercial acceptance of cryptocurrency. Other markets, such as credit card companies and certain financial institutions are not accepting such digital assets. It is likely that there will be a strong correlation between the continued expansion of the Cryptocurrency Network and its retail and commercial market penetration.

Anonymity and Illicit Use

The Blockchain Network was not designed to ensure the anonymity of users, despite a common misperception to the contrary. All transactions are logged on the Blockchain and any individual or government can trace the flow of cryptocurrencies from one address to another. Off-Blockchain transactions occurring off the Network are not recorded and do not represent actual transactions or the transfer of cryptocurrencies from one digital wallet address to another, though information regarding participants in an Off-Blockchain transaction may be recorded by the parties facilitating such Off-Blockchain transactions. Digital wallet addresses are randomized sequences of 27-34 alphanumeric characters that, standing alone, do not provide sufficient information to identify users; however, various methods may be used to connect an address to a particular user's identity, including, among other things, simple Internet searching, electronic surveillance and statistical network analysis and data mining. Anonymity is also reduced to the extent that certain Exchanges and other service providers collect users' personal information, because such Exchanges and service providers may be required to produce users' information in order to comply with legal requirements. In many cases, a user's own activity on the Blockchain Network or on Internet forums may reveal information about the user's identity.

Users may take certain precautions to enhance the likelihood that they and their transactions will remain anonymous. For instance, a user may send its cryptocurrencies to different addresses multiple times to make tracking the cryptocurrencies through the Blockchain more difficult or, more simply, engage a so-called "mixing" or "tumbling" service to switch its cryptocurrencies with those of other users. However, these precautions do not guarantee anonymity and are illegal to the extent that they constitute money laundering or otherwise violate the law.

As with any other asset or medium of exchange, cryptocurrencies can be used to purchase illegal goods or fund illicit activities. The use of cryptocurrencies for illicit purposes, however, is not promoted by the Blockchain Network or the user community as a whole. Furthermore, we do not believe our advertising, marketing, and consulting services has exposure to such uses because the services we provide are curated by our management and team.

DESCRIPTION OF SUBSIDIARIES

There were three subsidiaries that were incorporated into the financials of OBITX for fiscal year 2020. All three subsidiaries were closed and the operations discontinued in the fiscal year ended January 31, 2020. We have incorporated them in this Form 10Q for historical reference of the period ending April 30, 2019. These three subsidiaries include altCUBE, Inc., which was incorporated on June 4, 2018 in the state of Wyoming. altCUBE, Inc. was created to provide services in the arena of promoting individual advertising solutions and enabling access to the financial crypto global market, providing modern, efficient, clean and intuitive user interface. The second was Campaign Pigeon, LLC, which was incorporated on May 10, 2018 in the state of Wyoming. Campaign Pigeon, LLC was created to provide services in the arena of online marketing and generating advertising. The third subsidiary was Haute Jobs, LLC, which was incorporated on May 10, 2018 in the state of Wyoming. Haute Jobs, LLC was created to provide services in the arena of job marketing and matching services, to perform an as an employment center.

EMPLOYEES AND CONSULTANTS

As of April 30, 2020, the Company has 1 employee, the Company's CEO/CFO. There are currently 3 consultants who fulfill a majority of the sales and marketing aspects of the business operations. Current management receives no base salary and is paid 10% of the gross sales earned by the Company.

Available Information

All reports of the Company filed with the SEC are available free of charge through the SEC's Web site at www.sec.gov. In addition, the

public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Results of Operations

Our operating results for the three months ended April 30, 2020 and 2019 is summarized as follows:

	For the three months ended April 30,	
	2020	2019
Sales	\$ -	\$ -
Total Cost of Sales	-	-
Gross (loss)	-	-
Total operating expenses	48,211,928	71,828
Net (loss) from operations	\$ (48,211,928)	\$ (71,828)

Results of Operations for the three months ended April 30, 2020 and 2019

Revenue

There was no revenue from operations for the three months ended April 30, 2020 and 2019. We are currently looking for ways to earn additional revenues with the products that we currently have created.

Cost of Goods Sold

As there were no sales for the quarters ending April 30, 2020 and 2019, there were no cost of goods.

Gross Profit/Loss

As there were no sales or cost of goods for the quarters ending April 30, 2020 and 2019, there were no gross profits or losses.

Operating Expenses

Our operating expenses increased by \$48,140,100 to \$48,211,928 for the three months ended April 30, 2020, from \$71,828 for the three months ended April 30, 2019.

In the three months ended April 30, 2020 professional fees were \$10,587 decreasing from \$12,622 in the three months ended April 30, 2019. Our consultant fees were reduced by \$8,000 from \$42,000 for the quarter ending April 30, 2019 to \$34,000 for the quarter ending April 30, 2020. Our selling, general and administrative costs increased by \$48,150,342 to \$48,167,341 for the quarter ending April 30, 2020 from \$16,999 for the quarter ending April 30, 2019.

Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses. Our professional fees include legal, accounting, and reporting fees.

Net Income/Loss

Our net loss from operations of \$48,211,928 for the three months ended April 30, 2020 which consisted primarily of the stock-based compensation expense. With the exception of the stock-based compensation expense, we decreased our overall cost of operations in professional fees, consultant fees, and selling, general and administrative cost.

Discontinued Operations

We recorded a loss of \$800 from discontinued operations for the three months ended April 30, 2020. We recorded an increase of \$9,383 from discontinued operations for the three months ended April 30, 2019. Our total net loss for the three months ended April 30, 2020 and 2019 were \$48,217,968 and \$62,445, respectively.

Liquidity and Capital Resources

Introduction

During the three months ended April 30, 2020 we utilized \$0 in cash. Our cash on hand as April 30, 2020 was \$15.

Cash Requirements

We had cash available of \$15 as of April 30, 2020. Based on our revenues, cash on hand and current monthly burn rate, we must rely on financing to fund current operations on a daily basis.

Sources and Uses of Cash

Operations

We used \$14,706 in cash by operating activities for the three months ended April 30, 2020, as compared to \$3,083 for the three months ended April 30, 2019.

Net cash used by operations consisted primarily of the net loss of \$48,217,968 offset by non-cash expenses of \$48,153,295 in stock-based compensation. Additionally, changes in assets and liabilities consisted of increases of \$44,727 in accounts payable to related parties and \$1,461 in accrued interest.

Investments

We utilized \$0 in investing activities for the three months ended April 30, 2020 and April 30, 2019. We had no investing activities for the quarter ending April 30, 2020 and 2019, respectively.

Financing

We had net cash provided in financing activities of \$14,721 and \$3,083 for the quarters ending April 30, 2020 and 2019 respectively. Our financing activities consisted of an increase of \$14,706 and \$3,083 of advances made by related parties for the quarter ending April 30, 2020 and 2019 respectively. In addition, we had a \$15 net increase from the proceeds of issuing stock for the quarter ending April 30, 2020.

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 financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we consider material.

Going Concern

Our financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a short history and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the three months ended April 30, 2020 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Currently the company has a negative working capital as there have been a significant loss. The large accumulated deficit raises substantial doubt about its ability to continue as a going concern.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such

information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2019. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting during the quarter ended April 30, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The Company's management, including its Principal Executive Officer and its Principal Financial Officer, do not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any legal proceedings which management believes will have a material effect upon the financial condition of the Company, nor are any such material legal proceedings anticipated.

Item 1A. Risk Factors

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

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

None

Item 3. Defaults Upon Senior Securities

There have been no events that are required to be reported under this Item.

Item 4. Mine Safety Disclosures

There have been no events that are required to be reported under this Item.

Item 5. Other Information

There have been no events that are required to be reported under this Item.

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Item 6. Exhibits

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

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.

OBITX, Inc.

Dated: July 29, 2020

/s/ Michael Hawkins

By: Michael Hawkins
Its: Chief Executive Officer
(Principal Executive Officer)

Dated: July 29, 2020

/s/ Michael Hawkins

By: Michael Hawkins
Its: Chief Financial Officer
(Principal Financial Officer)

Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

I, Michael Hawkins, certify that:

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

Dated: July 29, 2020

By: /s/ Michael Hawkins
Michael Hawkins
Its: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended April 30, 2020 of OBITX, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Michael Hawkins, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 29, 2020

By: /s/ Michael Hawkins
Michael Hawkins
Its: Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended April 30, 2020 of OBITX, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Michael Hawkins, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 29, 2020

By: /s/ Michael Hawkins
Michael Hawkins
Its: Chief Financial Officer
(Principal Financial Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.