ACQUIRED SALES CORP
Form 10-Q
November 13, 2015

FORM 10-Q

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from ________ to ________

Commission file number 000-52102

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

Nevada	87-40479286
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

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

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

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

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

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

Large Accelerated Filer [ ]	Accelerated Filer [ ]	Non-Accelerated Filer [ ] (Do not check if a smaller reporting company)	Smaller Reporting Company [x]

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

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer’s classes of common units, as of the latest practicable date: 2,269,648 shares of common stock, par value $.001 per share, outstanding as of November 12, 2015.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [x]

ACQUIRED SALES CORP.

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ITEM 1. STATEMENTS

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

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

The results for the period ended September 30, 2015 are not necessarily indicative of the results of operations for the full year. These financial statements and related footnotes should be read in conjunction with the financial statements and footnotes thereto included in the Company's Form 10-K filed with the Securities and Exchange Commission for the period ended December 31, 2014.

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ACQUIRED SALES CORP.
CONDENSED BALANCE SHEETS
(UNAUDITED)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$84,322	$587,937
Prepaid expenses	-	7,985
Total Current Assets	84,322	595,922
Note receivable	-	602,500
Interest receivable	-	35,926
Total Assets	$84,322	$1,234,348
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	$12,646	$24,982
Total Liabilities	12,646	24,982
Shareholders' Equity		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none outstanding	-	-
Common stock, $0.001 par value; 100,000,000 shares authorized; 2,269,648 shares outstanding	2,270	2,270
Additional paid-in capital	13,554,524	13,554,524
Accumulated deficit	(13,485,118)	(12,347,428)
Total Shareholders' Equity	71,676	1,209,366
Total Liabilities and Shareholders' Equity	$84,322	$1,234,348

See the accompanying notes to the condensed financial statements for more information.

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ACQUIRED SALES CORP.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30, 2015	For the Three Months Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
Selling, General and Administrative Expense	$(52,944)	$(103,591)	$(366,181)	$(251,169)
Bad Debt Expense	(835,277)	-	(835,277)	-
Interest Income	17,726	16,094	61,501	16,094
Other Income	-	4,534	2,267	20,797
Loss from Continuing Operations	(870,495)	(82,963)	(1,137,690)	(214,278)
Gain (Loss) on Disposal of Discontinued Operations	-	74,605	-	74,605
Net Income (Loss)	$(870,495)	$(8,358)	$(1,137,690)	$(139,673)
Basic and Diluted Earnings (Loss) per Share				
Continuing Operations	$(0.38)	$(0.04)	$(0.50)	$(0.09)
Discontinued Operations	-	0.03	-	0.03
Net Income (Loss)	$(0.38)	$(0.01)	$(0.50)	$(0.06)

See the accompanying notes to the condensed financial statements for more information.

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ACQUIRED SALES CORP.
CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
Balance, December 31, 2013	2,269,648	$2,270	$8,410,295	$(7,026,157)	$1,386,408
Net loss	-	-	-	(139,673)	(139,673)
Balance, September 30, 2014	2,269,648	$2,270	$-	$(7,165,830)	$1,246,735
Balance, December 31, 2014	2,269,648	$2,270	$13,554,524	$(12,347,428)	$1,209,366
Net loss	-	-	-	(1,137,690)	(1,137,690)
Balance, September 30, 2015	2,269,648	$2,270	$13,554,524	$(13,485,118)	$71,676

See the accompanying notes to the condensed financial statements for more information.

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

	For the Nine Months Ended September 30, 2015	2014
Cash Flows from Operating Activities		
Net income (loss)	$(1,137,690)	$(139,673)
Adjustments to reconcile income (loss) to net cash used in operating activities:		
Bad debt expense	835,277	-
Income from discontinued operations	-	(74,605)
Changes in operating assets and liabilities:		
Prepaid expenses	7,985	(7,985)
Accrued interest receivable	(61,501)	(16,094)
Accounts payable	(12,336)	37,045
Net cash used in operating activities of continuing operations	(368,265)	(201,312)
Net cash provided by (used in) operating activities of discontinued operations	-	74,605
Net cash used in operating activities	(368,265)	(126,707)
Cash Flows from Investing Activities		
Proceeds from sale of discontinued operations, net of cash sold	-	1,000,000
Note Receivable	(135,350)	(602,500)
Net cash provided by investing activities	(135,350)	397,500
Cash Flow from Financing Activities		
Proceeds from borrowing under related party note payable	-	300,000
Payment of principle on related party note payable	-	(300,000)
Payment of obligation under stock repurchase	-	(20,000)
Net cash used in financing activities	-	(20,000)
Net Increase (Decrease) in Cash	(503,615)	250,793
Cash and Cash Equivalents at Beginning of Period	587,937	427,294
Cash and Cash Equivalents at End of Period	$84,322	$678,087

	For the Nine Months Ended September 30, 2015	2014
Supplemental Cash Flow Information		
Cash paid for interest	$-	$-
Cash paid for income taxes	-	822

See the accompanying notes to the condensed financial statements for more information.

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Acquired Sales Corp.
Notes to the Condensed Financial Statements
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – On February 13, 2012, Acquired Sales Corp (“Acquired Sales,” “AQSP,” or the “Company”) purchased 100% of the equity interests of Defense & Security Technology Group, Inc. (“DSTG”). On September 30, 2013, Acquired Sales sold 100% of the capital stock of DSTG to Minh Le, the previous owner of DSTG prior to its acquisition. DSTG’s results of operations have been included in the Company's operations through September 30, 2013 and have been reclassified as discontinued operations.

On January 12, 2013, Acquired Sales entered into an agreement with Drumright Group, LLC (“Drumright”) that was closed on February 11, 2013, wherein Acquired Sales sold 100% of the capital stock of Cogility Software Corporation (“Cogility”) to Drumright. Cogility’s results of operations have been reclassified as discontinued operations.

Condensed Financial Statements – The accompanying financial statements are condensed and do not include all disclosures normally required by generally accepted accounting principles. These statements should be read in conjunction with the annual financial statements included in Form 10-K filed with the U.S. Securities and Exchange Commission on March 31, 2015. In particular, the nature of operations and significant accounting principles were presented in Note 1 to the annual financial statements. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying unaudited condensed consolidated financial statements and consist of only normal recurring adjustments, except as disclosed herein. The results of operations for the three and nine months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2015.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Significant estimates include share-based compensation. Actual results and outcomes may differ from management’s estimates and assumptions.

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. The following table summarizes the calculations of basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2015 and 2014.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss from Continuing Operations	$(870,495)	$(82,963)	$(1,137,690)	$(214,278)
Income (Loss) from Discontinued Operations	-	74,605	-	74,605
Net Income (Loss)	$(870,495)	$(8,358)	$(1,137,690)	$(139,673)
Weighted -Average Shares Outstanding	2,269,648	2,269,648	2,269,648	2,269,648

Basic and Diluted Earnings (Loss) per Share				
Continuing Operations	$(0.38)	$(0.04)	$(0.50)	$(0.09)
Discontinued Operations	-	0.03	-	0.03
Basic and Diluted Earnings (Loss) per Share	$(0.38)	$(0.01)	$(0.50)	$(0.06)

There were 4,848,774 employee stock options and 938,000 warrants outstanding during the three and nine months ended September 30, 2015 that were excluded from the computation of diluted earnings (loss) per share because their effects would have been anti-dilutive. There were 2,148,774 employee stock options and 938,000 warrants outstanding during the three and nine months ended September 30, 2014 that were excluded from the computation of diluted earnings (loss) per share because their effects would have been anti-dilutive.

Recent Accounting Pronouncements – In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date will be the first quarter of fiscal year 2018 using one of two retrospective application methods. The Company has not determined the potential effects on the financial statements.

Acquired Sales Corp.
Notes to the Condensed Financial Statements
(Unaudited)

In June 2014, the FASB issued ASU No. 2014-12, Compensation-Stock Compensation (Topic 718)-Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force). ASU No. 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. The effective date will be the first quarter of fiscal year 2016. The Company has not determined the potential effects on the financial statements.

NOTE 2 - RISKS AND UNCERTAINTIES

Going Concern – The Company has a history of recurring losses, which have resulted in an accumulated deficit of $13,485,118 as of September 30, 2015. During the nine months ended September 30, 2015, the Company recognized a loss from continuing operations of $1,137,690. The Company used net cash of $368,265 in operating activities of continuing operations. As discussed in Note 3, on September 1, 2015, the Company determined that the note and related interest receivable due from the William Noyes Webster Foundation, Inc. (the “Foundation”) would not be collectible. As such, management wrote off the note totaling $737,850 and interest receivable totaling $97,427 as bad debt expense on September 1, 2015.

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

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

NOTE 3 – THE WILLIAM NOYES WEBSTER FOUNDATION, INC.

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

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

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

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Acquired Sales Corp.
Notes to the Condensed Financial Statements
(Unaudited)

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

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

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

NOTE 4 – NOTES PAYABLE

Notes Payable to Related Parties – On July 14, 2014, AQSP borrowed $300,000 from the Roberti Jacobs Family Trust (the "Trust"). The Trust is an affiliate of Gerard M. Jacobs, AQSP's chief executive officer. The loan was repaid in full on August 5, 2014.

NOTE 5 – SHAREHOLDERS' EQUITY

Share-Based Compensation – The following is a summary of share-based compensation, stock option and warrant activity as of September 30, 2015 and changes during the year then ended:

	Shares	Weighted-Average Exercise Price (a)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2014	6,198,774	$ 1.56		
Terminated warrants	(1,350,000)			
Outstanding, September 30, 2015	4,848,774	$ 1.56	7.39	$2,125,125
Exercisable, September 30, 2015	3,598,774	$ 1.46	6.05	$2,125,125

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

On July 20, 2015, the Board of Directors of AQSP agreed and acknowledged that all of the rights to purchase warrants, granted to members of the board of directors of AQSP, whose exercise price was based on the planned capital raise to fund the proposed acquisition of PPV, Inc. are now terminated. As a result of this termination, rights to purchase warrants, granted to members of the board of directors of AQSP, exercisable into 1,350,000 shares of AQSP have been terminated.

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Acquired Sales Corp.
Notes to the Condensed Financial Statements
(Unaudited)

Financing Warrants – Through December 31, 2012, the Company issued 938,000 warrants in connection with the issuance of notes payable primarily to related parties. The warrants were outstanding at September 30, 2015. At September 30, 2015, the financing warrants had a weighted-average exercise price of $2.32 per share, a weighted-average remaining contractual term of 1.11 years and an aggregate intrinsic value of $0.

Common Stock – On October 17, 2013, the Company entered into a settlement agreement with Matthew Ghourdjian and the Deborah Sue Ghourdjian Separate Property Trust, whereby Mr. Ghourdjian and the Trust sold to the Company 690,796 shares of common stock for $30,000 cash plus an obligation to pay an additional $20,000 in February 2014, or approximately $0.07 per share. Mr. Ghourdjian resigned from the Company as an employee, director and officer. Mr. Ghourdjian and the Trust, and the Company entered into mutual releases of all claims against one another. The obligation was paid in February 2014.

NOTE 6 – CONTINGENT CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Medical Marijuana in Massachusetts:

As discussed in Note 3, the Company has agreements with Heatley and the William Noyes Webster Foundation, Inc. (the “Foundation”).

AQSP has agreed to pay a lump sum finder's fee to Parare Partners Inc. in the event that all of the following conditions occur: (1) AQSP makes certain loans to the William Noyes Webster Foundation, Inc. (the "Foundation") which was found by Parare Partners Inc., (2) the Foundation constructs and brings into operation its planned medical marijuana cultivation facility in Plymouth, Massachusetts (the “Plymouth Cultivation Facility”) and medical marijuana dispensary in Dennis, Massachusetts (the “Dennis Dispensary”), (3) AQSP directly or via subsidiaries enters into certain consulting agreements with the Foundation, and (4) all necessary approvals are obtained. If all of such conditions occur, then the finder's fee will be calculated as follows: (i) 5% of the first $1,000,000 of the aggregate principal amount of such loans, (ii) 4% of the second $1,000,000 of the aggregate principal amount of such loans, (iii) 3% of the third $1,000,000 of the aggregate principal amount of such loans, (iv) 2% of the fourth $1,000,000 of the aggregate principal amount of such loans, and (v) 1% of the aggregate principal amount of such loans that are in excess of $4,000,000. As of September 30, 2015, no finder’s fees are due to Parare Partners, Inc.

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

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

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

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Acquired Sales Corp.
Notes to the Condensed Financial Statements
(Unaudited)

Acquisition of Real Estate

As discussed in AQSP's prior public filings, AQSP and one of its directors, Vincent J. Mesolella, have agreed to negotiate in good faith regarding the possibility of AQSP acquiring certain parcels of real estate in Rhode Island that are owned by entities affiliated with Vincent J. Mesolella and his son Derek V. Mesolella, an independent contractor to AQSP, one of which parcels is also partly owned by an affiliate of AQSP's chief executive officer, Gerard M. Jacobs (collectively, the "Mesolella/Jacobs Properties").

The independent members of the board of directors of AQSP, Joshua A. Bloom, Michael D. McCaffrey and Richard E. Morrissy, met separately and decided to cause AQSP to retain an MAI appraiser in Rhode Island to appraise the Mesolella/Jacobs Properties and one other parcel of real estate in Rhode Island that is owned by an unrelated third party (the "Unrelated Parcel") who expressed a potential interest in AQSP acquiring the Unrelated Parcel.

The parties have been unable to agree upon mutually acceptable valuations of any of the Mesolella/Jacobs Properties. Consequently, the independent directors have met and have recommended to the full board of directors of AQSP that all pending purchase and sale offers on the Mesolella/Jacobs Properties be withdrawn.

NOTE 7 – SUBSEQUENT EVENTS

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

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

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

The Company has a history of recurring losses, which has resulted in an accumulated deficit of $13,485,118 as of September 30, 2015. In addition, the Company suffered losses from continuing operations during the nine months ended September 30, 2015 and 2014. Additionally, as discussed in Note 2, the Company sold 100% of the capital stock of its subsidiaries, Cogility Software Corporation and Defense & Security Technology Group, Inc., which were its primary source of revenue. These matters raise substantial doubt about the Company's ability to continue as a going concern.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are considered forward-looking statements. Forward-looking statements give the Company's current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the

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

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The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear in our annual report on Form 10-K filed with the SEC on March 31, 2015. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Certain information included herein contains statements that may be considered forward-looking statements, such as statements relating to our anticipated revenues and operating results, future performance and operations, plans for future expansion, capital spending, sources of liquidity and financing sources. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These risks and uncertainties include the “Risk Factors” included herein and in our annual report on Form 10-K filed with the SEC on March 31, 2015, that can be read at www.sec.gov.

Overview

Acquired Sales Corp. is incorporated under the laws of the State of Nevada.

From time to time, the Company evaluates potential companies and opportunities involved in the marijuana industry. No assurances or guarantees whatsoever can be made as to whether any acquisitions or transactions will be successfully consummated, nor on what terms.

If the Company does lend money, provide consulting services, and/or lease real estate to entities in the marijuana industry, then it is highly likely that the Company will be required to raise a substantial amount of equity capital and/or debt capital in connection with those acquisitions or other transactions, which could result in substantial dilution for existing shareholders of the Company. No assurances whatsoever can be made that such acquisitions or transactions would result in profitability of the Company, nor what the impacts would be on the Company's balance sheet, income statement, or stock price.

In addition, marijuana is classified as a controlled substance by the U.S. federal government, and any entrance by the Company into the marijuana industry may trigger material legal and financial risks for the Company. Under certain scenarios, these material legal and financial risks could result in a shutdown or bankruptcy of the Company.

This Form 10-Q does not attempt to describe all of the numerous material risks and uncertainties associated with any possible entrance by the Company into the marijuana industry. If the Company does enter into the marijuana industry, then shareholders and potential shareholders are expressly cautioned that such participation will entail such numerous material risks and uncertainties, and associated "Risk Factors" will need to be set forth in subsequent filings by the Company with the U.S. Securities and Exchange Commission. The Company cannot provide any assurances whatsoever in regard to the potential negative legal, regulatory, financial and operational risks to the Company associated with the potential entrance by the Company into the marijuana industry. You are urged to use caution in your evaluation of the Company's stock, and to seek the advice of competent legal and financial advisors in regard to the marijuana industry, which is currently in a state of rapid change and involves many variables which are beyond the Company's control.

The Company further cautions you that as the recreational use of marijuana is permitted in certain states, that the marijuana industry is likely to be subjected to even more intense scrutiny and oversight by elected officials, legislative bodies, courts, law enforcement agencies, and community groups. The Company cannot provide any assurances whatsoever in regard to the future potential negative impacts of such intensified scrutiny and oversight.

If for any reason the Company does not enter into the marijuana industry, then the Company will continue to seek acquisitions and/or transactions in various industries including but not limited to the real estate industry or other industries.

Liquidity and Capital Resources

The following table summarizes the Company's current assets, current liabilities, and working capital as of September 30, 2015 and December 31, 2014, as well as cash flows for the nine months ended September 30, 2015 and 2014.

	September 30, 2015	December 31, 2014
Current Assets	$84,322	$595,922
Current Liabilities	12,646	24,982
Working Capital	71,676	570,940

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	For the Nine Months Ended June 30,	
	2015	2014
Net cash used in operating activities	$(368,265)	$(126,707)
Net cash provided by investing activities	(135,350)	397,500
Net cash used in financing activities	-	(20,000)

Comparison of September 30, 2015 to September 30, 2015

At September 30, 2015, the Company had cash and cash equivalents of $84,322; this cash was derived from the sale of the Company's subsidiaries. At September 30, 2014, the Company had cash and cash equivalents of $678,087. At September 30, 2015, the Company had no note receivable or interest receivable. In comparison, at September 30, 2014, the Company had a note receivable of $602,500 and interest receivable of $16,094. Total current assets at September 30, 2015 of $84,322 are adequate to fund current operations and to fulfill corporate obligations, but not enough to fund growth and potential acquisitions. Current liabilities at September 30, 2015 consisted entirely of trade accounts payable of $12,646; accounts payable consisted mainly of liabilities for professional fees. This is compared to current liabilities at September 30, 2014 of $57,931, which consisted entirely of accounts payable.

Comparison of the three and nine months ended September 30, 2015 to September 30, 2014

The Company assessed the collectability of the Note based on the adequacy of the William Noyes Webster Foundation, Inc.'s (the "Foundation") collateral and the Foundation's capability of repaying the Note according to its terms. Based on this assessment, on September 1, 2015, the Company concluded that the Note and interest receivable would not be collectible. As such, management wrote off the Note and interest receivable, which totaled $835,277, as bad debt expense on September 1, 2015.

During the three and nine months ended September 30, 2015, the Company incurred selling, general and administrative expenses of $52,944 and $366,181, respectively. Selling, general and administrative expenses primarily consisted of professional fees, independent contractor fees, and reimbursement for expenses incurred by the Company's chief executive officer and independent contractors.

During the three months ended September 30, 2015, the Company earned interest income of $17,726, and incurred a loss from continuing operations of $870,495. During the nine months ended September 30, 2015, the Company earned interest income of $61,501 and other income of $2,267, and incurred a loss from continuing operations of $1,137,690.

During the three and nine months ended September 30, 2014, the Company incurred selling, general and administrative expenses of $103,591 and $251,169. Selling, general and administrative expenses primarily consisted of professional fees and reimbursement for expenses incurred by the Company's chief executive officer and independent contractors.

The Company currently has no revenue-generating subsidiaries but is actively discussing/negotiating potential transactions to acquire, or to supply real estate, capital and/or expertise, to other entities that intend to grow and dispense medical marijuana and/or recreational marijuana. The Company is also in active discussions/negotiations regarding certain other business opportunities. No assurances or guarantees whatsoever can be made as to whether any of such transactions will be successfully consummated, nor on what terms.

During the nine months ended September 30, 2015, net cash used in operating activities of continuing operations totaled $368,265. This cash was primarily used for professional fees and for reimbursing expenses incurred by the Company's chief executive officer and independent contractors. In comparison, during the nine months ended

September 30, 2014, the Company used net cash in operating activities of continuing operations of $201,312. This cash was used primarily to pay for professional fees and for reimbursing expenses incurred by the Company's chief executive officer and independent contractors.

During the nine months ended September 30, 2014, the Company had net cash provided by investing activities of continuing operations of $397,500 due to the final payment received from the sale of Cogility less the Note.

During the nine months ended September 30, 2014, $20,000 net cash was used by the Company in financing activities in payment of an obligation under a stock repurchase agreement.

During the nine months ended September 30, 2015, cash decreased by $503,615, leaving the Company with $84,322 in unrestricted cash at September 30, 2015. In comparison, during the nine months ended September 30, 2014, cash increased by $250,793, leaving the Company with $678,087 in unrestricted cash at September 30, 2014.

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Critical Accounting Policies

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Significant estimates include share-based compensation forfeiture rates and the potential outcome of future tax consequences of events that have been recognized for financial reporting purposes. Actual results and outcomes may differ from management's estimates and assumptions.

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

Basic and Diluted Earnings (Loss) Per Common Share – Basic earnings (loss) per common share is determined by dividing earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is calculated by dividing earnings (loss) by the weighted-average number of common shares and dilutive common share equivalents outstanding during the period. When dilutive, the incremental potential common shares issuable upon exercise of stock options and warrants are determined by the treasury stock method. There were 4,848,774 stock options and 938,000 warrants outstanding during the three and nine months ended September 30, 2015 that were excluded from the computation of diluted earnings (loss) per share because their effects would have been anti-dilutive. There were 2,148,774 employee stock options and 938,000 warrants outstanding during the three and nine months ended September 30, 2014 that were excluded from the computation of diluted earnings (loss) per share because their effects would have been anti-dilutive.

Recent Accounting Pronouncements – In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date will be the first quarter of fiscal year 2018 using one of two retrospective application methods. The Company has not determined the potential effects on the financial statements.

In September 2014, the FASB issued ASU No. 2014-12, Compensation-Stock Compensation (Topic 718)-Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force). ASU No. 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. The effective date will be the first quarter of fiscal year 2016. The Company has not determined the potential effects on the financial statements.

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

Contractual Cash Obligations and Commercial Commitments

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

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

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

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

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

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

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

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

The Company has not paid any fees under this Agreement. All of the conditions have not been met for the finder's fee to have accrued on the amounts loaned to the foundation; therefore, a liability has not been recorded for the finder's fee at September 30, 2015.

During the nine month period ended September 30, 2015, MVJ Realty, LLC, an affiliate of AQSP director Vincent J. Mesolella (“MVJ Realty”), loaned a total of $23,000 to the Foundation, which $23,000 was used as follows: (a) $9,500 was used by the Foundation to pay the rent of the Plymouth Cultivation Facility for the month of May, 2015; (b)

$6,900 was used by the Foundation to pay the rent of the Dennis Dispensary for the months of April and May, 2015; (c) $3,600 was used by the Foundation to pay for the general liability insurance policy covering the Plymouth Cultivation Facility and the Dennis Dispensary; and (d) $3,000 was used by the Foundation to pay the application fees for two applications (the “Two New Applications”) by the Foundation to the Commonwealth of Massachusetts for licenses (the “Two New Licenses”) to operate two new medical marijuana dispensaries in Massachusetts (the “Two New Dispensaries”). In making these $23,000 loans to the Foundation, MVJ Realty viewed itself as acting as an agent for AQSP, and expected to eventually be reimbursed for the $23,000 by AQSP subject to the execution and delivery by the Foundation to AQSP of loan documents evidencing that the principal amount of the loan from AQSP to the Foundation, evidenced by the Note and secured by the Security Agreement, had been increased by $23,000. The execution and delivery of such loan documents occurred on July 15, 2015, and MVJ Realty was reimbursed for the $23,000 in August 2015.

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

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

Acquisition of Real Estate in Rhode Island - AQSP believes that acquiring valuable parcels of real estate in exchange for common stock of AQSP likely would (1) improve AQSP's balance sheet, (2) improve AQSP's chances of raising capital from accredited investors, (3) generate confidence in AQSP among potential acquisition candidates, (4) allow potential investors to better evaluate the price of AQSP's common stock, (5) assist AQSP in meeting the tangible net worth standards of stock exchanges, and (6) demonstrate confidence in AQSP's common stock among AQSP's directors and officers.

Consequently, as discussed in AQSP's prior public filings, AQSP and one of its directors, Vincent J. Mesolella, have agreed to negotiate in good faith regarding the possibility of AQSP acquiring certain parcels of real estate in Rhode Island that are owned by entities affiliated with Vincent J. Mesolella and his son Derek V. Mesolella, an independent contractor to AQSP, one of which parcels is also partly owned by an affiliate of AQSP’s chief executive officer, Gerard M. Jacobs (collectively, the “Mesolella/Jacobs Properties”).

The independent members of the board of directors of AQSP, Joshua A. Bloom, Michael D. McCaffrey and Richard E. Morrissy, met separately and decided to cause AQSP to retain an MAI appraiser in Rhode Island to appraise the Mesolella/Jacobs Properties and one other parcel of real estate in Rhode Island that is owned by an unrelated third party (the “Unrelated Parcel”) who expressed a potential interest in AQSP acquiring the Unrelated Parcel.

The appraiser prepared and delivered appraisals of the Mesolella/Jacobs Properties to the Company and to Vincent J. and Derek V. Mesolella for their review. This review resulted in certain of the appraisals being modified. The modified appraisals have now been analyzed by the Company and by Vincent J. and Derek V. Mesolella, and after discussion, the parties have been unable to date to agree upon mutually acceptable valuations of any of the Mesolella/Jacobs Properties. Consequently, the independent directors have met and have recommended to the full board of directors of AQSP that all pending purchase and sale offers on the Mesolella/Jacobs Properties be withdrawn.

Other Potential Transactions – The Company is actively discussing/negotiating potential transactions to acquire, or to supply real estate, capital and/or expertise, to other entities that intend to grow and dispense medical marijuana and/or recreational marijuana. The Company is also in active discussions/negotiations regarding certain other business opportunities. No assurances or guarantees whatsoever can be made as to whether any of such transactions will be successfully consummated, nor on what terms.

Other Matters – The Company is subject to other legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these other matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

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Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2015, our disclosure controls and procedures were not effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules, regulations and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As indicated in our Form 10-K for the year ended December 31, 2014, management concluded that our internal control over financial reporting was not effective. Management's assessment of internal controls over financial reporting has not changed at September 30, 2015. There existed a lack of segregation of duties in regard to the Company's financial reporting, procedures for depositing of funds, procedures for cash disbursements, procedures for checkbook entries, period close procedures, and procedures for financial statement preparation that result in material weaknesses in internal control over financial reporting.

Effective December 15, 2014, the Committee of Sponsoring Organizations' ("COSO") 1992 framework was superseded by COSO's 2013 framework. Management is currently evaluating the impact of the new framework and plans to perform its evaluation of internal controls in conjunction with the annual audit under COSO's 2013 framework.

Changes in Internal Control over Financial Reporting

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

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 1A. Risk Factors.

Not required.

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

None; not applicable.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

Item 4. Mine Safety Disclosures.

None; not applicable.

Item 5. Other Information.

None; not applicable.

Item 6. Exhibits.

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

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Form 10-SB	March 23, 2007
3.1	Articles of Incorporation dated December 12, 1985
3.2	Amended Articles of Incorporation Dated July 1992
3.3	Amended Articles of Incorporation Dated November 1996
3.4	Amended Articles of Incorporation Dated June 1999
3.5	Amended Articles of Incorporation Dated January 25, 2006
3.6	Amended Bylaws
Form 8-K	August 2, 2007
5.01	Shareholder Agreement
Form 10-Q	May 18, 2009
10.1	Private Merchant Banking Agreement-Anniston Capital, Inc.
10.2	Warrant Agreement #1-Anniston Capital, Inc.
10.3	Warrant Agreement #2-Anniston Capital, Inc.
10.4	$100,000 Promissory Note – December 1, 2007
10.5	$10,000 Promissory Note – January 30, 2008
10.6	$10,000 Promissory Note – November 9, 2008
Form 10-K	August 20, 2010
10.7	$4,000 Promissory Note – April 19, 2010
Form 8-K	November 5, 2010
10.1	Letter of Intent Agreement Cogility Software dated November 4, 2010
99.1	Press Release
Form 10-K	December 17, 2010
10.8	$20,000 Promissory Note – October 12, 2010
Form 10-Q	June 30, 2011
4.1	Form of Note 3%
4.2	Form of Warrant
10.10	Subscription Agreement
Schedule DEF 14-C Information Statement	August 9, 2011
10.11	The Johns Hopkins University Applied Physics Laboratory Firm Fixed Price-Time And Material Contract No. 961420, dated October 20, 2009 (filed as Exhibit (E)(i) thereto)
10.12	The Analysis Corporation Task Order Subcontract Agreement, dated January 4, 2010 (filed as Exhibit (E)(ii) thereto)
10.13	Defense & Security Technology Group, LLC, Program Budget & Asset Management Tool Proof of Concept Pilot, dated June 27, 2011 (filed as Exhibit (E)(iii) thereto)

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10.14	Defense & Security Technology Group, LLC, Command Information Center – Data Integration Proof of Concept, dated June 27, 2011 (filed as Exhibit (E)(iv) thereto)
Form 8-K	October 4, 2011
10.15	Agreement and Plan of Merger
10.16	NAVAIR PMA 265 contract, in regard to a Program Budget & Asset Management Tool Proof of Concept Pilot, dated July 15, 2011
10.17	NAVAIR 4.2 Cost Performance contract, in regard to Command Information Center - Data Integration (CIC-DI) Proof of Concept, dated July 15, 2011
10.18	Sotera Defense Solutions, Inc. subcontract number SOTERA-SA-FY11-040, dated June 20, 2011
10.19	$4,000 Promissory Note – September 13, 2011
10.20	CACI Prime Contract No.: W15P7T-06-D-E402 Prime Delivery Order No.: 0060, dated August 24, 2011
10.21	$4,000 Promissory Note – September 13, 2011
14.1	[Proposed] Code of Business Conduct and Ethics
Form 10-Q	May 21, 2012
10.22	Agreement dated as of October 17, 2011, by and among Deborah Sue Ghourdjian Separate Property Trust, Matthew Ghourdjian, Daniel F. Terry, Jr., Roberti Jacobs Family Trust, Acquired Sales Corp., Vincent J. Mesolella, and Minh Le
Form 10-Q	November 13, 2012
10.23	Firm Fixed Price subcontract; Defense & Security Technology Group, Inc. subsidiary and CAS, Inc., dated September 19, 2012
10.24	Firm-Fixed-Price, Level-of-Effort, IDIQ Subcontract; Cogility subsidiary and Booz Allen Hamilton, dated November 1, 2012
Form 8-K	January 16, 2013
10.25	Stock Purchase Agreement dated January 11, 2013 regarding sale of our subsidiary Cogility
99.1	Software Corporation to Drumright Group, LLC.
	Press Release
Form 8-K	February 12, 2013
10.26	Amendment No. 1 Stock Purchase Agreement
Form 8-K	August 1, 2013
10.27	Amendment No. 2 Stock Purchase Agreement
10.28	Release Agreement
Form 8-K	September 4, 2013
99.1	Letter – Change of certifying accountant due to acquisition of accountant
Form 8-K	October 4, 2013

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10.29	Stock Purchase Agreement dated March 31, 2013
Form 8-K	July 16, 2014
10.30	Promissory Note; William Noyes Webster Foundation, Inc.
10.31	Security Agreement relating to Promissory Note with the William Noyes Webster Foundation, Inc.
Form 8-K	December 2, 2014
10.32	Letter of Intent; Acquired Sales Corp. Merger with PPV, Inc. and Bravo Environmental NW, Inc.
99.1	Press Release
Form 8-K	February 5, 2015
99.1	Press Release
This Form 10-Q	
31.1	Certification of principal executive officer and principal financial officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs
32.1	Certification of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 executed by Gerard M. Jacobs
101.INS	XBRL Instance Document*
101.PRE.	XBRL Taxonomy Extension Presentation Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.SCH	XBRL Taxonomy Extension Schema*

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

SIGNATURES

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

Dated: November 13, 2015

ACQUIRED SALES CORP.

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