

## **LABOR SMART, INC.**

PO BOX2922  
JACKSON, WY 83001

844-562-5346 Telephone

Lockdin.com Company Website  
corp@lockdin.com Company Email

# Quarterly Report

For the period ending September 30, 2024 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

15,661,633,535 as of September 30, 2024 *(Current Reporting Period Date or More Recent Date)*

14,868,568,486 as of December 31, 2023 *(Most Recent Completed Fiscal Year End)*

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

<sup>4</sup> Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Takeover Industries, Inc.

Labor Smart, Inc., A Wyoming entity incorporated May 31, 2011.

Current State and Date of Incorporation or Registration: Wyoming

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

Labor Smart, Inc., a Nevada corporation, formed May 31, 2011

Labor Smart Inc. was moved to Wyoming January 30, 2020.

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception.

No suspensions or halt orders issued.

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

125 S. King Street , STE 2A , Jackson WY 83001

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

Name: Clear Trust, LLC  
Address: 16540 Pointe Village Dr.  
Suite 210  
Lutz, FL 33558  
Phone: 813-235-4490  
website: [www.cleartrustonline.com](http://www.cleartrustonline.com)

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol: LTNC  
Exact title and class of securities outstanding: Common

**CUSIP:** 50541A108  
Par or stated value: \$0.00001  
Total shares authorized: 25,000,000,000 as of date: 9/30/2024  
Total shares outstanding: 15,661,633,535 as of date: 9/30/2024  
Total number of shareholders of record: 95 shareholders as of date: 9/30/2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: Preferred A  
Par or stated value: \$0.00001  
Total shares authorized: 51 as of date: 9/30/2024  
Total shares outstanding: 51 as of date: 9/30/2024  
Total number of shareholders of record: 51 as of date: 9/30/2024

**Security Description:**

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

**1. For common equity, describe any dividend, voting and preemption rights.**

The common shares have a one for one voting right. There are no dividend or preemption rights.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Each share of Series A Preferred Stock shall be convertible into one (1) share of common stock of the Company at the election of the holder and shall have voting rights equal to: (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator.

The Company has had investors subscribed for the rights to Preferred H shares which the Company will have designated in the second quarter of 2024. Each share of Preferred H equals 100,000,000 shares of common, on conversion.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Shares Outstanding Opening Balance:  
 Date 12/31/21  
 Common: 13,492,068,486  
 Preferred: 51

\*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the share issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/02/2022</u>	<u>New issuance</u>	<u>3,000,000</u>	<u>common</u>	<u>\$0.002</u>	<u>No</u>	<u>David Goldhagen</u>	<u>cash</u>	<u>Restricted</u>	<u>Exemption</u>
<u>5/13/2022</u>	<u>New issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$0.002</u>	<u>No</u>	<u>NappyBoy Gaming (Control Person T-Pain Faheem Rashad Najm)</u>	<u>cash</u>	<u>Restricted</u>	<u>Exemption</u>
<u>08/25/2023</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Justin Hagedorn</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exemption</u>
<u>12/13/2023</u>	<u>New Issuance</u>	<u>500,000,000</u>	<u>Common</u>	<u>\$0.0003</u>	<u>Yes</u>	<u>Michael Araghi</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exemption</u>
<u>04/19/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Michael Calcagnino</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exemption</u>
<u>04/19/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Charles Hardee</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exemption</u>
<u>05/09/2024</u>	<u>New Issuance</u>	<u>600,000,000</u>	<u>Common</u>	<u>\$0.00833</u>	<u>No</u>	<u>Michael Araghi</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>05/09/2024</u>	<u>New Issuance</u>	<u>1,500,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>John Perdue</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>05/17/2024</u>	<u>New Issuance</u>	<u>25,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>Yes</u>	<u>Mike Demson</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>6/14/2024</u>	<u>New Issuance</u>	<u>250,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>No</u>	<u>Maurice Salem</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exemption</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Maurice Salem</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Hadi Kelani</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Hakop Chouldjian</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>John Perdue</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Javier Leal</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Daniel I. Rodriguez</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Juan Orlando Figueroa</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Judith Cueller</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>

08/12/2024	New Issuance	8,333,333	Common	\$0.0001	No	Estefana Ramirez	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	50,000,000	Common	\$0.0001	No	Brandon Lee Figueroa	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	8,333,333	Common	\$0.0001	No	Omar Figueroa Jr	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	8,333,333	Common	\$0.0001	No	Omayra Figueroa	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	137,315,000	Common	\$0.002	No	Pedro Jose Caldeira-Branco D'Orey	PPM	Restricted	Exempt
09/09/2024	New Issuance	20,000,000	Common	\$0.0001	No	Jon Sisson	Services Rendered	Restricted	Exempt
09/09/2024	New Issuance	125,000,000	Common	\$0.0001	No	Paloma De La Ascension	PPM	Restricted	Exempt
09/30/2024	New Issuance	10,000,000	Common	\$0.0001	No	Craig A. Sutherland	Services Rendered	Restricted	Exempt
09/30/2024	New Issuance	5,000,000	Common	\$0.0001	No	Michael Davies	Services Rendered	Restricted	Exempt
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date 09/30/2024 Common: 15,661,633,484									
Preferred: 51									

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

**A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

**Example:** A company with a fiscal year end of December 31, 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance(\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms(e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance(e.g. Loan, Services, etc.)
<u>6/18/2021</u>	<u>\$127,912</u>	<u>\$300,000</u>	<u>\$25,088</u>	<u>11/16/2022</u>	<u>Conversion price is .01 per share</u>	<u>Thomas Zarro</u>	<u>Loan</u>

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

NA

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Labor Smart Inc. is a holding company, having acquired Takeover Industries Inc., an early-stage beverage venture in 2021 and its newest Subsidiary Next Gen Beverages LLC. In June of 2023.

Subsequent to the end of the first Quarter 2024 the Company has had the following events occur. On April 19, 2024, an investor subscribed for 137,321,500 restricted common shares at a price of \$0.002 per share for a total of \$274,643. These shares are subscribed and paid for and have not been issued yet.

On April 24, 2024, the Company entered into an agreement with a brand ambassador. The Company shall compensate Brand Ambassador for the Services with 1,250,000 (One Million Two Hundred and Fifty Thousand) common shares of LTNC per quarter for up to the maximum of 5,000,000 (Five Million) shares per year. Each payment will be made to the Brand Ambassador, as long as services are performed, within 15 days of the close of each quarter.

In April of 2024, the Company issued forty million previously disclosed shares to consultants for services rendered. On May 9, 2024, the Company entered into a private placement agreement for \$500,000. The investor purchased the rights to receive six Preferred Series H Shares which will then convert to 600,000,000 shares of Common Stock. The Series H shares will be filed before the end of the second quarter of 2024 and the shares issued. These shares are considered subscribed for and paid for and not yet issued.

York, Case 24-CV-01335, Professional Fighters League, LLC v. Takeover Industries, Inc. a/k/a/ NXT LVL (the "Company"). This suit arises out of a sponsorship agreement (the "Agreement") Takeover entered into with Professional Fighters League, LLC on December 16, 2021. Takeover was unable to continue to make payments as detailed in the agreement, thereby terminating the agreement per the terms therein. This matter is in dispute, but the Company intends to vigorously defend the action and feels it will prevail as a matter of law. On May 13, 2024, counsel for the Company file a Motion to Dismiss pursuant to Federal Rules of Civil Procedure, Rule 12(b)(6). The Professional Fighters League is alleged damages of \$2,152,000. The Company had previously accrued \$441,000 for amounts owed up to December 31, 2022.

Based on the express terms of the Agreement, it is the opinion of the Company, as expressed more fully in the filed Motion, that the plain and unambiguous language contained in the Agreement, limits any liability to the amount that the Company paid.

**B. List any subsidiaries, parent company, or affiliated companies.**

Takeover Industries, Inc. is a Nevada Corporation.

Next Gen Beverage LLC is a Wyoming Corporation.

Illumination Holdings, Inc., A Colorado Corporation

**C. Describe the issuers' principal products or services.**

Products including a non-flavored LOCK'DIN 12oz Hydrogen Rich Water, three All-Natural flavors of LOCK'DIN 12 oz Hydrogen Rich Flavored Water (Strawberry, Lemon Lime, and Orange), and a 12oz LOCK'DIN "Hydrogen Water for Kids" with Vitamin C. Additionally, the company created and launched a 1 Liter LOCK'DIN Alkaline Water, three flavors of a 12oz LOCK'DIN "NOOTROPIC Mind-Body Energy and Performance Drink" with zero artificial colors and zero artificial flavors, along with and a Nootropic Infused *Coffee* Pod.

**5) Issuer's Facilities**

*The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.*

In responding to this item, please clearly describe the assets, properties, or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Labor Smart, and its subsidiary Next Gen Beverages, utilizes a network of 3PL service providers in the continental US for warehousing and logistics. Our primary fulfillment center is located in Flowery Branch, Georgia, a suburb of Atlanta, Georgia. We also utilize Federal Express for our small parcel and LTL shipping and Amazon for distribution and logistics. Our MFG facilities are located in South Florida, Georgia, Las Vegas, Nevada and North Carolina.

LTNC, through its new subsidiary Illumination Holdings, Inc., and its distribution arm, Legacy Distribution, has a network of over 5,000 retail locations across Colorado, Southern Wyoming, and South Dakota. Legacy has a combined experience of over 175 collective years in the Colorado DSD Market and includes many proprietary name brand products that LTNC is pleased to now carry.

**6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Thomas Zarro</u>	<u>Co-CEO/Director</u>	<u>Hederson, NV</u>	24	<u>Pref A</u>	<u>33.33</u>	<u>na</u>
Brad Wyatt	Co-CEO/Director	<u>Denver, CO</u>	Na	na	na	na
<u>Michael Holley</u>	<u>Treasurer/CFO/Director</u>	<u>Cave Creek, AZ</u>	<u>2,000,000,000</u>	<u>Common</u>	<u>13.45</u>	<u>na</u>
Luis Seguiera	Director	<u>Zug, Switzerland</u>	10 750,000,000	<u>Pref A</u> <u>Common</u>	<u>4.98</u> <u>Common</u>	<u>na</u>
Tom Fitzgerald, <u>Sr.</u>	Director	<u>Bonita Springs, FL</u>	<u>None</u>	na	na	na
Emmanuel Pacguiao	Director	<u>Manilla, Philippines</u>	250,000,000 Restricted	Common	na	na
Michael Araghi	Director	<u>West Covina, CA</u>			na	<u>na</u>
Scott Darnell	Director	<u>Naples, FL</u>	Na	na	na	<u>na</u>

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities.



3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding, or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

On March 8, 2022, the former President of the Company sued as Takeover Industries against the other officers and directors of the Company, U.S. District Court for the District of Arizona, case no. 2:22-cv-00357. As of December 31, 2022, this suit was still in the initial pleading stages and there was a counterclaim against Takeover and Third-Party Claims against Jason Tucker, Toby McBride, and Joseph Pavlik. The claims originally filed by Takeover against Michael Holley and all claims against Takeover itself have been dismissed. Takeover has filed a proposed set of claims in the same case against former President Jason Tucker and his wife Melissa Tucker, based on conduct of the Tuckers that Takeover discovered during a forensic investigation. It is alleged the Tuckers engaged in a scheme that involved breaches of fiduciary duties. The Company was granted a default judgment, but the Tucker Defendants had the default set aside and in their answer to the complaint they filed a counter-suit and they cross-sued the Company and its principals and spouses. The Company believes this suit to be without merit and that the case will be settled with no financial impact.

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto "a substantial amount of money," in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a "secured debt interest" in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the "Declaration"), stated that he "loaned" Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, "Takeover owed [Deppoleto] at least \$2,070,098.36". The Company asserts that Mr. Zarro that pursuant to the explicit terms and conditions of his Note and Promissory Note, that the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, "Pavlik"), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a

valid and enforceable agreement with Zarro on June 18, 2021, eleven months, and seven days prior to Deppoleto. According to Section 7 of Zarro's Note. The Company has accrued a total of \$2,167,697 the total of loans and accrued interest that Mr. Deppoleto claiming. The Company is currently in negotiations with the other parties to settle the lawsuit.

On April 19, 2024, Takeover Industries, Inc. was sued in the United States District Court for the Southern District of New York, Case 24-CV-01335, Professional Fighters League, LLC v. Takeover Industries, Inc. a/k/a/ NXT LVL. This suit arises out of a sponsorship agreement Takeover entered into with Professional Fighters League, LLC on December 16, 2021. Takeover was unable to continue to make payments as detailed in the agreement, thereby terminating the agreement per the terms therein. This matter is in dispute but the Company intends to vigorously defend the action and feels it will prevail as a matter of law.

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Patrick Ryan Morris  
Address 1: 24 Laight Street, 2<sup>nd</sup> Floor, Suite A  
Address 2: New York, NY 10013-2143  
Phone: 646-692-4012  
Email: [prm@patrickmorislaw.com](mailto:prm@patrickmorislaw.com)

### Accountant or Auditor

Name: Jona Barnes, EA  
Firm: Mallett & Barnes  
Address 1: 6136 Mission Gorge Rd Ste 125  
San Diego CA 92120

### Investor Relations

Name: na  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: na  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## 9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: KD Trebert  
Title: Legal Assistant  
Relationship to Issuer: Consultant

B. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: J. Barnes  
Title: Accountant  
Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> Ms. Barnes is an accountant with over two decades of corporate finance and accounting experience working with public and private companies

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

### **Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**Labor Smart**  
**Balance Sheet - Consolidated**  
**September 30, 2024**

<b>Assets</b>	Period Ending 9/30/2024	Period Ending 12/31/2023
<b>Current</b>		
Cash and cash equivalents	\$ 247,954	97,869
Accounts receivable	\$ 817,533	605
	\$ -	
Deposits	\$ 22,367	
Inventories	\$ 776,150	49,356
Note receivable	\$ 1,000,000	
Due from related party	\$ 429,767	
Due from other	\$ 432,533	33
<b>Total Current Assets</b>	<b>\$ 3,726,305</b>	<b>\$ 147,863</b>
Investment in privately held company	\$ 885,000	
Investment in Illumination Holding	\$ 24,589,108	
Investment in privately held company	\$ 25,474,108	\$ -
Right of use lease assets	\$ 4,031,183	
Property and equipment	\$ 365,957	5,139
Intangible assets	\$ 285,131	
Deposits	\$ 111,015	
Goodwill	\$ -	
	<u>\$ 4,793,286</u>	<u>\$ 5,139</u>
	\$ -	
<b>Total assets</b>	<b>\$ 33,993,699</b>	<b>\$ 153,002.00</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 7,210,657	1,333,356
Stock Subscriptions payable	\$ 500,000	
Due to related party	\$ 1,125,500	
Convertible Note Payable	\$ 127,913	127,913
Note payable	\$ 2,076,697	2,016,697
Lease liability	\$ 493,331	
Line of credit	\$ 10,569,432	
Revenue purchase agreement	\$ 1,638,014	
	<u>\$ 23,741,544</u>	<u>\$ 3,477,966</u>
Lease liability	\$ 4,121,990	
<b>Total liabilities</b>	<b>\$ 27,863,534</b>	<b>\$ 3,477,966</b>
<b>Shareholders' deficit</b>		
Preferred Stock		
Series A preferred	\$ -	
Redeemable Equity	\$ 766,000	541,000
Common stock - owed	\$ 864,180	326,800
Common stock	\$ 164,117	148,686
Paid in capital	\$ 12,854,169	2,996,706
Equity in subsidiary	\$ 1,749,754	1,749,754
Deficit	\$ (10,268,053)	(9,087,910)
<b>Total shareholder deficit</b>	<b>\$ 6,130,166</b>	<b>\$ (3,324,964)</b>
<b>Total liabilities and deficit</b>	<b>\$ 33,993,699</b>	<b>153,002</b>

**Labor Smart, Inc.**  
**Consolidated**  
**Statement of Operations**  
**July-September 30, 2024**

	Quarter Ending 9/30/2024	Year to date 09/30/2024
Sales	619,116	858,843
Sales Related Parties		
Total Sales	619,116	858,843
Cost of sales	611,316	989,507
Gross profit	7,800	(130,664)
<b>Expenses</b>		
Payroll and benefits	458,044	458,044
Selling and G & A	76,471	616,115
Professional fees	137,069	254,949
Advertising and Marketing	45,260	110,728
Amortization	7,928	7,928
Depreciation	191,883	191,883
General and administrative expenses	85,870	85,870
	1,002,525	1,725,517
Net loss from operations	(994,725)	(1,856,181)
<b>Other expenses</b>		
Interest expense	122,387	130,836
Interest (Income)	(4)	(4)
Loss on sale of asset	1,593	1,593
<b>Total other expenses</b>	123,976	132,425
<b>Net loss</b>	(1,118,701)	(1,988,606)

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

LABOR SMART, INC. AND SUBSIDIARIES  
Statement of Stockholders Deficit  
For the Periods Ended September 30, 2024 and December 31, 2023  
Unaudited

Description	Preferred Shares Outstanding	Preferred Par Amount	Equity in Industries	Redeemable Equity	Common Shares Outstanding	Common Par Amount	Additional Paid in capital	Common Stock Subscribed	Accumulated Deficit	Total
Balance as of December 31, 2023	51		\$ 1,749,754	\$ 541,000	14,865,568,486	\$ 148,686	\$ 2,996,706	\$ 326,800	\$ (9,087,910)	\$ (3,324,964)
Common Stock owes for services								\$ 162,750		\$ 162,750
Common Stock issued for services					40,000,000	\$ 400.00	\$ 7,600			\$ 8,000
Sale of Common Stock					250,000,000	\$ 2,500	\$ 47,500.00			\$ 50,000
Sale of Common Stock to be issued								\$ 374,630		\$ 374,630
Sale of redeemable common Stock				\$ 225,000						\$ 225,000
Net loss for six months ended June 30, 2024									\$ (869,905)	\$ (869,905)
Balance for period ended June 30, 2024	51	\$ -	\$ 1,749,754	\$ 766,000	15,155,568,486	\$ 151,586	\$ 3,051,806	\$ 864,180	\$ (9,957,815)	\$ (3,374,489)
Sale of Common Stock					503,064,998	\$ 5,031	\$ 879,275			\$ 884,306
Shares owed for Acquisition					750,000,000	\$ 7,500	\$ 8,923,088			\$ 8,930,588
Net loss for nine months ended September 30, 2024									\$ (310,238)	\$ (310,238)
Balance for period ended September 30, 2024	51	\$ -	\$ 1,749,754	\$ 766,000	16,408,633,484	\$ 164,117	\$ 12,854,169	\$ 864,180	\$ (10,268,053)	\$ 6,130,167

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

**Labor Smart**  
**Statements of Cash Flows**  
**(Unaudited)**

	<b>For the Nine Months Ended September 30, 2024</b>	<b>For the Year Ended December 31, 2023</b>
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Net loss	(1,180,143)	\$ (757,143)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock based Compensation	170,750	326,800
Depreciation		3,176
Write off of obsolete inventory		390,544
Gain on settlement of accounts payable		508,333
Changes in operating assets and liabilities:		
Account receivable	(816,928)	(605)
Prepaid	(22,367)	36,178
Inventory	(726,794)	(172,261)
Other receivables	(862,267)	
Account payable and accrued liabilities	12,871,826	(955,469)
	-	-
<b>Net cash provided by operating activities</b>	<u>9,434,077</u>	<u>(620,447)</u>
<b>Cash used in investment activities</b>		
Investment in privately held company	(885,000)	
Investment in Illumination Holding	( 24,589,108)	
Note receivable	(1,000,000)	
Investment in fixed assets	(4,788,146)	
<b>Net cash used in investment activities</b>	<u>(31,262,254)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from sale of redeemable stock	225,000	541,000
Proceeds from issuance of common stock	2,193,242	160,000
Common Shares subscribed for Investment in Illumination Holding	8,930,588	
Increase in note payable	60,000	
Increase in line of credit	10,569,432	
<b>Net cash provided by financing activities</b>	<u>21,978,262</u>	<u>701,000</u>
Increase in cash	150,085	80,553
Cash at beginning of period	97,869	17,316
Cash at end of period	<u>247,954</u>	<u>\$ 97,869</u>
<b>Supplemental Cash Flow Information:</b>		
Cash paid for interest	-	\$ -
Cash paid for income taxes	-	\$ -
<b>Non-cash investing and financing activities</b>		

*See accompanying notes to condensed consolidated financial statements.*

**LABOR SMART, INC. AND SUBSIDIARIES FINANCIAL STATEMENTS**  
**September 30, 2024**  
Unaudited

**1. NATURE OF OPERATIONS, SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

**Nature of Business Operations**

Nature of Business

Labor Smart, Inc. (the “Company”) was incorporated in the State of Nevada on May 31, 2011. Labor Smart, Inc. provides temporary blue-collar staffing services. It supplies general laborers on demand to the light industries, including manufacturing, logistics, and warehousing, skilled trades’ people, and general laborers to commercial construction industries.

Takeover Industries, Inc. negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover’s equity in exchange for 6,800,000,000 restricted shares of LTNC (The “Stock Purchase Agreement”). As part of the Stock Purchase Agreement, the principles of Takeover received all 51 Series A Preferred Shares of LTNC. The Company began the process of updating the books of the parent company, LTNC.

Takeover Industries, Inc. is a Nevada corporation focused on selling its proprietary line NXT LVL, including hydrogen infused waters and 2 oz “Gamer Shots.” After acquiring Labor Smart, Takeover’s management quickly went into motion to implement a line of enhanced water products under the NXT LVL brand. These products include NXT LVL Hydrogen Water (“NXT LVL Water”). NXT LVL Water features a proprietary blend of ingredients and utilizes a confidential, proprietary process to infuse the water with additional hydrogen and compounds

On July 14, 2021, the Company entered into a Purchase and Sale Agreement whereby the Company sold all of the assets and liabilities related to its staffing business the (“Staffing Business”) to the former Chief Executive Officer of the Company. The Company, pursuant to the Agreement, sold the Staffing Business for a purchase price of \$500,000, \$300,000 of which has been received by the Company, with the additional \$200,000 to be received within 90 days from the date of the Agreement.

The Company formed Next Gen Beverage LLC a Wyoming Corporation on June 14, 2023, focused on selling hydrogen infused waters. The Company redomiciled to Wyoming on January 30, 2020, and is active and in Good Standing.

On August 14, 2024, the Company acquired 100% of the common shares of the specialty beverage entity Illumination Holding, Inc.’s for 750,000,000 shares of its common shares.

**Going Concern**

The accompanying condensed consolidated unaudited financial statements have been prepared assuming a continuation of the Company as a going concern. The Company had a working capital deficit balance of \$20,015,239 and an accumulated deficit of \$10,268,053 as of and for the nine months ended September 30, 2024. This raises substantial doubt about our ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that this series of events will be satisfactorily completed.

Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail or cease our operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These financial statements do not include any adjustments that might arise from this uncertainty.



## **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and accompanying notes. Significant estimates include the assumption used in the valuation of equity-based transactions, valuation of intangible assets, allowance for doubtful accounts and inventory valuation and reserves. Actual results could differ from those estimates.

## **Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less at the time of purchase. On September 30, 2024 and December 31, 2023, the Company had \$247,954 and \$97,869, respectively of cash and cash equivalents.

## **Fair Value of Financial Instruments**

The carrying amounts of cash, accounts receivable, prepaid expenses, inventory and other assets, accounts payable, accrued liabilities, note payable and convertible note payable approximate their fair values as of September 30, 2024, and December 31, 2023, respectively, because of their short-term natures and the Company's borrowing rate of interest.

## **Accounts Receivable**

Accounts receivable are recorded at fair value on the date revenue is recognized. The Company provides allowances for doubtful accounts for estimated losses resulting from the inability of its customers to repay their obligation. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to repay, additional allowances may be required. The Company provides for potential uncollectible accounts receivable based on specific customer identification and historical collection experience adjusted for existing market conditions. If market conditions decline, actual collection experience may not meet expectations and may result in decreased cash flows and increased bad debt expense.

The policy for determining past due status is based on the contractual payment terms of each customer, which are generally net 30 or net 60 days. Once collection efforts by the Company and its collection agency are exhausted, the determination to charge off uncollectible receivables is made. At September 30, 2024 and December 31, 2023, the Company has recorded an allowance for doubtful accounts of \$681,000.

## **Inventory**

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out basis and net realizable value. Net realizable value is defined as sales price, less cost of completion, disposition and transportation and a normal profit margin. As of September 30, 2023, and December 31, 2023, inventory amounted to \$776,150 and \$49,356, respectively. As of September 30, 2024, and December 31, 2023, inventory reserves were \$0.

## **Revenue Recognition**

We account for revenue in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 606, "Revenue from Contracts with Customers". Revenue is measured based on the amount of consideration that we expect to receive, reduced by discounts and estimates for credits and returns (calculated based upon previous experience and management's evaluation). Outbound shipping charged to customers is recognized at the time the related merchandise revenues are recognized and are included in net revenues. Inbound and outbound shipping and delivery costs are included in cost of revenues.

Our products are sold through our online and telephonic channels. Revenue is recognized when control of the merchandise is transferred to the customer, which generally occurs upon shipment. Payment is typically due on the date of shipment. The Company offers a 30- day return policy on sales.

## **Stock Based Compensation**

Stock options and warrants issued to consultants and other non-employees as compensation for services provided to the Company are accounted for based on the fair value of the services provided or the estimated fair market value of the option or warrant, whichever is more reliably measurable, and in accordance with FASB ASC 718, *Compensation- Stock Compensation*, including related amendments and interpretations.

## **Net Income / (Loss) per Share**

Basic income / (loss) per share amounts are computed based on net income / (loss) divided by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock

## **Recent accounting pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date.

## **Income Taxes**

We utilize the asset and liability method of accounting for income taxes. We recognize deferred tax liabilities or assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. We regularly assess the likelihood that our deferred tax assets will be recovered from future taxable income. We consider projected future taxable income and ongoing tax planning strategies in assessing the amount of the valuation allowance necessary to offset our deferred tax assets that will not be recoverable. We have recorded and continue to carry a full valuation allowance against our gross deferred tax assets that will not reverse against deferred tax liabilities within the scheduled reversal period. If we determine in the future that it is more likely than not that we will realize all or a portion of our deferred tax assets, we will adjust our valuation allowance in the period we make the determination. We expect to provide a full valuation allowance on our future tax benefits until we can sustain a level of profitability that demonstrates our ability to realize these assets. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

## **2. LICENSING AGREEMENT**

To create its NXT LVL Hydrogen Water product, Takeover uses a company in Georgia and has entered into an agreement with inventor Danny Day, who owns the rights to the infusion process for Takeover’s Hydrogen Water product. In a very short period of time, Takeover has signed several professional athletes to use and endorse its NXT LVL water. One reason for Takeover’s success has been its small management team and their deep connections with the beverage and health industries, and their long-term relationships based on trust and demonstrated results.

On May 12, 2021, the Company entered into a joint venture agreement with Manny Pacquiao for distribution and sales of products throughout Asia. On December 31, 2022 and 2021, the Company had licensing expenses of \$475,000 and \$336,800, respectively. The Company had licensing expenses on December 31, 2021 of \$325,000 to Manny Pacquiao for the agreement with Pacquiao and his non-profit Foundation as of December 31, 2022 and 2021 the Company recorded an accrued liability of \$708,333 and \$233,333, respectively. The Company also entered into a licensing agreement with 6 time Grammy Award Winning Artist T-Pain and his Nappy Boys gaming company. During the year ended December 31, 2023, the Company negotiated a settlement with Manny Pacquiao for \$200,000 and 400,000,000 shares of common stock. As of December 31, 2023, the Company recognized a gain of \$508,333.

## **3. NOTES PAYABLE**

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto a

substantial amount of money, in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a “secured debt interest” in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the “Declaration”), stated that he “loaned” Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, “Takeover owed [Deppoleto] at least \$2,070,098.36”. The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, “Pavlik”), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event, according to Section 7 of Zarro’s Note. The Company is currently in ongoing negotiations with the other parties to settle the lawsuit and believes it will resolve to everyone’s mutual agreement.

#### **4. CONVERTIBLE NOTES PAYABLE – RELATED PARTY**

On June 18, 2021 Labor Smart, Inc entered a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars (\$300,000) together with interest of 8%. secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of \$26,096.53 which included principal and interest with the last payment due on November 16, 2022. The loan has a conversion price is \$.01 per share The Loan had assumed by the Company and the Company was making payment on it. During the year ended December 31, 2022 and 2021 the company repaid a total of \$147,990 and \$24,097, respectively. As of September 30, 2024, and December 31, 2023 the amount owed \$127,912 and \$127,912. Accrued interest at June 30, 2024 amounted to \$5,117.

#### **5. STOCK SUBSCRIPTION PAYABLE**

On May 9, 2024, the Company entered into a private placement agreement for \$500,000. The investor purchased the rights to receive six Preferred Series H Shares which will then convert to 100,000,000 shares of Common Stock. The Series H shares will be filed before the fourth quarter of 2024 and the shares issued. These shares are considered subscribed for and paid for and not yet issued.

#### **6. EQUITY**

On October 6, 2014, the Company filed a Certificate of Designation with the Nevada Secretary of State to amend its Articles of Incorporation to create and designate the rights and preferences of a new series of preferred stock designated the Series A Preferred Stock. The number of shares authorized as Series A Preferred Stock shall be fifty-one (51) shares. Each share of Series A Preferred Stock shall be convertible into one (1) share of common stock of the Company at the election of the holder and shall have voting rights equal to: (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the “Numerator”), divided by (y) 0.49, minus (z) the Numerator.

On October 22, 2014, the Board of Directors adopted and approved and the majority shareholder, Ryan Schadel, ratified a Company proposed amendment to the Articles of Incorporation to increase the number of authorized shares of the Company’s common stock from 150,000,000 to 1,000,000,000. The amendment is effective November 25, 2014.

Effective February 16, 2015, the Company filed a Certificate of Amendment to the Articles of Incorporation to increase the number of authorized shares of the Company’s common stock from 1,000,000,000 to 25,000,000,000 and to decrease the par value common stock from \$0.001 per share to \$0.00001 per share. The increase in authorized shares and change in par value have been accounted for retroactively in these financial statements.

Preferred Stock – The Company has 5,000,000 shares of “blank check” preferred stock authorized. As of December 26, 2014 and December 31, 2013, the Company had no preferred shares issued and outstanding, respectively.

On October 20, 2014, the Company issued fifty-one (51) shares of Series A Preferred Stock to Ryan Schadel for his service as the Chief Executive Officer and director of the Company.

Takeover Industries, Inc negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover's equity in exchange for 6,800,000,000 restricted shares of LTNC (The "Stock Purchase Agreement"). As part of the Stock Purchase Agreement, the principles of Takeover received all 51 Series A Preferred Shares of LTNC.

During the year ended December 31, 2022, the Company sold 5,000,000 shares of common stock for \$10,000. During the year ended December 31, 2023, the Company sold 520,000,000 shares of common stock for \$160,000. During the year ended December 31, 2023, the Company sold a total of \$541,000 of redeemable common stock.

During the year ended December 31, 2023 the Company owed a total of 1,720,000,000 shares of common stock valued at \$541,000 for services.

During the nine months ended September 30, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for \$1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for \$50,000, Director Tom Fitzgerald 125,000,000 shares for \$125,000. Director Luis Sequeria purchased 50,000,000 shares for \$50,000. Director Michael Araghi purchased 6 shares of Preferred H for \$500,000.

During the nine months ended September 30, 2024 the Company is obligated to issue a total of 486,250,000 shares of common stock valued at \$132,750.

During the nine months ended September 30, 2024 the Company sold a total of issue a total of 503,064,998 shares of common stock for \$884,306.

Common Stock - The Company has 25,000,000,000 shares of \$0.00001 par value common stock authorized. As of September 30, 2024 and December 31, 2023, the Company had 15,658,633,484 and 14,868,568,486 shares issued and outstanding, respectively. An additional 750,000,000 shares will be issued as part of the acquisition of Illumination Holding, Inc.

#### Takeover Industries, Inc.

As part of the Stock Purchase Agreement, Jason Tucker, Toby McBride and Joseph Pavlik each received shares of the Preferred Series A shares of the parent company, for a total of 160,825 Series A Preferred issued for cash consideration of \$1,608. The Series A Preferred Series has a voting power equal to 1,000 votes per share of preferred stock. The voting are eligible to vote on any respective matter. Toby McBride shares of preferred stock were subsequently transferred to Mike Holley.

On February 24, 2021, the Company issued a total of 6,800,000,000 shares of common stock to founders for consideration of \$11,000.

During the year ended December 31, 2021, the Company sold a total of 400,000,000 shares of common stock for proceeds of \$1,000,000

There were several loans from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of \$1,381,800 and was reclassified to a capital contribution.

During the year ended December 31, 2022, the Company sold a total of 176,000,000 shares of common stock for proceeds of \$475,000. As of December 31, 2022, the Company recorded a \$35,000 payable for the value of shares not issued.

## **7. RELATED PARTY TRANSACTIONS**

There were several loan note from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of \$1,381,800 and was reclassified to a capital contribution.

A related party was owed \$60,000. The amount was subsequently repaid during the year ended December 31, 2021.

On June 18, 2021, Labor Smart, Inc entered into a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars (\$300,000) together with interest of 8% to a secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of \$26,096.53 which included principal and interest with the last payment due on November 16, 2022. The loan has a conversion price is \$.01 per share. The Loan was assumed by the Company and the Company was making payment on it. During the year ended December 31, 2022, the company repaid a total of \$147,000. As of September 30, 2024, and December 31, 2023 the amount owed \$127,912 and \$127,912 with accrued interest of \$25,088 on September 30, 2024.

During the six months ended June 30, 2023, the Company CEO Tom Zarro purchased \$280,024 of products from the Company.

During the nine months ended September 30, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for \$1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for \$50,000, Director Tom Fitzgerald 125,000,000 shares for \$125,000. Director Luis Sequeria purchased 50,000,000 shares for \$50,000. Director Michael Araghi purchased 6 shares of Preferred H for \$500,000.

## **8. COMMITMENTS AND CONTINGENCIES.**

On March 8, 2022, the former President of the Company sued as Takeover Industries against the other officers and directors of the Company, U.S. District Court for the District of Arizona, case no. 2:22-cv-00357. All claims originally filed against Takeover have been dismissed. Takeover filed a proposed set of claims in the same case against former President Jason Tucker and his wife Melissa Tucker, based on the conduct of the Tuckers that Takeover discovered during a recent investigation. It is alleged the Tuckers engaged in a scheme that involved breaches of fiduciary duties. The Tucker defendants failed to file an answer and Takeover was granted a default judgment. The Tuckers filed a Motion to Set Aside the Default due to an error by counsel and on June 24, 2024, the motion to set aside the default was granted. The Tucker Defendants were given until July 8, 2024, to file an answer to the original complaint against them. Subsequent to the end of the second quarter, on July 8, 2024, the Tucker Defendants filed an Answer to the Amended Complaint with a Third-Party Complaint against Next Gen Beverages LLC, Thomas Zarro and his spouse, Michael Holley and his spouse, Takeover Industries, Joseph Pavlik, and Toby McBride and a Counterclaim against Next Gen Beverages, LLC, Thomas Zarro and spouse, Michael Holley and spouse, Takeover Industries, Inc., Joseph Pavlik, and Toby McBride. The allegations in the Counterclaim and Third-Party complaint are a recapitulation of the charges made and already dismissed, except the claims against the Zarros which are specious, and the Company is convinced all claims will be dismissed again. The Company believes that the case will be settled with no financial impact.

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto "a substantial amount of money," in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a "secured debt interest" in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the "Declaration"), stated that he "loaned" Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, "Takeover owed [Deppoleto] at least \$2,070,098.36". The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, "Pavlik"), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event,

according to Section 7 of Zarro's Note. The Company is currently in ongoing negotiations with the other parties to settle the lawsuit and believes it will resolve to everyone's mutual agreement.

On February 22, 2024, Professional Fighters League, LLC filed suit against Takeover Industries, Inc. aka NXT LVL in the United States District Court for the Southern District of New York, Case Number 24-CV-01335-GS for a Breach of Contract. The Court ordered the complaint be amended to cure deficiencies. This amendment was filed March 26, 2024. Takeover Industries Inc was not served until April 22, 2024. Takeover filed a Motion to Dismiss on May 13, 2024. There was a settlement conference in front of the Magistrate Judge subsequent to the end of the quarter, held July 16, 2024, and both sides are still actively engaged in settlement discussions. The Company believes this will settle to the satisfaction of both sides.

The Professional Fighters League is alleged damages of \$2,152,000. The Company had previously accrued \$441,000 for amounts owed up to December 31, 2022.

Based on the express terms of the Agreement, it is the opinion of the Company, as expressed more fully in the filed Motion, that the plain and unambiguous language contained in the Agreement, limits any liability to the amount that the Company paid.

## **9. MAJOR CUSTOMERS**

For the six months ended June 30, 2023, a related party comprised 81% of sales and others over 10%, for the nine months ended September 30, 2024 no customer was over 10% of sales.

## **10. OFFICERS AND DIRECTORS**

The Board of Directors, who are also officers, consists of Thomas Zarro, Brad Wyatt, Scott Darnell, and Michael Holley. Zarro is also the CO-CEO with Brad Wyatt. Scott Darnell is the President. Holley is the COO and Secretary. The independent members of the Board of Directors are Thomas Fitzgerald, Sr., Manny Pacquiao, Luis Alberto Ahlborn Sequeira, and Michael Araghi.

## **11. SUBSEQUENT EVENTS**

The Company held its annual shareholder meeting on October 9, 2024 in Las Vegas, Nevada. The link to the meeting is:

<https://youtu.be/ATipfuxuHxk>

LTNC announced purchase of 25% with an option to buy 35% of a privately held entity with multiple proprietary brand name products. The Company will keep the shareholders apprised of any new developments regarding this acquisition. The acquired entity has revenue projections that far exceed the existing sales for Next Gen.

At a meeting of the Board of Directors held October 20, 2024, Brad Wyatt and Scott Darnell were officially voted onto the Board of Directors of the Company and accepted those positions. After this, the new Officers were elected. Brad Wyatt became Co-CEO with Tom Zarro and Scott Darnell became the President. Mike Holley's position remains the same.

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Thomas Zarro, certify that:

1. I have reviewed this corrected Disclosure Statement for Labor Smart, Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 19, 2024

/s/ Thomas Zarro

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Michael Holley, certify that:

1. I have reviewed this corrected Disclosure Statement for Labor Smart, Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 19, 2024

/s/ Michael Holley

(Digital Signatures should appear as "/s/[OFFICER NAME]")