UBID HOLDINGS, INC.

a Delaware Corporation

566 West Adams Street
Suite 260
Chicago, IL, 60661

Telephone: (773) 272-5000

Corporate Website: www.ubidholdings.com

SIC Code: 5961

Annual Report

For the period ending December 31, 2018 (the "Reporting Period")

The number of shares outstanding of our Common Stock as of March 25, 2019, is 438,116,529.
The number of shares outstanding of our Common Stock as of December 31, 2018, was 411,745,431 (end of previous reporting period).

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes: ☒ No: ☐

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

uBid Holdings, Inc. since February 2019. Predecessor entities in the last five years were Incumaker, Inc.

Item 2 The address of the issuer's principal executive offices.

Corporate Office:

566 West Adams Street
Suite 260
Chicago, IL, 60661
Telephone: (773) 272-5000
Corporate Website: www.ubidholdings.com

Investor Relations:

566 West Adams Street
Suite 260
Chicago, IL, 60661
Telephone: (773) 272-5000
Investor Relations (IR@ubid.com)

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

Jurisdiction of Organization: Delaware
Date of incorporation: April 13, 2011
Status: Active

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

Outstanding Securities: Common Stock
CUSIP: 90353Y109
Trading Symbol: UBID

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value for Common Stock:* $.001

B. *Common Stock*. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of common stock that are present in person or represented by proxy. Except as otherwise provided by law, amendments to the articles of incorporation generally must be approved by a majority of the votes entitled to be cast by all outstanding shares of common stock. The amended and restated Articles of Incorporation do not provide for cumulative voting in the election of directors. The common stockholders will be entitled to such cash dividends as may be declared from time to time by the Board from funds available. Upon liquidation, dissolution or winding up of the Company, the common stockholders will be entitled to receive pro rata all assets available for distribution to such holders.

C. *Preferred Stock:* We are authorized to issue up to 10,000,000 shares of preferred stock, par value $0.001 per share. No shares of preferred stock are issued or outstanding. All shares of the designated and the undesignated preferred stock are issuable on such other terms and conditions as the Board may determine at or prior to issuance, without further action of the stockholders. Such preferred shares may or may not be issued in series, convertible into shares of common stock, redeemable by the Company and entitled to cumulative dividends.

There are no provisions in our Certificate of Incorporation or Bylaws that would delay, defer or prevent a change in control of our company other than under section 2.3 of our Bylaws in which a special meeting of the stockholders may be called at any time by the Board of Directors, Chairperson of the Board of Directors, Chief Executive Officer or President.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for <u>each class</u> of securities authorized**.** Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

(i) Period end date: 12/31/18:
(ii) Number of shares authorized: 750,000,000
(iii) Number of shares outstanding: 431,721,336
(iv) Freely tradable shares (public float): 26,344,601
(v) Number of beneficial shareholders owning at least 100 shares: 331
(vi) Total number of shareholders of record: 1,300

(i) Period end date: 9/30/18:
(ii) Number of shares authorized: 750,000,000
(iii) Number of shares outstanding: 43,271,555
(iv) Freely tradable shares (public float): 26,344,601
(v) Number of beneficial shareholders owning at least 100 shares: 331
(vi) Total number of shareholders of record: 1,300

(i) Period end date: 12/31/17:
(ii) Number of shares authorized: 750,000,000
(iii) Number of shares outstanding: 25,534,855

(iv) Freely tradable shares (public float): 11,207,901
(v) Number of beneficial shareholders owning at least 100 shares: 331
(vi) Total number of shareholders of record: 1,300

Item 7 The name and address of the transfer agent.

Transhare Corporation
15500 Roosevelt Blvd.
Suite 302
Clearwater, FL 33760
Ph. (303) 662-1112
www.transhare.com

Transhare is registered with the SEC.

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company.

We were formed as a Delaware corporation on April 13, 2011 and last year had a change of control, changing our fiscal year from May 31 to December 31. We have never been in bankruptcy, receivership or any similar proceeding. We are not now and never have not been a shell company. Since our formation in 2011 we have been an equity investment holding company investing in a variety of high-growth companies and providing financing and advice to accelerate their growth, including such companies as Cryotherapy which expanded to three locations before we closed all locations, and Real Deal Recruits. Effective November 5, 2018, we entered into a merger agreement (the "uBID Merger Agreement") dated October 23, 2018, whereby all of the shareholders of uBid Holdings, Inc. ("uBID"), a privately held Delaware corporation, exchanged all of their shares of common stock for newly issued shares of Incumaker common stock (the "uBID Merger"). As a result of the uBID Merger, (i) UBid Holdings, Inc. ("uBID") shareholders acquired 85.7% of the fully diluted shares of Incumaker, (ii) the business of uBID will continue as the existing business operations of Incumaker and (iii) Incumaker will be managed by uBID's management after effectiveness of the Merger under Delaware law.

On November 12, 2018, we entered into a reverse triangular merger transaction (the "SkyAuction Merger") among SkyAuction,.com, Inc. ("SkyAuction"), SA Acquisition Corp. and Incumaker whereby all of the shareholders of SkyAuction exchanged all of their shares of common stock for newly issued shares of Incumaker common stock in accordance with the terms of the Agreement and Plan of Merger among these companies (the "SkyAuction Merger Agreement"). SkyAuction is now our wholly-owned subsidiary.

We are not in default of any lease but as set forth in Item 17, below we are in default of several convertible notes. The holders of those notes have not requested payment of their notes. As a result of being in default the interest rate on those notes have increased from 8% to 15%.

We expect to have a reverse split of our issued and outstanding shares of common stock in the range of 1:10 to 1:30 to allow us to meet listing standards of a national stock exchange and to pursue a number of potential acquisitions.

On December 17, 2017, a lawsuit that had been dismissed by the plaintiff on July 21, 2017, was refiled against us pursuant to Georgia's renewal statute (O.C.G.A. 9-2-61), titled Oelshlager v. Cryomist II, Cryomist III and Incumaker, Inc. (Fulton County Georgia State Court). The lawsuit alleges that Incumaker is liable for the conduct of its subsidiary on the theory that it is the parent of these separate corporations and that the Cryomist Companies were merely the alter ego of Incumaker. We intend to vigorously defend the company against this lawsuit.

The lawsuit that was filed on May 11, 2018, by Louis Thomson claiming that we had failed to reimburse him rent money he paid as the Guarantor under the lease for the Cryomist III premises, located in Buford, Georgia, was dismissed under the terms of a settlement agreement under which we issued 1,650,000 shares of our common stock to Mr. Thompson.

B. Business of Issuer.

Overview

We are a participatory ecommerce company with over two decades of experience in both b2c (business to consumer) auctions and fixed price sales. Our focus has been on connecting consumers with high value products and services in a unique, engaging purchase format. Auctions allow consumers an opportunity to establish pricing at substantial savings to those found via normal retail outlets both online and in brick and mortar store locations. Our online marketplaces provide (i) manufacturers, retailers, distributors and other suppliers with what we believe is an efficient and economical channel for maximizing revenue on their merchandise while at the same time moving new, overstock, close-out and recertified products and providing consumers and businesses with a convenient method for obtaining this merchandise virtually anytime and anywhere at substantial savings, and (ii) since our recent acquisition of SkyAuction,com, Inc. ("SkyAuction"), travel products and services.

We currently operate through two internet sites:

Our auctions on uBID.com which we believe was one of the first and remains one of the most recognized names among auction sites that currently feature a rotating selection of computer products, consumer electronics, watches, jewelry and gifts, sporting goods, collectibles, home goods, travel and fashion products, which typically sell at significant discounts to prices found through traditional retailers; and

Our auctions on SkyAuction.com that offer excess travel inventory from leading airlines, hotels, resorts and tour operators to thrifty consumers searching for travel bargains.

We operate our online auction and bargain-sale marketplaces 24 hours a day, seven days a week, 365 days a year. We have commenced a program that includes numerous growth initiatives, expanding product categories and seeking complementary acquisitions, in an effort to position uBID as one of the fast growing e-commerce companies.

Government Regulation

As with any company operating on the Internet, we are subject to a growing number of local, national, and international laws and regulations. These laws are often complex, sometimes contradict other laws, and are frequently changing. Laws may be interpreted and enforced in different ways in various locations around the world, posing a significant challenge to our global business. For example, U.S. federal and state laws, E.U. directives, and other national laws govern the processing of payments, consumer protection, the privacy of consumer information; pricing, fraud, quality of products and services, taxation, advertising, intellectual property rights and information security, other laws define and regulate unfair and deceptive trade practices. Still other laws dictate when and how sales or other taxes must be collected. Laws of defamation apply online and vary by country. The growing regulation of e-commerce worldwide could impose additional compliance burdens and costs on us and could subject us to significant liability for any failure to comply. Additionally, because we operate internationally, we need to comply with various laws associated with doing business outside of the United States, including anti-money laundering, sanctions, anti-corruption, and export control laws.

Many states and other jurisdictions have regulations governing the conduct of traditional “auctions” and the liability of traditional “auctioneers” in conducting auctions. These types of regulations may become applicable to online auction sites. We are aware that several states and some foreign jurisdictions have attempted to impose such regulations on other companies operating online auction sites or on the users of those sites. In addition, some states have laws or regulations that do expressly apply to online auction site services. We may incur costs in complying with these laws. We may, from time to time, be required to make changes in our business that may increase our costs, reduce our revenues and cause us to prohibit the listing of some items in certain locations, or make other changes that may adversely affect our auctions business.

We are subject to a variety of federal, state and international laws and regulations governing consumer data. The General Data Protection Regulation ("GDPR"), which was recently adopted by the European Union became effective in May 2018, requires companies to satisfy new requirements regarding the handling of personal and sensitive data, including its collection, use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. Complying with the GDPR caused us to update certain business practices and systems. Non-compliance with GDPR could result in proceedings against us by governmental entities or others and fines up to the greater of €20 million or 4% of annual global revenue. In addition, the State of California adopted the California Consumer Protection Act of 2018 (“CCPA”), which will become effective in 2020 and also will regulate the collection and use of consumers’ data. Compliance with the CCPA is expected to cause us to make additional updates to certain business practices and systems.

Employees

We have 13 full-time employees and 5 part-time employees.

Item 9 The nature of products or services offered.

uBid.com

We have designed easy-to-use online marketplaces (www.uBID.com) to provide friendly and positive shopping experiences through interactive auction style and fixed price formats. Consumers may enter the marketplaces directly by typing “www.uBID.com” or through links from various online marketing promotions to the uBID homepage, a product category page, sub-category page or individual product listing. From the uBID homepage, an individual may choose a specific item from one showcased that day, proceed to a specific category (such as computers or electronics) or respond to a specific promotion.

Each item offered in the marketplaces has a unique product page that includes a concise product description, full-color image and detailed technical specifications. In addition, in the uBID marketplace, each product page provides a table indicating the quantity available, bid range, minimum incremental bid, current winning bidders, winning bid amounts and the remaining time left to bid.

Before bidding on any product offered in the uBID marketplace, each consumer is required to register by completing a simple online registration form and providing a valid credit card number. We verify all information included on the registration form and verify the consumer’s credit card.

SkyAuction.com

Our website www.skyauction.com allows our customers to access our wide selection of travel products and services. Customers can view current ongoing auctions based on our auction categories or search for ongoing auctions based on a defined search criterion such as date of travel, destination, general geographic location and class of travel. To place a bid on an ongoing auction, each customer must complete a free, brief registration form, or in the future login in using common credentials created on other social media outlets.. Once a customer has registered, he or she may begin bidding immediately and will be able to monitor multiple auctions as well as use our automated bidding function.

Many of our auctions can begin with a minimum bid as low as $1. Through our automated bidding function, a bidder may set a maximum bid and have our web site increase his or her bid by preset increments up to the maximum bid amount set by the bidder. As a result, the bidder has an opportunity to win an auction at the most economical price possible without constant monitoring of the auction. We also provide information throughout the auction process to enhance customer enjoyment, such as the dollar amount of the current winning bid, the amount of time to elapse before the auction is closed, and an e-mail notification if a bidder's maximum bid has been exceeded, allowing the bidder to then increase his maximum bid.

Once an auction is completed, the winning bidder is notified by e-mail and requested to submit preferred travel dates by e-mail. A customer service agent will then work with our suppliers to confirm the requested itinerary, make the reservation, notify the bidder, charge the customer's form of payment and forward the required information to staff for processing. We have the ability to select which supplier will be used to fulfill our auction sales where a specific supplier was not identified in the auction. Our customers rely on us to address date changes or cancellations.

Marketing Strategy

Our marketing strategy is aligned with our overall business goals to drive revenue and margin growth by increasing our consumer and supplier bases. Our marketing strategy is focused primarily on four areas: (i) increasing consumer awareness of www.uBID.com and www.skyauction.com, (ii) expanding and optimizing customer acquisition efforts and (iii) implementing a scalable, cost-effective customer retention program.

Increasing consumer awareness of uBid and its online properties. We believe that we have created a unique position in the marketplace focused on earning consumer trust. This position of “trust” is supported by our focus on business-to-consumer selling (versus consumer-to-consumer selling), significant investments in our customer support services, internal product warehousing and payment transaction processing and endorsements from various recognized third-party security and privacy programs. We believe this “trust” positioning will continue to set us apart from our competitors and provide a meaningful difference in attracting and maintaining customers. In addition, we intend to pursue an aggressive marketing strategy designed to promote brand awareness and the concept that customers can purchase a wide range of products and services through us at good values. We plan to utilize a combination of Web-based advertising, targeted e- mail, broadcast media, print campaigns, billboards and other media placements to further our marketing and branding strategy.

Expanding and optimizing customer acquisition efforts. Our marketing expenditures are primarily spent on attracting traffic to our websites. Traffic to our websites consisted of approximately 3,044,000 individual visits in 2016, 2,211,505 individual visits in 2017 and 1,735,000 individual visits in 2018. Potential new customers are sourced through a range of online efforts including affiliate marketing programs, paid search listings, shopping comparison programs, online partnerships, e-mail marketing and social media campaigns. In addition, we also utilize marketing channels such as in-store media, event marketing and single partnerships with key online media companies to broaden our customer demographics and drive larger incremental gains in customer acquisition.

Implementing a scalable, cost-effective customer retention program. It is critical to have a program that effectively manages new customer relationships from acquisition to activation (one-time bidding/buying) to repeat purchase. We have recently increased our investment in the implementation of our customer retention management. Our efforts to date have been focused on developing programs aimed at improving bidding/buying behavior among key customer segments including recent bidders, lapsed and long lapsed bidders, inactive members (i.e., never bid), registered members without a credit card on file, and members without an opt-in e-mail address.

More effectively measuring and managing the profitability of individual auctions. We have created an online marketplace that enables customers to purchase a wide range of travel products and services from numerous suppliers. Registered users bid and ultimately pay only the amount which they perceive to be a good value for the product or service. Our Web site offers suppliers of travel products and services an alternative distribution channel to generate incremental demand and revenue while maintaining the integrity of their sales channels, pricing structures and brands. With excess inventory that is perishable, suppliers of travel products and services face increasing pressure to sell merchandise as time passes. We effectively create targeted demand and provide a distribution channel distinct from the supplier's traditional sales channels.

Product Fulfillment and Logistics

uBid.com ships products to our customers either from our central New Jersey facility or from our contracted warehouse which is also in New Jersey. We utilize a centralized inventory control system to allocate all shipments to our site and multi-channel customers and we are directly responsible for maintaining customer returns, service emails and all expediting. This centralized control allows us up-to-the-minute information on all shipments pending, in transit or completed. It also keeps us directly in control of the customer information flow on a daily basis.

The product fulfillment process, from receipt of products through shipment, is largely automated through our use of a third-party logistics warehouse and distribution system, enabling us to capture real-time data on inventory receiving, shipping and stock levels. This flexible system enables us to control warehouse costs and more closely manage the distribution of our directly procured merchandise because we only pay for the warehousing used on a per transaction basis. Direct product fulfillment and its related costs shrink or expand to fit the needs of our business. As a result, we do not currently incur significant overhead costs of owning and operating warehouse. We believe that the speed and accuracy of our order fulfillment process reinforces and enhances our customers' total purchase experience.

Customer Service and Support

Our ability to establish and maintain long term relationships with our customers and encourage repeat visits and purchases is dependent, in part, on the strength of our customer support and service operations. We have established multiple channels for communicating with our customers before and after the sale, including phone, e-mail and online support.

We currently employ a staff of in-house customer support personnel responsible for handling customer inquiries, tracking shipments, investigating and resolving problems with merchandise and travel. Customer care representatives are available for support from 10 a.m. to 5 p.m., Eastern Time, Monday through Friday. In addition, our customer service representatives are trained to cross-sell complementary and ancillary products and services including extended product warranties and accessories.

We plan to enact the use of AI chatbots to further help our customers to navigate offers and easily gain information generally prior to sale, helping customers engage our offers with confidence.

Information Technology and Digital Infrastructure

We use a combination of proprietary and commercially available licensed technologies to support our uBid.com and SkyAuction.com operations. We have developed a scalable technology platform to support our operations, including merchandising, marketing, order management, inventory and accounting. These systems are designed to make both the customer experience and the transaction reporting and tracking process as seamless and simple as possible. Our current strategy is to license commercially available technology wherever possible rather than seek internally-developed solutions.

Competition

The online retail market is intensely competitive. Barriers to entry are minimal, and current and new competitors can launch new websites at a relatively low cost. We currently compete with numerous competitors, including:

- liquidation online retailers such as Liquidity Services, Inc.;
- e-commerce websites such as eBay, Etsy, Priceline, GroupOn, Overstock.com, Wayfair and Zulily; and
- private sale sites such as Rue La La and Gilt Groupe.

We expect the online retail market to become even more competitive as traditional retailers continue to develop services that compete with our services. In October 2016, for instance, Wal-Mart Stores Inc. announced that it would direct billions of dollars in annual capital spending toward boosting e-commerce sales, and spent $3.3 billion to buy online retailer Jet.com and nearly doubled its investment in Chinese online retailer JD.com Inc. In addition, manufacturers and retailers may decide to create their own websites to sell their own overstock and close-out inventory as well as the excess inventory of third parties. Competitive pressures created by any one of our competitors, or by our competitors collectively, could harm our business, prospects, financial condition and results of operations.

Many of our current and potential competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater financial, marketing and other resources than we do. In addition, online retailers may be acquired by, receive investments from, or enter into other commercial relationships with larger, well-established and well-financed companies. Some of our competitors may be able to secure merchandise from manufacturers on more favorable terms, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory availability policies and devote substantially more resources to website and systems development than we do. Increased competition may result in reduced operating margins, loss of market share and a diminished brand franchise. We cannot provide assurance that we will be able to compete successfully against existing or future competitors.

We believe that competition in the online auction and e-commerce market is based predominantly on:

- price;
- product quality and selection;
- shopping convenience;
- order processing and fulfillment;
- customer service; and
- brand recognition.

Intellectual Property and Other Proprietary Rights

We regard our domain names and similar intellectual property as critical to our success. We rely on a combination of laws and contractual restrictions with our employees, customers, suppliers, affiliates and others to establish and protect our proprietary rights. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our intellectual property without authorization. We cannot assure you that others will not independently develop similar intellectual property. In addition, effective trademark protection may not be available or may not be sought by us in every country in which our products and services are made available online, including the United States.

We own our uBid service marks, which are registered trademarks.

Our proprietary software is protected by copyright laws. The source code for our proprietary software also is protected under applicable trade secret laws. We own the copyright and other proprietary rights for our auction processing and auction management applications. We own the patent license for fixed price consignment that will allow our vendors and our merchants to create auctions with fixed pricing.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement of the trademarks and other intellectual property rights of third parties by us.

Third parties may, in the future, recruit our employees who have had access to our proprietary technologies, processes and operations. These recruiting efforts expose us to the risk that such employees will misappropriate our intellectual property.

Litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. Any litigation, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could materially harm our business.

Item 10 The nature and extent of the issuer's facilities.

Our principal administrative facilities are located 566 W. Adams St, Suite 260, Chicago, IIL 60661, which consist of approximately 1,200 square feet. We currently lease such facilities for $1,700 per month effective August 1, 2018. The lease expires in August 2019. We intend to move our administrative facilities to Atlanta, Georgia, in the first quarter of 2019.

SkyAuction's principal executive offices are located at 241 North Avenue West, Westfield, New Jersey 07090 and consist of approximately 1,500 square feet. We currently lease such facilities for $3,000 per month. We have a self-renewing month-to-month lease with no immediate escalation.

Part D Management Structure and Financial Information

Item 11 The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

The following persons are the executive officers and directors of our Company, each of whom has the business address of 566 W. Adams St, Suite 260, Chicago, IIL 60661 other than Michael N. Hering and Salvatore Esposito, Jr., whose business address is 241 North Avenue West, Westfield, New Jersey 07090:

Name	Age	Position
Ketan Thakker	50	President, CEO and Chairman
Kevin Harrington	62	Director
M. Scot Wingo	50	Director
Paul K. Danner	61	Director
Michael N. Hering	65	Chief Merchandising Officer
Salvatore Esposito, Jr.	60	Chief Operating Officer

Ketan Thakker has been our Chairman, President and Chief Executive Officer since August 2014. He joined our company as Chief Financial Officer in July 2013, leading our restructuring, and was promoted the following year. Mr. Thakker is an entrepreneurial leader with more than 20 years in finance and operations. He has significant hands-on experience in building and growing new and existing businesses in the online space. He founded and served as President of TripRental.com and TripRental Software, an online listing site for vacation rental properties, from March 2011 to June 2013. He previously served as the Chief Financial Officer for Apartments.com, a Classified Ventures company, from February 2006 to March 2011. Mr. Thakker also held leadership roles in financial management at Abbott Laboratories and Baxter International Inc. Mr. Thakker received an M.B.A. from Northwestern University's Kellogg School of Management and is an accredited certified public accountant.

As the Chairman, President and Chief Executive Officer, Mr. Thakker leads the Board and guides our company. Mr. Thakker brings extensive e-commerce industry knowledge of the company and a deep background in technology growth companies, mergers and acquisitions and capital market activities, making him well qualified as a member of the Board. His service as Chairman, President and Chief Executive Officer creates a critical link between management and the Board.

Kevin Harrington was appointed as a director of our Company on February 13, 2019, following the closing of the SkyAuction Merger. Mr. Harrington has almost 40 years' experience in product introduction and direct marketing, being one of the first to market products through infomercials in 1984. Since 2005, he has been Chief Executive Officer of Harrington Business Development, Inc. and, since November 2015, Chief Executive Officer of KBHJJ, LLC, each privately-held consulting firms controlled by him. A serial entrepreneur, Mr. Harrington appeared as one of the original panelists on the ABC television program, "Shark Tank," from 2009 to 2011. He currently serves as a director of Celsius Corp., a developer of calorie-burning fitness beverages, since March 2013, Emergent Health Corp., a developer of nutritional products, since December 2014, and Redwood Scientific Technologies, Inc., a marketer of consumer homeopathic drugs and supplements, since April 2015. He also serves on the Advisory Board of Good Gaming, Inc., an eSports tournament gaming platform, since March 2016, and was formerly the Chairman of the Board of As Seen On TV, Inc., a public company that focuses on marketing products through infomercials and other direct marketing, from May 2010 to April 2014. Mr. Harrington is the author of "Act Now! How to Turn Ideas into Million-Dollar Products," which chronicles his life and experiences in the direct response industry. Mr. Harrington is a co-founder of two global networking associations, the Entrepreneur's Organization (formerly the Young Entrepreneurs Organization) in 1997, and the Electronic Retailing Association in 2000. Mr. Harrington's in-depth knowledge of the e-commerce market and the broad range of companies in the industry make him well qualified as a member of the Board. He also brings transactional expertise in mergers and acquisitions and capital markets.

M. Scot Wingo was appointed as a director of our Company on February 13, 2019, following the closing of the SkyAuction Merger. Mr. Wingo is a co-founder of ChannelAdvisor Corporation (NYSE) and has served as chairman of its board of directors since its inception in 2001, as its executive chairman since May 2015 and as its chief executive officer from 2001 until May 2015. Mr. Wingo is a co-founder of, and since July 2016 has served as the chief executive officer of, Get Spiffy, Inc., an on-demand car cleaning technology and services company. Prior to founding ChannelAdvisor, he served as general manager of GoTo Auctions, chief executive officer and co-founder of AuctionRover.com, which was acquired by GoTo.com, and as chief executive officer and co-founder of Stingray Software, which was acquired by RogueWave. He has appeared on CNBC, The Today Show and contributed thought leadership to the WSJ, New York Times, Washington Post, Bloomberg/Business Week, LA Times, AP, Reuters and many other publications. Mr. Wingo regularly speaks about e-commerce and on-demand topics at IRCE (Internet Retailer Conference and Exhibition), NRF's/shop.org Digital Summit, NRF's Big Show, Shoptalk, NPD Idea, Bronto Summit, ChannelAdvisor Catalyst and many e-commerce/retail oriented Wall Street conferences. Mr. Wingo has received numerous awards including Ernst and Young's Entrepreneur of the Year and Triangle Business Journal's Businessperson of the Year. Mr. Wingo received a B.S. degree in Computer Engineering from the University of South Carolina and an M.S. degree in Computer Engineering from North Carolina State University. The Board of Directors believes that Mr. Wingo's reputation as a thought leader in the e-commerce industry, transactional expertise in mergers and acquisitions and capital markets and his business experience in founding and overseeing the growth of software companies makes him well qualified to be a member of the Board.

Michael N. Hering is a co-founder of SkyAuction and has served as its President, Chief Executive Officer and director since February 1999. Mr. Hering served as the Chairman of its board of directors from February 1999 until November 1999. From March 1981 to March 2000, he was also Chairman, President and Chief Executive Officer of Magical Holidays, Inc., a travel wholesaler. Mr. Hering's knowledge of SkyAuction's business and knowledge of the travel industry qualify him to be a member of the SkyAuction Board.

Paul K. Danner joined our Board of Directors on February 13, 2019, following the SkyAuction Merger. He is currently serving as the Chief Executive Officer of Pepex Biomedical, Inc. From 2016 to 2018, he was Chairman & Chief Executive Officer of Alliance MMA, Inc., NASDAQ-listed sports promotion and media firm. Formerly, Mr. Danner was the Managing Director of Destiny Partners Worldwide, a global organizational management and business operations consultancy since 2006. From 2008 to 2010, Mr. Danner was also the Chief Executive Officer of Shanghai-based China Crescent Enterprises, a fully-reporting OTCBB-listed information technologies company which operated primarily in Asia. Previously, he served as Chairman & Chief Executive Officer of Paragon Financial Corporation, a NASDAQ-listed financial services firm, from 2002 to 2006. From January 1998 to 2001 Mr. Danner was employed in various roles at MyTurn.com, Inc., a NASDAQ-listed information technologies company, including as Chief Executive Officer. From 1996 to 1997, Mr. Danner was the Managing Partner of Technology Ventures, a business consultancy firm. From 1985 to 1996 he held executive-level and sales & marketing positions with a number of Fortune-100 technology companies including NEC Technologies and Control Data Corporation. Mr. Danner served as a Naval Aviator flying the F-14 Tomcat, and subsequently as an Aerospace Engineering Duty Officer supporting the Naval Air Systems Command, for eight years on active duty plus 22 years with the reserve component of the United States Navy. He retired from the Navy in 2009 with the rank of Captain. Mr. Danner received his BS in Business Finance from Colorado State University and holds an MBA in Marketing from the Strome College of Business at Old Dominion University.

Salvatore Esposito, Jr. is a co-founder of SkyAuction where he has served as its Chief Operating Officer since February 1999. Mr. Esposito also the Executive Vice President since February 1992 of Magical Holidays, Inc., an air consolidation business and tour operator focusing on Africa. From 1986 to February 1999, Mr. Esposito held the position of a national sales manager, regional sales manager and Director of Sales at British Airways, Pan American World Airways and Sabena Belgian World Airways, respectively. Mr. Esposito received a B.A. from St. Peter's College.

Board Compensation

The nonexecutive members of the Board received 3,000,000 shares of our common stock of which 25% of the stock (750,000 shares) vested upon acceptance of the offer to serve on the Board of Directors and 25% of the stock (750,000 shares) shall vest upon each of the three anniversaries of the acceptance date of the offer provided that each Board member has served continuously as an advisor to the Company during such one year period, (ii) an annual cash allowance paid in equal quarterly amounts as follows: year 1 $5,000, year 2 $15,000 and year 3 an amount to be determined and (iii) $2,000 annually for being Chair of a Committee and $1,000 annually for being a member of a Committee.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses)

   Not Applicable since this does not apply to any of our officers and directors.

2. 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, or banking activities;

   Not Applicable since this does not apply to any of our officers and directors.

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

   Not Applicable since this does not apply to any of our officers and directors.

4. The entry 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.

   Not Applicable since this does not apply to any of our officers and directors.

C. Disclosure of Family Relationships. There are no family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of $120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest.

As discussed above, on November 13, 2018, the Company completed the acquisition of SkyAuction for consideration consisting of a $2,500,000 convertible promissory note to be shared by the SkyAuction shareholders according to their respective share ownership of SkyAuction. Michael Hering owned 71% of the issued and outstanding shares of SkyAuction common stock prior to the SkyAuction Merger.

Upon the completion of the SkyAuction Merger, Michael Hering remained on the SkyAuction Board of Directors and became Chief Merchandising Officer of the Company.

In the SkyAuction Merger, Michael Hering received a warrant for 5,000,000 shares of our common stock. The warrant is exercisable for three years at an exercise price of $.05 per share.

E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

Not Applicable

Item 12 Financial information for the issuer's most recent fiscal period.

Our annual financial statements for our two preceding fiscal years ended December 31, 2018 and December 31, 2017, are attached to this Annual Report.

Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please see our response to Item 12, above.

Item 14 Beneficial Owners.

The two shareholders owning over 5% of our shares of common stock are Ketan Thakker, or President and CEO, who owns 92,412,634 shares or 21.40% of the issued and outstanding shares of our common stock and Michael N. Hering who owns 129,174,771 shares of our common stock or 29.92% of the issued and outstanding shares of our common stock. The address of Ketan Thakker is the address of uBid Holdings, 566 West Adams Street, Suite 260, Chicago, IL 60661, and the address of Michael N. Hering is 241 North Avenue West, Westfield, New Jersey 07090.

Item 15 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker: Maxim Group LLC,
   The Chrysler Building
   405 Lexington Ave
   New York, NY 10174
   (212) 895-3500
   Andy Bello
   abello@maximgrp.com

2. Promoter: Ketan Thakker, our President and CEO

3. Securities Counsel: Ernest M. Stern, Esq.
   Culhane Meadows PLLC
   Suite 300
   Washington, D.C. 20004
   301-910-2030
   estern@culhanemeadows.com

4. Accountant or Auditor –Corey Fischer
   Managing Partner
   Weinberg & Company
   Certified Public Accountants
   1925 Century Park East, Suite 1120
   Los Angeles, Ca. 90067
   310-601-2200
   http://www.weinbergla.com

   Weinberg & Company provides audit and review services.

5. Public Relations Consultant: Not Applicable

6. Investor Relations Consultant: Not Applicable

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.

   Michael Handelman
   3210 Rickey Court
   Thousand Oaks, CA 91362
   (805) 341-2631
   mhandelmangroup@gmail.com

   The Handelman Group provides accounting services for us and prepares the financial statements for audit by Weinberg & Company and review of our periodic financial statements.

Item 16 Management's Discussion and Analysis or Plan of Operation.

Instructions to Item 16

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure statement, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

i. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;

ii. a summary of any product research and development that the issuer will perform for the term of the plan;

iii. any expected purchase or sale of plant and significant equipment; and

iv. any expected significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations*.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and notes thereto included herein. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward-looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the SEC. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this report. We disclaim any obligation to update forward looking statements.

General

As the result of the uBID Merger and the change in our business and operations from a shell company to an online technology company, a discussion of the past financial results of Incumaker is not pertinent, and the financial results of uBID, the accounting acquirer, are considered our financial results on a historical and going-forward basis.

We operate a growing number of online auction and bargain-sale e-commerce marketplaces offering thousands of products to both consumers and businesses. We provide a unique shopping experience that offers buyers the opportunity to either set their own prices or receive competitive fixed prices on popular, brand name products at a significant discount to prices found at bricks-and-mortar stores and large Internet retailers. Our online marketplaces provide manufacturers, retailers, distributors and other suppliers with an efficient and economical channel for maximizing revenue on their merchandise while at the same time moving new, overstock, close-out and recertified products and providing consumers and businesses with a convenient method for obtaining this merchandise virtually anytime and anywhere at substantial savings. Our auctions on uBID.com – which we believe was one of the first and remains one of the most recognized names among auction sites – currently feature a rotating selection of brand name computer products, consumer electronics, watches, jewelry and gifts, sporting goods, collectibles, home goods, travel and fashion products, which typically sell at significant discounts to prices found through traditional retailers. We operate our online auction and bargain-sale marketplaces

24 hours a day, seven days a week, 365 days a year, currently offering unique merchandise units on our sites. Since January 1, 2010, we have auctioned more than 1.3 million merchandise units, have amassed approximately four million user registrations through uBID.com and have recorded approximately 32 million visits to our uBID.com marketplace website.

Our executive offices are located at 566 W. Adams St., Suite 260, Chicago, IL 60661, telephone (773) 272-5000. Our corporate website address is www.ubidholdings.com and transaction website is www.ubid.com and www.skyauction.com.

Overview

We are a leading online marketer and distributor of travel products and services using a no-reserve auction process. Our website, ubid.com and skyauction.com allows our customers to bid on auctions for consumer products like home goods, technology, electronics, sport memorabilia, airline tickets, hotel and resort accommodations, tour services and comprehensive travel packages.

Many of our auctions begin with a minimum bid of $1, and a bidder must be a registered user to participate in the auction. Each auction typically lasts from two days to one week, which enables us to offer a changing inventory mix on a daily basis.

Substantially all of our revenue is derived from successfully completed auctions of consumer goods, airline tickets, hotel and resort accommodations, tour services and comprehensive travel packages. We recognize revenue after all of the following have occurred: a bidder wins and confirms an auction, we place orders with ticket agents or third-party suppliers, we notify the winning bidder that the auction has been fulfilled, and we believe collection is reasonably assured. Revenues include service, shipping and handling charges and cancellation fees. We establish a reserve for estimated cancellations at the time revenues are recorded. Since bidding on many of our auctions begins with a minimum bid of $1, we bear the risk of loss on most of our auctions.

With the exception of one agreement, under which we purchase resort condominium rooms, we do not typically pay for airline tickets or hotel or resort accommodation costs in advance. Therefore, we maintain a low inventory at-risk position. We pay no commissions since we are not an agent of any airline, hotel or resort supplier. Our arrangements with our suppliers are typically short-term in nature and can be terminated by either party at any time upon short notice.

Cost of travel represents our cost for airline tickets, hotel and resort accommodations and tour packages based upon our individual supplier pricing arrangements with airlines, hotel and resort companies, tour providers and other travel consolidators or distributors. Amounts charged to us by ticketing agents for issuing airline tickets are included in credit card, fulfillment and shipping costs. Our selling, general and administrative expenses represent our operating and overhead expenses including such categories as advertising, personnel-related, technology and professional fees.

The accompanying financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. We had a net loss of $1,180,000 during the year ended December 31, 2018 and accumulated deficit of $37,542,000 as of December 31, 2018. Our continuation as a going concern is dependent on our ability to generate sufficient cash flows from operations and our ability to raise funds through the issuance of our common or preferred shares to meet our obligations and/or obtain additional financing, as may be required.

The financial statements included in this Report have been prepared assuming that we will continue as a going concern. The above condition raises substantial doubt about our ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result should we be unable to continue as a going concern.

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Comparison of Results of Operations for the years ended December 31, 2018 and 2017

The following table sets forth the summary income statement for the years ended December 31, 2018 and 2017:

	For the Years Ended			
	December 31, 2018		December 31, 2017	
Revenues	$	567,000	$	7,000
Operating Expenses	$	1,645,000	$	1,191,000
Other (Income) Expense	$	(102,000)	$	146,000
Net Loss	$	1,180,000	$	1,330,000

We generated revenues of $567,000 during our fiscal year ended December 31, 2018, compared to revenues of $7,000 during our fiscal year ended December 31, 2017, an increase of $560,000. This increase is the result of the uBid Merger and the acquisition of SkyAuction.

Operating expense was $1,645,000 during our fiscal year ended December 31, 2018, compared to $1,191,000 during 2017, an increase of $454,000. This increase was as a result of additional expenses resulting from the result of the uBid Merger and the change in our business and operations. Specifically, direct cost of revenue increased by approximately $362,000, due to the acquisition of SkyAuction from none in 2017 compared to $362,000 in 2018. In addition, amortization expense of intangible assets increased to $315,000 as there was none during our fiscal year ended December 31, 2017. This was the direct result of the acquisition of Skyauction and the allocation of intangible assets which were amortized. And this was offset by the reduction in selling, general and administrative from $1,191,000 in 2017 to $968,000 in 2018, as a direct result resulting from our management's attempt to control costs.

Other (income) expense decreased from expense of $146,000 in 2017 to $102,000 of income in 2018. As we incurred interest expense of $91,000 in 2018 as compared to $65,000 that we incurred in 2017. We also incurred $82,000 in amortization of debt discount in 2017 and we incurred $81,000 in 2018. In 2018 we incurred financing costs of $416,000, which we did not occur in 2017. We also had a gain from change in fair value of derivative liability of $196,000 and a gain from extinguishment of derivative liability of $37,000 both of which we did not incur in 2017 as well as a gain of $251,000 from cancellation of debt that we did not incur in 2017.

As a result, we incurred a net loss of $1,180,000 in 2018, compared to a net loss of $1,330,000 in 2017.

Liquidity and Capital Resources

As of December 31, 2018, we had $117,000 in cash and cash equivalents.

Net cash used in operating activities was $476,000 and $943,000 for the years ended December 31, 2018 and 2017, respectively. The $467,000 decrease in net cash used in operating activities was primarily an decrease in net loss from $1,330,000 during fiscal 2017 to $1,180,000 during fiscal 2018 and changes in operating assets and liabilities.

Cash provided by investing activities was approximately $100,000 and none for the years ended December 31, 2018 and 2017, respectively. Cash was provided through cash acquired from the acquisition of SkyAuction during 2018.

Cash provided by financing activities was $450,000 and $815,000 for the years ended December 31, 2018 and 2017, respectively. Cash was provided through proceeds from issuance of notes payable in 2018 and in 2017.

Our financial statements included in this report have been prepared assuming that we will continue as a going concern, and which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. As reflected in our financial statements, we incurred a net loss of $1,180,000 and utilized net cash of $476,000 in operating activities for the year ended December 31, 2018. Our ability to continue as a going concern is dependent on us obtaining adequate capital to fund operating losses until we established a revenue stream and becomes profitable. If we are unable to obtain adequate capital we could be forced to cease operations. Accordingly, these factors raise substantial doubt as to our ability to continue as a going concern within one year after the date of the financial statements being issued.

In order to continue as a going concern, develop a reliable source of revenues, and achieve a profitable level of operations we will need, among other things, additional capital resources. Management's plans to continue as a going concern include raising additional capital through borrowing and sales of common stock. However, management cannot provide any assurances that we will be successful in accomplishing raising additional capital or any of our plans.

C. Off-Balance Sheet Arrangements.

We do not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, result of operations, liquidity or capital expenditures.

Part E Issuance History

Item 17 List of securities offerings and shares issued for services in the past two years.

A. Listed below are events, that resulted in direct changes to our the total shares outstanding (1) within the two-year period ending on the last day of our most recent fiscal year and (2) since the last day of our most recent fiscal year, December 31,2018.

As a result of the uBID Merger, we issued an aggregate of 202,110,632 shares of our common stock to the former shareholders of uBID Holdings. We did not receive any proceeds as a result of this issuance.

As a result of the SkyAuction Merger, we issued an aggregate of 165,363,244 shares of our common stock to the former shareholders of SkyAuction. We did not receive any proceeds as a result of this issuance.

On March 11, 2019, ER Opportunity Fund, LP converted $132,000 of unpaid principal and accrued interest under six convertible notes for which we issued to them a warrant dated March 5, 2019, to purchase 5,000,000 shares of our common stock exercisable for three years at an exercise price of $.05 per share.

During the six months ended November 30, 2018, ER Opportunity Fund LP and Tyler Anderson, holders of convertible notes payable and accrued interest have converted the debt into 7,033,155 shares of common stock.

On November 13, 2018 we issued 500,000 shares of our common stock to FirstFire Global as a commitment fee. The natural person who controls or directs, directly or indirectly, the purchase of our securities for FirstFire Global is Eli Fireman.

In November 2018 we issued 202,110,632 shares of our common stock for the acquisition of uBid Holdings, Inc. as well as 165,363,244 shares of our common stock for the acquisition of SkyAuction in an exchange of shares with the shareholders of SkyAuction.

On May 31, 2018 we issued Darren Bankston, our former CEO prior to our merger with uBid, 250,000 restricted shares for services rendered. These services were valued at $16,250.

On April 3, 2018, we entered into a severance agreement with Brian Tucker, our President prior to Darren Bankston, under which we and Mr. Tucker mutually agreed to terminate his employment and his role as a member of our Board of Directors position effective April 30, 2018. The severance agreement provided for Mr. Tucker to immediately vest the 1,500,000 shares of our common stock included in Mr. Tucker's employment agreement and to be issued ownership of the newly formed subsidiary, US Garden Products.

On March 22, 2018, we issued Darren Bankston CEO 1,000,000 restricted shares as additional compensation valued at $20,000 and also issued to Ernest Stern 500,000 restricted shares valued at $10,000 for consulting services in addition to the regular payments for his firm's legal fees.

On July 17, 2017, we issued 250,000 shares of common stock to Stuart Barton for services rendered. These services were valued at $11,250.

On August 9, 2017, we issued 250,000 shares of common stock to Darren Bankston, CEO for services rendered. These services were valued at $16,680.

On December 1, 2017, we issued 500,000 shares of common stock to Brian Tucker, President pursuant to his employment agreement. These shares were valued at $25,000.

On May 1, 2017, holders of convertible notes payable in the aggregate of $59,141, elected to convert $10,800 of the convertible notes for 1,200,000 shares of common stock.

On May 1, 2017, holders of convertible notes payable in the aggregate of $24,836 plus accrued interest of $6,968 elected to convert $31,804 of the convertible note for 8,520,218 shares of common stock.

On April 12, 2017, holders of convertible note payable in the aggregate of $8,977 plus accrued interest of $731 elected to convert $9,707 of the convertible notes for 323,566 shares of common stock.

The above sale of shares of our common stock were issued in transactions that were exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering and where noted pursuant to Regulation D under the Securities Act of 1933. The Company relied on the representations made in the various subscription agreements, stock purchase agreements or other agreements signed by the stockholders. No commissions were paid and no underwriter or placement agent was involved in the above transactions.

The certificates or other documents that evidence the shares issued in the above transactions contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

B. List below are our issuance of Promissory Notes, Convertible Notes, and Convertible Debentures. None of the notes is secured and the notes are not in default unless so indicated below.

On November 13, 2018, under the terms of a Securities Purchase Agreement between us and FirstFire Global we issued a senior secured convertible note to FirstFire Global in the principal amount of $220,000, bearing interest at 8% per annum, and with a 12 month maturity date. The convertible note is subject to a 10% original issue discount.

Pursuant to the terms of the SkyAuction Merger Agreement, the Company entered into a secured promissory note in the principal amount of $2,500,000 with a maturity date three years after the closing of the SkyAuction merger. The secured note issued to SkyAuction provides for repayment in full at the third anniversary date of the closing date of the SkyAuction Merger, such principal amount to be reduced by 15% of each capital raise we complete (less any finder's or underwriter's fees) and interest at 3% per annum payable at our discretion in common stock or cash. The Promissory Note was secured by all assets of SkyAuction under the terms of a Guaranty Agreement. SkyAuction and uBid have amended the Promissory Note to extend the date of the first payment of principal in the amount of $500,000 from 120 days from the date of Closing as that term is defined in the Merger Agreement or March 13, 2019, to 90 days past the March 13, 2019 deadline.

On August 20, 2018, we issued a Convertible Note for $30,000 for working capital. The note is convertible at the lesser of $0.07 or 70% of the lowest trading price of the common stock in the five days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $10,786, of which $10,352 remains at November 30, 2018.

On May 3, 2018, we issued a Convertible Note for $10,000 for working capital. The Note is due May 3, 2019 and bears 8% interest annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the in the 5 days prior to conversion.

On March 15, 2018, we issued a Convertible Note for $20,000 for working capital. The Note was due March 15, 2019, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the in the five days prior to conversion.

On March 15, 2018, we issued a Convertible Note for $15,000 for working capital. The Note is due March 15, 2019, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the in the 5 days prior to conversion.

On February 23, 2018, we issued a Convertible Note for $20,000 for working capital. The Note is due February 23, 2019, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the in the 5 days prior to conversion.

On February 23, 2018, we issued a Convertible Note for $8,100 for working capital. The Note is due February 23, 2019, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion.

On February 23, 2018, we issued a Convertible Note for $4,200 for rent and compensation. The Note is due February 23, 2019, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $1,050.

On November 30, 2017, we issued a Convertible Note for $11,100 for working capital. The Note is due November 30, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $4,163.

On November 30, 2017, we issued a Convertible Note for $3,500 for working capital. The Note is due November 30, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $1,313.

On November 30, 2017, the Company issued a Convertible Note for $3,620 for working capital. The Note is due November 30, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $1,358.

On November 30, 2017, the Company issued a Convertible Note for $6,400 for rent and compensation. The Note is due November 30, 2018 and is now in default resulting in the interest

rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 5 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $2,400.
On August 16, 2017, an Agreement was made with Cen Biotech, Inc. in which we sold its newly formed subsidiary Eastern Starr Biotech, Inc., to Cen Biotech, Inc. for the cancellation and relinquishment of $3,000 debt we owed to Cen Biotech.

On August 29, 2017, we issued a Convertible Note for $14,400 for working capital. The Note is due August 29, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 15 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $4,320.

On August 29, 2017, we issued a Convertible Note for $3,500 for working capital. The Note is due August 29, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 15 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $1,050.

On August 29, 2017, we issued a Convertible Note for $4,200 for working capital. The Note is due August 29, 2018, and is now in default resulting in the interest rate increasing from 8% annually to 15% annually. The note is convertible at the lesser of $0.07 or 70% of the lowest trade price of the common stock in the 15 days prior to conversion. A beneficial conversion feature has been recorded as a debt discount of $1,260.

On August 29, 2016, we issued 1,059,142 shares of common stock to John Loud and 1,059,142 shares of common stock to John McFarland regarding the credit facility. The Company recorded the transaction as an expense of $2,118 based on a fair value per share of $0.001. The shares were issued on April 11, 2017 and April 17. 2017.

The above sale of shares of our securities were issued in transactions that were exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering and where noted pursuant to Regulation D under the Securities Act of 1933. The Company relied on the representations made in the various subscription agreements, stock purchase agreements or other agreements signed by the stockholders. No commissions were paid and no underwriter or placement agent was involved in the above transactions.

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 18 Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through www.OTCIQ.com or was entered into not more than two years before such posting. Also include the following contracts:

All the material contracts in response to Item 18 as well as our Certificate of Incorporation and

Bylaws are incorporated by reference to our Supplemental Information Disclosures and Financials on uBid and SkyAuction filed with OTCQB on January 19, 2019 except as noted below.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of October 23, 2018, by and between Incumaker, Inc. and uBID Holdings, Inc.
2.2	Agreement and Plan of Merger, dated as of November 12, 2018 by and among Incumaker Inc., SA.com Acquisition Corp. and SkyAuction.com, Inc.
2.3	Certificate of Merger of Incumaker, Inc. and uBID Holdings, Inc. dated November 5, 2018
2.4	Certificate of Merger of Incumaker, Inc. and SkyAuction.com, Inc. dated November 13, 2018
3.1	Certificate of Incorporation of Incumaker, Inc.
3.2	Amended and Restated Bylaws of Incumaker, Inc.
10.1	Security Agreement dated November 12, 2018 between SkyAuction.com, Inc. and Michael Hering as Shareholder Representative of SkyAuction.com, Inc. Shareholders.
10.2	Promissory Note Dated November 12, 2018 Issued by Incumaker, Inc. to Michael Hering as Shareholder Representative of SkyAuction.com, Inc. Shareholders
10.3	Warrant dated November 12, 2018 Issued by Incumaker, Inc. to Michael Hering
10.4	Unconditional Secured Guaranty between SkyAuction.com, Inc. and Michael Hering as Shareholder Representative of SkyAuction.com, Inc.
10.5	Securities Purchase Agreement Dated November 13, 2018 Between Incumaker, Inc. and FirstFire Global Opportunities Fund, LLC
10.6	Senior Convertible Promissory Note Dated November 13, 2018 Between Incumaker, Inc. and FirstFire Global Opportunities Fund, LLC
10.7	Registration Rights Agreement Dated November 13, 2018 Between Incumaker, Inc. and FirstFire Global Opportunities Fund, LLC
10.8	Common Stock Purchase Warrant Dated November 13, 2018 Issued to FirstFire Global Opportunities Fund, LLC Security Agreement Dated November 12, 2018 Between Incumaker, Inc. and SkyAuction.com, Inc.
10.9	Amendment #1 to the Securities Purchase Agreement, Senior Convertible Promissory Note and Common Stock Purchase Warrant dated November 7, 2018, Between Incumaker, Inc. and FirstFire Global Opportunities Fund, LLC
10.10	Warrant Dated March 11, 2019 Issued by uBid Holdings, Inc. to ER Opportunity Fund, LP*

* Attached to this Annual Financial Report.

See the response to Item 18 (A), above.

Item 19 Articles of Incorporation and Bylaws.

Our Certificate of Incorporation and Bylaws are set forth in Item 18, above.

Item 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

No purchases were made by the Issuer and Affiliated Purchasers of any of our equity securities.

Item 21 Issuer's Certifications.

I, Ketan Thakker, certify that:

1. I have reviewed this annual disclosure statement of uBid Holdings, 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.

Date: May 15, 2019

/S/Ketan Thakker

Ketan Thakker
President and CEO

Item 12. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Ubid Holdings, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ubid Holdings, Inc. and subsidiary (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018 and 2017, and the results of its consolidated operations and its consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, the Company has experienced net losses and has experienced negative operating cash flows since inception. The Company has financed its working capital requirements during this period primarily through the recurring sale of its equity securities and the issuance of debt. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the consolidated financial statements. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, and audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Weinberg & Company

Los Angeles, California
May 15, 2019

We have served as the Company's auditor since 2017

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UBID HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

Assets:	December 31, 2018	December 31, 2017
Current assets		
Cash	$ 117,000	$ 43,000
Accounts receivable	64,000	-
Inventory	58,000	-
Deposit Credit Card processor	350,000	-
Prepaid expenses and other current assets	764,000	10,000
Total current assets	1,353,000	53,000
Goodwill	4,578,000	-
Intangible assets, net	6,313,000	-
Security deposits	6,000	-
Total assets	$ 12,250,000	$ 53,000
Liabilities and Stockholders' Equity (Deficit):		
Current liabilities		
Accounts payable	$ 711,000	$ 420,000
Accrued expenses	158,000	33,000
Accrued payroll and advances - related party	967,000	312,000
Accrued interest	262,000	65,000
Deferred revenue	156,000	-
Convertible notes payable, net of discount , past due	1,097,000	1,060,000
Convertible debt assumed upon reverse merger	297,000	-
Bridge note payable	267,000	-
Acquisition note payable to related party , net of discount	2,136,000	-
Derivative liability	936,000	-
Total current liabilities	6,987,000	1,890,000
Commitments and Contingencies		
Stockholders' Equity (Deficit:)		
Preferred stock, par value $0.001, 10,000,000 shares authorized, none issued and outstanding	-	-
Common stock, par value $0.001, 750,000,000 shares authorized and 431,721,336 and 202,110,632 shares issued and outstanding as of December 31, 2018 and 2017, respectively	432,000	202,000
Additional paid in capital	42,373,000	34,323,000
Accumulated deficit	(37,542,000)	(36,362,000)
Total stockholders' equity (deficit)	5,263,000	(1,837,000)
Total liabilities and stockholders' equity (deficit)	$ 12,250,000	$ 53,000

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

UBID HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For Year Ended December 31, 2018	For Year Ended December 31, 2017
Revenues	$ 567,000	$ 7,000
Operating Expenses:		
Direct cost of revenues	362,000	-
Selling, general and administrative	968,000	1,191,000
Amortization of intangible assets	315,000	-
Total Operating Expenses	1,645,000	1,191,000
Loss From Operations	(1,078,000)	(1,184,000)
Other (Income) Expense		
Interest	91,000	65,000
Financing costs	416,000	-
Amortization of debt discount	82,000	81,000
Gain on extinguishment of derivative liability	(37,000)	-
Change in value of derivative liability	(196,000)	-
Gain on cancellation of debt	(251,000)	-
Other (income) loss	(3,000)	-
Total Other (Income) Expense	102,000	146,000
Net Loss	**$ (1,180,000)**	**$ (1,330,000)**
Net loss		
-Basic and diluted	$ (0.01)	$ (0.01)
Weighted average common shares outstanding		
-Basic and diluted	232,201,182	202,110,632

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

UBID HOLDINGS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Stock		Common Stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, December 31, 2016	**-**	**$ -**	**202,110,632**	**$ 202,000**	**$ 34,289,000**	**$ (35,032,000)**	**$ (541,000)**
Beneficial conversion feature of issued notes	-		-	-	34,000	-	34,000
Net Loss	-	-	-	-	-	(1,330,000)	(1,330,000)
Balance, December 31, 2017	-	-	202,110,632	202,000	34,323,000	(36,362,000)	(1,837,000)
Issuance of common stock for recapitalization	-	-	43,771,555	44,000	(734,000)	-	(690,000)
Issuance of common stock for acquisition of SkyAuction.com, Inc.	-	-	165,363,244	165,000	8,103,000	-	8,268,000
Issuance of common stock for commitment fee	-	-	500,000	1,000	17,000	-	18,000
Issuance of common stock for financing agreement	-	-	18,506,045	19,000	635,000	-	654,000
Issuance of common stock for settlement of note payable	-	-	1,469,860	1,000	29,000	-	30,000
Net Loss	-	-	-	-	-	(1,180,000)	(1,180,000)
Balance, December 31, 2018	**-**	**$ -**	**431,721,336**	**$ 432,000**	**$ 42,373,000**	**$ (37,542,000)**	**$ 5,263,000**

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

UBID HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

		For Year Ended December 31, 2018		For Year Ended December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$	(1,180,000)	$	(1,330,000)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization		315,000		13,000
Financing costs		417,000		-
Gain of cancellation of debt		(251,000)		-
Gain on extinguishment of derivative liability		(37,000)		-
Change in fair value of derivative liability		(196,000)		-
Amortization of debt discount		70,000		81,000
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets		(80,000)		1,000
Accounts receivable		(14,000)		-
Inventory		(3,000)		-
Deferred revenue		(15,000)		-
Accounts payable		(131,000)		125,000
Accrued expenses and interest		191,000		60,000
Accrued payroll and advances - related party		438,000		107,000
Net Cash Used in Operating Activities		(476,000)		(943,000)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash acquired from acquisition of subsidiaries		100,000		-
Net Cash Provided by Financing Activities		100,000		-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of note payable		450,000		815,000
Net Cash Provided by Financing Activities		450,000		815,000
Net (Decrease) in Cash		74,000		(128,000)
Cash at Beginning of Period		43,000		171,000
Cash at End of Period		117,000		43,000
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Beneficial conversion feature associated with issued notes payable	$	-	$	34,000
Issuance of common stock, warrants and note payable for acquisition of SkyAuction.com. Inc.	$	10,688,000	$	-
Net liabilities assumed upon acquisition of SkyAuction.com, Inc.	$	518,000	$	-
Convertible notes payable and accrued interest assumed and corresponding fair valye of derivative liability due to recapitalization	$	690,000	$	-
Issuance of common stock for financing agreement	$	654,000	$	-
Derivative liability recorded upon issuance of convertible notes payable and warrants	$	790,000	$	-
Issuance of common stock for settlement of note payable	$	30,000	$	-

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

uBid.com Holdings, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2018 and 2017

Note 1 — Organization and Operations

uBid.com Holdings, Inc. (the “Company”) operates on-line websites that enable itself, certified merchants, manufacturers, retailers, distributors and small businesses to offer high quality excess, new, overstock, close-out, refurbished and limited supply brand name merchandise to consumer and business customers. Through the Company’s websites, located at www.uBid.com and www.RedTag.com, the Company offers merchandise across a wide range of product categories including but not limited to computer products, consumer electronics, apparel, housewares, watches, jewelry, travel, sporting goods, automobiles, home improvement products and collectibles. The Company’s marketplace employs a combination of auction style and fixed price formats.

Effective November 5, 2018, we entered into a merger agreement dated October 23, 2018 with Incumaker Inc., whereby all of the shareholders of uBid Holdings, Inc. exchanged all of their shares of common stock for 202,110,632 newly issued shares of Incumaker, Inc. common stock . Incumaker stockholders retained 43,771,555 shares of common stock. As a result of the merger, (i) uBid Holdings, Inc. shareholders acquired 85.7% of the fully diluted shares of Incumaker, (ii) the business of uBID will continue as the existing business operations of Incumaker and (iii) Incumaker will be managed by uBID’s management after effectiveness of the Merger under Delaware law. The Merger was treated as a reverse merger and recapitalization of the Company for financial accounting purposes. The historical financial statements of Incumaker before the Merger have been replaced with the historical financial statements of uBID before the Merger in all future filings with the Securities and Exchange Commission (the “SEC”). The net liabilities of Incumaker of $690,000 at date of the reverse merger have been assumed by the Company and reflected as a reduction to paid in capital.

On November 12, 2018, we acquired all the outstanding shares of SkyAuction.com, Inc., in exchange for 165,363,244 newly issued shares of common stock; a $2,500,000 non-interest bearing note; and a warrant to acquire 5,000,000 shares of Ubid stock. The transaction has been accounted for as purchase of a business.

On February 11, 2019, FINRA announced the change of our name from Incumaker, Inc. to uBid Holdings, Inc. and the change of our trading symbol from QMKR to UBID.

We are an e-commerce company focused on operating and growing number of online auction and bargain-sale e-commerce marketplaces offering thousands of products to both consumers and businesses. We believe that we provide a unique shopping experience that offers buyers the opportunity to either set their own prices or receive competitive fixed prices on popular, brand name products at a significant discount to prices found at bricks-and-mortar stores and large internet retailers. Our online marketplaces provide (i) manufacturers, retailers, distributors and other suppliers with what we believe is an efficient and economical channel for maximizing revenue on their merchandise while at the same time moving new, overstock, close-out and recertified products and providing consumers and businesses with a convenient method for obtaining this merchandise virtually anytime and anywhere at substantial savings, and (ii) since our recent acquisition of SkyAuction.com Inc., travel products and services. SkyAuction’s financial statements are included in our consolidated financial statements included in this disclosure statement.

Note 2 — Basis of Presentation and Going Concern

Going Concern

The Company's financial statements have been prepared assuming that the Company will continue as a going concern, and which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. As reflected in its financial statements, the Company had an accumulated deficit of $37,542,000 at December 31, 2018, and incurred a net loss of $1,180,000 and utilized net cash of $476,000 in operating activities for the year ended December 31, 2018. The accompanying financial statements do not include adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from an inability of the Company to continue as a going concern within one year after the financial statements being issued.

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it establishes a revenue stream and becomes profitable. If the Company is unable to obtain adequate capital it could be forced to cease operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern.

In order to continue as a going concern, the Company will need to, among other things, raise additional capital, develop a reliable source of revenue, and achieve a profitable level of operations. Management's plans to continue as a going concern include raising additional capital through borrowing and sales of our common stock and successfully implementing our business plan. However, management cannot provide any assurances that the Company will be successful in raising additional capital or successfully implementing any of its plans.

Note 3 — Summary of Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions made in estimated useful lives of property and equipment, assumptions inherent in a purchase price allocation and impairment testing, accruals for potential liabilities, certain assumptions used in deriving the fair value of derivative liabilities, share-based compensation and beneficial conversion feature of notes payable, and realization of deferred tax assets.

Stock-Based Compensation

The Company periodically issues stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for stock option and warrant grants issued and vesting to employees based on the authoritative guidance provided by the Financial Accounting Standards Board whereas the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and warrant grants issued and vesting to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board whereas the value of the stock compensation is based upon the measurement date as determined at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete.

Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option and warrant grants is estimated using the Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.
The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's derivative liability of $936,000 as of December 31, 2018 and was based on Level 3 measurements. There was no derivative liability at December 31, 2017.

The carrying amounts of the Company's other financial assets and liabilities, such as cash, prepaid expense, accounts payable and accrued payables and notes payable, approximate their fair values because of the short maturity of these instruments.

Acquisitions and Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from, acquired technology, trade-marks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is the period needed to gather all information necessary to make the purchase price allocation, not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. We do not amortize goodwill, but rather evaluate goodwill for potential impairment on an annual basis on January 1, or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is below the carrying amount.

We evaluate goodwill for potential impairment by comparing the carrying value of our reporting unit to their fair value. Our reporting unit is the same as our operating segment as described in Note 1. In any year we may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If we cannot determine qualitatively that the fair value is in excess of the carrying value, or we decide to bypass the qualitative assessment, we perform a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of the impairment loss by comparing the estimated fair value of a reporting unit with its carrying value, including goodwill. The estimated fair value is based on internal projections of expected future cash flows and operating plans, as well as market conditions relative to the operations of our reporting units. If the estimated fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is not impaired; otherwise, an impairment loss is recognized within our consolidated statements of operations in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

As the acquisition of SkyAuction occurred on November 12, 2018, the Company will perform an its first impairment test during the year ended December 31, 2019. However as of December 31, 2018, Management does not believe there are any indicators of impairment.

Intangible Assets with Finite Useful Lives

We have certain finite lived intangible assets that were initially recorded at their fair value at the time of acquisition. These intangible assets consist of intellectual property, customer relationships, and capitalized software development costs. Intangible assets with finite useful lives are amortized using the straight-line method over their respective estimated useful lives, which are generally as follows: intellectual property (15 years), customer relationships (2 years) and software (3 years).

We review all finite lived intangible assets for impairment when circumstances indicate that their carrying values may not be recoverable. If the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess carrying value over the fair value in our consolidated statements of operations.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Revenue Recognition

Through December 31, 2017, the Company recognized revenue when risk of loss transferred to our customers and collection of the receivable was reasonably assured, which generally occurs when the product is delivered. A product is not delivered without an order from the customer and credit acceptance procedures performed.

On January 1, 2018, the Company adopted Financial Accounting Standards Update No. 2014-09 (ASU No. 2014-09) regarding revenue recognition. The new standard provides authoritative guidance clarifying the principles for recognizing revenue and developing a common revenue standard for U.S. generally accepted accounting principles. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in the exchange for those goods. Due to the nature of the products sold by the Company, the adoption of the new standard has had no quantitative effect on the financial statements. However, the guidance requires additional disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized.

Under the new guidance, revenue is recognized when control of promised goods is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods. The Company reviews its sales transactions to identify contractual rights, performance obligations, and transaction prices, including the allocation of prices to separate performance obligations, if applicable. Revenue and costs of sales are recognized once products are delivered to the customer's control and performance obligations are satisfied.

The adoption of ASU 2014-09 did not have any significant effect to our revenue recognition. The following are the Company's revenue recognition process:

The Company sells merchandise purchased from suppliers under two types of arrangements. The Company (a) sells merchandise to customers purchased at the time of sale from vendors and (b) records a commission on its uBid Certified Merchant program ("UCM").

(a) Sales—Revenue Sharing Agreements. For sales of merchandise under revenue sharing agreements, the supplier retains physical possession of the merchandise. In this case, the Company is not obligated to take title to the merchandise nor does it take title unless it successfully sells the merchandise at auction. Upon completion of an auction, the Company purchases the inventory, takes title to the merchandise, charges the customer's credit card including shipping and handling fees and either ships the merchandise directly or arranges for a third party to complete delivery to the customer. The Company records the net sales amount including shipping fees as revenue upon verification of the credit card authorization and shipment of the merchandise. The Company then remits payments to vendors for product and shipping cost. The vendor pays the shipper for the shipping cost. In instances where credit card authorization has been received but the merchandise has not been shipped, the Company defers revenue recognition until the merchandise is shipped.

(b) Sales—UCM For sales of merchandise under the UCM program, the Company recognizes a commission of between 10-15% of the total final price of an auction sale. Upon completion of an auction, the Company charges the customer's credit card including shipping and handling fees and the third party completes the delivery of the merchandise to the customer. The Company records the commission amount as net revenue including shipping upon verification of the credit card authorization and shipment of the merchandise. The Company then remits payments to vendors for product and shipping cost. The vendor pays the shipper for the shipping cost. In instances where credit card authorization has been received but the merchandise has not been shipped, the Company defers revenue recognition until the merchandise is shipped.

(c) Sales—Advertising Currently, the Company has banner ads on its uBid website. Upon payment to the Company, the revenue is recognized. The taxes collected by the Company from the customers are submitted to state tax authority.

During the year ended December 31, 2017, revenues amounted only $7,000. For the year ended December 31, 2018, there were no revenues recorded.

Revenue from our SkyAuction website is recognized after all of the following have occurred: a bidder wins and confirms an auction, the orders are placed with ticket agents or third party suppliers (e.g. airlines, hotels or both), the auction winner is notified that the auction has been fulfilled and collection is reasonably assured. Generally, a credit card is charged or a check is received before revenue is recognized. Revenues include service, shipping and handling charges and cancellation fees but exclude excise taxes.

Sale of reservations are final and non-refundable. However, on a case by case basis, the Company may grant a refund to a customer. Claims for refunds are recorded as a reduction to the Company's revenues and are recorded at the time that such refunds are processed. Refunds during the period ended December 31, 2018 were insignificant and immaterial to the financial statements.

Deferred revenue represents amounts received from customers before the Company's criteria for revenue recognition is met. From November 11, 2018, acquisition date to December 31, 2018, total revenues amounted to $567,000.

Advertising Costs

The Company has marketing relationship agreements with various online companies such as portal networks, contextual sites, search engines and affiliate partners. Advertising costs are generally charged to the Company monthly per vendor agreements, which typically are based on visitors and/or registrations delivered to the site or at a set fee. Agreements do not provide for guaranteed renewal and may be terminated by the Company without cause. Such advertising costs are charged to expense as incurred and reported as part of selling, general and administrative expenses in the accompanying statement of operations.

During the year ended December 31, 2017, advertising costs amounted to $ $25,000. There was no advertising costs during the year ended December 31, 2018.

Accounts Receivable

All of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts, if any, is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts, estimating losses resulting from the inability of its customers to make required payments for products. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped into categories by the amount of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable that the receivable will not be recovered.

Merchandise Return Policy

The Company's return policy, for all selling arrangements, is that merchandise sold by the Company can be returned within 15 days and the reasons for the return have to be related to damage of product, not as advertised, wrong item, or missing items. Some restrictions may apply for buyer's remorse and are subject to a 15% restocking fee. However, the Company, although not obligated to do so, may accept merchandise returns outside the 15-day period if a product is defective or does not conform to the specifications of the item sold at auction, and attempts to work with its customers to resolve complaints about merchandise.

There were no material or significant returns recorded during the years ended December 31, 2018 and 2017.

Income Tax Provision

The Company follows the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Operations in the period that includes the enactment date.

The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

Segments

The Company determined its reporting units in accordance with ASC 280, "Segment Reporting" ("ASC 280"). Management evaluates a reporting unit by first identifying its' operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has one consolidated operating segment. The Company's reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company's reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018. Early adoption is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is in the process of evaluating the impact of ASU 2016-02 on the Company's financial statements and disclosures

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Note 4 – Acquisition of Sky Auction

On November 12, 2018, we entered into a transaction (the "SkyAuction Merger") among SkyAuction.com, Inc. ("SkyAuction")(Sky), SA Acquisition Corp. and the Company whereby all of the shareholders of SkyAuction exchanged all of their shares of common stock for 165,365,244 newly issued shares of the Company common stock with a fair value of 8,268,000; a 3.5% promissory note (the "Promissory Note") in the principal amount of $2,500,000 with a maturity date three years after the closing of the SkyAuction merger, and ;. a warrant to acquire 5,000,000 shares of our common stock that is exercisable for three years at an exercise price of $.05 per share. The warrant included certain features that could result in the reset of the exercise price and was considered to be a derivative liability with a fair value of $300,000 based on a weighted average black scholes option pricing model.

The Company accounted for the transaction as a business combination using the acquisition method of accounting based on Accounting Standards Codification ("ASC") 805 — Business Combinations, which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their fair value as of the date control is obtained. The Company determines the fair value of assets acquired and liabilities assumed based upon its best estimates of the acquisition-date fair value of assets acquired and liabilities assumed in the acquisition. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired.

The fair values of the assets acquired, as set forth below, are considered provisional and subject to adjustment as additional information is obtained through the purchase price measurement period (a period of up to one year from the closing date). Any prospective adjustments would change the fair value allocation as of the acquisition date. The Company is still in the process of reviewing underlying models, assumptions and discount rates used in the valuation of deferred cost of sales, deferred taxes and intangible assets. The following table summarizes the provisional fair value of the assets assumed in the acquisition:

Purchase Price Allocation	**Fair Value**
Consideration Paid:	
Common Stock(165,363,244 shares at a fair value of $0.05 per share)	8,268,000
Issuance of note payable	2,500,000
Less: discount	(380,000)
Fair value of warrants issued	300,000
Total consideration paid	$ 10,688,000
Purchase Price Allocation:	
Cash	100,000
Accounts receivable	50,000
Due from credit card processor	350,000
Inventory	55,000
Prepaid expenses	90,000
Other asset	6,000
Accounts payable	(742,000)
Accrued expenses	(38,000)
Advances from related parties	(218,000)
Deferred revenue	(171,000)
Intellectual property	1,032,000
Software	2,096,000
Customer relationships	3,500,000
Goodwill	4,578,000
Total Purchase Price	10,688,000

After the acquisition date, the amount of revenue for Sky included in the Company's consolidated statements of operations for the year ended December 31, 2018 was $567,000. The Company incurred approximately $0.4 million in transaction costs associated with the acquisition.

Supplemental Pro Forma Information (Unaudited)

The pro forma financial information as presented below is for informational purposes only and is not indicative of operations that would have been achieved from the acquisitions had they taken place at the beginning of the fiscal year ended December 31, 2017. Supplemental information on an unaudited pro forma basis, as if these acquisitions had been completed as of January 1, 2017, is as follows:.

	December 31, 2018 $'000	December 31, 2017 $'000
Operating Revenues	$ 4,276	$ 4,299
Net (Loss)	$ (838)	$ (1,026)

The Company's unaudited pro forma supplemental information is based on estimates and assumptions which the Company believes are reasonable and reflect amortization of intangible assets as a result of the acquisition. The pro forma results are not necessarily indicative of the results that would have been realized had the acquisitions been consummated as of the beginning of the periods presented. The pro forma amounts include the historical operating results of the Company, with adjustments directly attributable to the acquisitions.

Note 5 – Intangible Assets

Intangible Assets as of December 31, 2018 consists of the following assets acquired in the business combination and asset purchase transaction described in Note 4:

	December 31, 2018		
	Cost	Accumulated Amortization	Net
Intellectual property	$1,032,000	$(9,000)	$1,023,000
Software	2,096,000	(87,000)	2,009,000
Customer relationships	3,500,000	(219,000)	3,281,000
Total	**$6,628,000**	**$(315,000)**	**$6,313,000**

Amortization expense amounted to $315,000 for the period ended December 31, 2018.

Future Amortization charges are as follows:

	Future Amortization
2019	$2,517,000
2020	2,299,000
2021	680,000
2022	69,000
2023	69,000
Thereafter	679,000
Total	**$6,313,000**

Note 6 – Deposit to Credit Card Processor

As a result of the acquisition of SkyAuction in November 2018, the Company assumed a deposit of $350,000 to JetPay, the Company's credit card processor. The JetPay is a publicly traded U.S. and is an end-to-end processor of credit and debit card and automated clearing house ("ACH") payment transactions that focuses on processing omni-channel (internet, mobile, and point-of-sale) transactions and recurring billings for traditional retailers, government and utility, and service providers.

The security deposit is refundable in case the agreement is terminated. Outstanding security deposit to JetPay amounted to $350,000 as of December 31, 2018.

Note 7 – Convertible Debt Assumed Upon Reverse Merger

In November 2018, the Company entered into a merger agreement with Incumaker Inc., whereby all of the shareholders of uBid Holdings, Inc. exchanged all of their shares of common stock for 202,110,632 newly issued shares of Incumaker, Inc. common stock. Incumaker stockholders retained 43,771,555 shares of common stock. As a result of the merger, (i) uBid Holdings, Inc. shareholders acquired 85.7% of the fully diluted shares of Incumaker, (ii) the business of uBID will continue as the existing business operations of Incumaker and (iii) Incumaker will be managed by uBID's management after effectiveness of the Merger under Delaware law. The Merger was treated as a reverse merger and recapitalization of the Company for financial accounting purposes.

At the date of the merger or recapitalization, Incumaker did not have any assets or trade payables except for outstanding convertible notes payable in the aggregate of approximately $327,000. As part of the recapitalization, Ubid assumed these convertible notes payable. The Notes have interest rates ranging from 8% to 22% per annum, and are all past due. The Company recorded notes payable of $327,000 and accrued interest of $94,000 for a total of $421,000 at the date of the merger, which amount approximates their fair market value due to the short term nature of these notes payable.

The conversion price of these convertible notes assumed from Incumaker contains reset provisions based on a future offering price and/or whose conversion prices are based on future market prices, as such, not fixed. As a result, the number of shares to be issued upon conversion is not explicitly limited and the Company is unable to conclude that enough authorized and unissued shares are available to share settle the conversion option. Pursuant to ASC 815, the Company accounted these conversion option as liabilities and are bifurcated from the debt host and accounted for as a derivative liability in accordance with ASC 815 and will be re-measured at the end of every reporting period with the change in value reported in the statement of operations. Total fair value of these derivative liability at the date when the notes were assumed was approximately $270,000 and were recorded as a liability at the date of the merger.

During the period ended December 31, 2018, a note with a principal balance of $30,000 and accrued interest due of $1,000 were converted into 1,469,860 shares of the Company's common stock. The balance of the notes and accrued interest at December 31, 2018 was $297,000 and $99,000, respectively.

Note 8 – Convertible Notes Payable –Past Due

	Issuance Date	Interest Rate	Maturity Date	Balance at 12/31/2018	Balance at 12/31/2017
8-10% Convertible Notes - Past Due	various	8-10%	12/2017-9/2018	$1,065,000	$1,065,000
8% Convertible Note	11/7/2018	8%	11/7/2019	$220,000	$0
Total				$1,285,000	$1,065,000
Less: Debt Discount				(188,000)	(5,000)
Total convertible notes payable, net of debt discount				$1,097,000	$1,060,000

8-10% Notes Payable Past Due

As of December 2017, the Company issued one convertible promissory note amounting to $250,000 in exchange for cash. The note is unsecured, bears interest at 10% per annum, as amended, and mature in December 2017. The note is also convertible to common stock at a conversion price of $2.00 per share. Pursuant to current accounting guidelines, the Company recorded a note discount of $52,000 to account for the note's beneficial conversion feature, which had fully amortized as of December 31, 2017. This note is currently past due.

During the year ended December 31, 2017, the Company issued similar notes payable totaling $130,000 in exchange for cash. The notes are unsecured, bears interest at 10% per annum, as amended, and mature in starting January 2018. The notes are also convertible to common stock at a conversion price of $2.00 per share. Pursuant to current accounting guidelines, the Company recorded a note discount of $34,000 to account for the note's beneficial conversion feature. During 2017, the Company amortized $29,000 of the note discount, leaving an unamortized note discount of $5,000 as of December 31, 2017. The notes are currently past due.

During the period ended December 31, 2017, the Company issued notes payable amounting to $685,000 in exchange for cash. The notes are unsecured, bears interest at 8% per annum and mature starting in May 2018. The notes are also convertible to equity upon completion of a Qualified Equity Financing amounting to $2.5 million. In addition, the Company will also grant the note holders a five-year warrant to purchase shares of common stock once the Qualified Equity Financing is consummated and the notes are convertible to equity. Pursuant to current accounting guidelines, the Company will account any beneficial conversion feature of the notes payable and the warrants to be granted once the Qualified Equity Financing has occurred or the contingency has been satisfied. The notes are currently past due.

8% Note Payable

During the year ended December 31, 2018, the Company issued an 8% convertible note payable with an outstanding principal balance of $220,000 in receipt of cash proceeds of $200,000, resulting in a $20,000 discount upon issuance. The note is unsecured and bears interest at 8% per annum. The note is convertible at the lesser of $0.07 or 70% of the average of the three lowest trade prices of the common stock in the in the 21 days prior to conversion. In addition, the Company issued warrants to acquire 5,250,000 shares of the Company's common stock at an exercise price of $.05 per share subject to downward adjustment based on the Company subsequent sale or grant of any equity security at a lessor amount.

Pursuant to current accounting guidelines, the Company determined that the conversion feature of the note and the adjustable exercise price of the warrant created derivative liabilities upon issuance as the Company is uncertain whether it will have sufficient authorized capital upon conversion of the notes or exercise of the warrants. Accordingly, the Company recorded the fair value of the conversion feature of $287,000 and the fair value of the warrants of $315,000 as derivative liabilities upon issuance. The Company recorded a debt discount up to the face amount of the note of $220,000 to account for the derivative liabilities and original issuance discount, and reflected the a finance cost of $398,000 for the difference.

During the period ended December 31, 2018 the Company amortized $32,000 of debt discount, and as of December 31, 2018, the balance of debt discount was $188,000

Note 9 –Bridge Note Payable

On May 2, 2018 the Company issued a bridge note in the amount of $275,000. Cash proceeds to the Company was $250,000 for an original issue discount of $25,000. The note is unsecured, bears interest at 2% per annum and matures in May 2019. Pursuant to current accounting guidelines, the Company recorded a debt discount of $25,000 to account for the note's original issuance discount of $25,000.

As of December 31, 2018 outstanding balance of the note payable amounted to $275,000 and the remaining unamortized original issuance discount was $8,000, resulting in a net balance due of $267,000.

Note 10 – Acquisition Note Payable to Related Party

	Balance at 12/31/2018	Balance at 12/31/2017
Note Payable	$2,500,000	$0
Less: Debt Discount	(364,000)	-
Total convertible notes payable, net of debt discount	$2,136,000	$0

Pursuant to the terms of the SkyAuction Merger Agreement, the Company entered into a secured promissory note in the principal amount of $2,500,000 with a maturity date three years after the closing of the SkyAuction merger. The secured note issued to SkyAuction provides for repayment in full at the third anniversary date of the closing date of the SkyAuction Merger, such principal amount to be reduced by 15% of each capital raise we complete (less any finder's or underwriter's fees) and interest at 3% per annum payable at our discretion in common stock or cash. The Promissory Note was secured by all assets of SkyAuction under the terms of a Guaranty Agreement. SkyAuction and uBid have amended the Promissory Note to extend the date of the first payment of principal in the amount of $500,000 from 120 days from the date of Closing as that term is defined in the Merger Agreement or March 13, 2019, to the date when we have raised sufficient financing to make such payment.

Pursuant to current accounting guidelines, the Company recorded a debt discount of $380,000 to account for imputed interest due to the below market rate of interest. During the period ended December 31, 2018, the Company amortized $16,000 of the valuation discount as interest expense, leaving an unamortized discount of $364,000 at December 31, 2018.

Note 11 - Derivative Liability

The FASB has issued authoritative guidance whereby instruments which do not have fixed settlement provisions are deemed to be derivative instruments. Certain warrants issued to investors and conversion features of notes payable did not have fixed settlement provisions because either their exercise prices will be lowered if the Company issues securities at lower prices in the future or the conversion price is variable. In addition, since the number of shares to be issued is not explicitly limited, the Company is unable to conclude that enough authorized and unissued shares are available to share settle the conversion option. In accordance with the FASB authoritative guidance, the conversion feature of the notes was separated from the host contract (i.e., the notes) and the fair value of the warrants have been recognized as a derivative and will be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

The derivative liabilities were valued at the following dates using a probability weighted average Black-Scholes option pricing model with the following average assumptions:

	December 31, 2018	Other Issuances	Notes Payable Assumed Upon Acquisition	December 31, 2017
Stock Price	$ 0.0347	$ 0.06	$ 0.06	$ 0
Risk free interest rate	2.46-2.63	2.74-3.00	2.51	0
Expected Volatility	216%	298%	248%	0
Expected life in years	.92-2.97	1.00-3.00	0.54	0
Expected dividend yield	0	0	0	0
Fair Value – Warrants	**$ 356,000**	**$ 615,000**	**$ 0**	**$ 0**
Fair Value – Note Conversion Feature	**$ 580,000**	**$ 283,000**	**$ 270,000**	**$ 0**
Total	**$ 936,000**	**$ 898,000**	**$ 270,000**	**$ 0**

The risk-free interest rate was based on rates established by the Federal Reserve Bank. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected life of the derivative securities was determined by the remaining contractual life of the derivative instrument. For derivative instruments that already matured, the Company used the estimated life. The expected dividend yield was based on the fact that the Company has not paid dividends to its common stockholders in the past and does not expect to pay dividends to its common stockholders in the future.

During the year ended December 31, 2018, the Company recorded $1,168,000 in derivative liability as a result of conversion features from the issuance of new convertible notes payables (see Note 5) and new warrants (see Note 6). In addition the Company recorded a gain of $37,000 upon the extinguishment of derivative liability and $196,000 to account for the change in fair value of the derivative liabilities related to the conversion features from inception to December 31, 2018. As of December, 2017, there was no derivative liability.

Note 12 — Related Party Transactions

The Company has an employment agreement, executed in July 2013, with Ketan Thakker, it's Chief Executive Office. This agreement provides Mr. Thakker with a salary of $200,000 per year. During the years ended December 31, 2018 and 2017, the Company incurred $200,000 of such costs, which are included as part of selling, general and administrative costs. In addition, during the year ended December 31, 2018, Mr. Thakker advanced an aggregate of $26,000 to the Company. As of December 31, 2018 and 2017, accrued payable to Mr. Thakker under this contract was $526,000 and $312,000, respectively.

From time to time, Michael N. Hering, the Company Chief Merchandising Officer advances funds to the wholly owned subsidiary, SkyAuction. The balance owing Mr. Hering as of December 31, 2018 is $441,000.

Note 13– Stockholders' Equity (Deficit)

Preferred stock

The Company is authorized to issue a total of 10,000,000 shares of its Preferred Stock with a par value of $0.001 per share. There are no shares issued and outstanding as of December 31, 2018 and 2017.

Common stock

The Company is authorized to issue a total of 750,000,000 shares of its Common Stock with a par value of $0.001 per share. There are 431,721,336 shares issued and outstanding as of December 31, 2018.

Issuance of Common Stock for services

On December 22, 2018, the Company issued 18,506,045 shares for a financial consulting agreement to an investment banking firm valued at $654,000 based on the market price at the date of issuance. This amount was recorded as a prepaid expense as the agreement is for a period of six months and the services have not been rendered as of the year end December 31, 2018. The expense will be amortized over the life of the agreement starting in January 2019. As of December 31, 2018, the unamortized portion of the prepaid consulting agreement was $654,000 and is included as a prepaid asset

Issuance of Common Stock for commitment fee

During the year ended December 31, 2018 pursuant securities purchase agreements with FirstFire Global Opportunities LLC, the Company issued 500,000 shares to FirstFire as a commitment fee valued at $18,000 and was accounted as part of financing costs.

Warrants

A summary of warrants activity as of December 31, 2018 is presented below:

	Shares	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Terms (Years)
Outstanding at December 31, 2017	-	$0	0
Granted	10,250,000	$0.05	3
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2018	10,250,000	$0.05	2.875

During the year ended December 31, 2018, a warrant was issued as part of the purchase with Sky Auction.com to acquire 5,000,000 shares of our common stock that is exercisable for three years at an exercise price of $.05 per share. In addition the Company issued warrants to acquire 5,250,000 shares of the Company's common stock at an exercise price of $.05 per share subject to downward adjustment based on the Company subsequent sale or grant of any equity security at a lessor amount. As of December 31, 2018 there were 10,250,000 warrants issued and outstanding and as of December 31, 2017, there were no issued or outstanding warrants. The outstanding warrants had no intrinsic value as of December 31, 2018.

Options

A summary of option activity as of December 31, 2018 and 2017 is presented below:

	Shares	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Terms (Years)
Outstanding at December 31, 2016	766,065	$2.42	9.00
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2017	766,065	$2.42	8.50
Granted	-		
Exercised	-		
Forfeited	-		
Outstanding at December 31, 2018	766,065	$2.42	7.50

The outstanding stock options as of December 31, 2018 has no intrinsic value as the exercise price per share is greater than the market price of the Company's common stock.

Note 13 - Income Tax Provision

The Company did not record any income tax provision for the years ended December 31, 2018 and 2017 due to the Company's net losses. The Company files income tax returns in the United States ("Federal") and Illinois ("State") jurisdictions. The Company is subject to Federal and State income tax examinations by tax authorities for all years since its inception.

At December 31, 2018, the Company had Federal and State net operating loss carry forwards available to offset future taxable income of approximately $33 million. These carry forwards will begin to expire in the year ending December 31, 2030, subject to IRS limitations, including change in ownership.

The Company periodically evaluates the likelihood of the realization of deferred tax assets, and adjusts the carrying amount of the deferred tax assets by a valuation allowance to the extent the future realization of the deferred tax assets is not judged to be more likely than not. The Company considers many factors when assessing the likelihood of future realization of our deferred tax assets, including recent cumulative earnings experience by taxing jurisdiction, expectations of future taxable income or loss, the carry-forward periods available to us for tax reporting purposes, and other relevant factors.

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJ Act") was enacted into law. The TCJ Act provides for significant changes to the U.S. Internal Revenue Code of 1986, as amended (the "Code"), that impact corporate taxation requirements, such as the reduction of the federal tax rate for corporations from 35% to 21% and changes or limitations to certain tax deductions. The Company is currently assessing the extensive changes under the TCJ Act and its overall impact on the Company; however, based on its preliminary assessment of the reduction in the federal corporate tax rate from 35% to 21% effective on January 1, 2018, the Company currently expects that its effective tax rate for 2018 will be between 19% and 21%. Such estimated range is based on management's current assumptions with respect to, among other things, Alternative Minimum Tax Credit carry forwards, which may still be used to offset the Company's regular tax liability, beginning in 2018 and any excess amounts can be refunded by 2022. Additionally, the Company's also considers its assumptions regarding state income tax levels and tax deductions. The Company's actual effective tax rate in 2018 may differ from management's estimate. The reduced applicable tax rate is expected to result in overall lower tax expense beginning in 2018.

At December 31, 2018, based on the weight of available evidence, including cumulative losses in recent years and expectations of future taxable income, the Company determined that it was more likely than not that its deferred tax assets of approximately $9.7 million would not be realized. Accordingly, the Company has recorded a valuation allowance for 100% of its cumulative deferred tax assets. The components of our deferred tax assets are as follows.

	12/31/2018	12/31/2017
Net Operating loss carryforwards	9,222,000	9,369,000
	-	-
Total net deferred tax assets	9,222,000	9,369,000
Less valuation discount	(9,222,000)	(9,369,000)
Net deferred tax assets	-	-

A reconciliation of income taxes with the amounts computed at the statutory federal rate are as follows:

	12/31/2018	12/31/2017
Computed tax provision (benefit) at federal statutory rate	21%	34%
State income taxes, net of federal benefit	6%	6%
Permanent differences	0%	0%
Net Operating loss	-27%	-40%
	0%	0%

As a result of the implementation of certain provisions of ASC 740-10, the Company performed an analysis of its previous tax filings and determined that there were no positions taken that it considered uncertain. Therefore, there were no unrecognized tax benefits as of December 31, 2018.

Future changes in the unrecognized tax benefit are not expected to have an impact on the effective tax rate due to the existence of the valuation allowance. The Company estimates that the unrecognized tax benefit will not change within the next twelve months. The Company will continue to classify income tax penalties and interest, if any, as part of interest and other expenses in its statements of operations. There are no interest or penalties accrued as of December 31, 2018.

Note 14 – Commitments and Contingencies

Rent

The Company leases approximately 4,050 square feet of general office space at 566 W. Adams Street, Chicago, IL. The lease payment averages $1,700 per month up to the expiration the agreement in August 2019.

SkyAuction's principal executive offices are located at 241 North Avenue West, Westfield, New Jersey and consists of approximately 1,500 square feet. We currently lease such facilities for $3,000 per month. We have a self-renewing month-to-month lease with no immediate escalation.

Legal Proceedings

We are involved in certain legal proceedings that arise from time to time in the ordinary course of our business. Except for income tax contingencies, we record accruals for contingencies to the extent that our management concludes that the occurrence is probable and that the related amounts of loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred.

On December 17, 2017, a lawsuit that had been dismissed by the plaintiff on July 21, 2017, was refiled against us pursuant to Georgia's renewal statute (O.C.G.A. 9-2-61), titled Oelshlager v. Cryomist II, Cryomist III and Incumaker, Inc. (Fulton County Georgia State Court). The lawsuit alleges that Incumaker is liable for the conduct of its subsidiary on the theory that it is the parent of these separate corporations and that the Cryomist Companies were merely the alter ego of Incumaker. We intend to vigorously defend the company against this lawsuit.

The lawsuit that was filed on May 11, 2018, by Louis Thomson claiming that we had failed to reimburse him rent money he paid as the Guarantor under the lease for the Cryomist III premises, located in Buford, Georgia, was dismissed under the terms of a settlement agreement under which we issued 1,650,000 shares of our common stock to Mr. Thompson.

Note 15 – Subsequent Events

Pursuant to FASB ASC 855, Management has evaluated all events and transactions that occurred from December 31, 2017 through the date of issuance of these financial statements.

On January 18, 2019, we entered into a note financing with Horberg Enterprise under which we issued a promissory note in the principal amount of $100,000, bearing interest of 6% per annum with a maturity date of January 18, 2020.

On April 9, 2019, we entered into a convertible note financing with Auctus Fund, LLC ("Auctus") under which we issued a convertible promissory note in the principal amount of $278,000 from which will be deducted $28,000 as a due diligence fee and $4,000 for Auctus' legal fees, bearing interest of 8% per annum with a maturity date of April 9, 2020. The note is convertible into shares of our common stock at a conversion price equal to the lesser of: (i) $0.06 or (ii) the Variable Conversion Price (defined as 70% multiplied by the average of the three lowest volume weighted average prices of our shares of common stock during the ten consecutive trading day period immediately preceding the trading day that we receive Auctus' notice of conversion). We are required at all times to have coverage of any potential conversion equal to three times the shares of our common stock into which the unpaid principal and accrued interest of the note is convertible. The initial coverage has been set at 28,750,000 shares. We issued a warrant to Auctus (the "Auctus Warrant") exercisable for three years to purchase 7,000,000 shares that we will register under the 1933 Act at an exercise price of $0.06 per share. We are authorized to prepay this convertible loan commencing on the date of the note and ending 180 days after the date of the note by paying 115% of the outstanding principal amount of the note together with accrued and unpaid interest thereon. Pursuant to current accounting guidelines, the Company will record a derivative liability to account for the note's beneficial conversion feature.

Subsequent to the year ended December 31, 2018, the Company issued 12,885,603 shares of common stock to settle $72,000 of convertible notes payable and $61,000 of accrued interest.

On February 13, 2019 the Company appointed three additional Board Directors. Theses nonexecutive members of the Board received 3,000,000 shares of our common stock of which 25% of the stock (750,000 shares) vested upon acceptance of the offer to serve on the Board of Directors and 25% of the stock (750,000 shares) shall vest upon each of the three anniversaries of the acceptance date of the offer provided that each Board member has served continuously as an advisor to the Company during such one year period, (ii) an annual cash allowance paid in equal quarterly amounts as follows: year 1 $5,000, year 2 $15,000 and year 3 an amount to be determined and (iii) $2,000 annually for being Chair of a Committee and $1,000 annually for being a member of a Committee.