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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2017

or

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

For the transition period from: _____________ to _____________

SURGE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada	000-52522	98-0550352
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

3124 Brother Blvd 104, Bartlett TN 38133
(Address of Principal Executive Offices) (Zip Code)

10624 S. Eastern Ave., Suite A-910, Henderson, NV 89052
(former address)

(800) 760-9689
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
Title of each class – None
Name of each exchange on which registered – N/A

Securities registered pursuant to Section 12(g) of the Act:
Title of each class – Common Stock, $0.001 Par Value
Name of each exchange on which registered – N/A

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes [ ] No [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ]	Smaller reporting company [X]

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. June 30, 2017 - $7,511,927.

Note: If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided that the assumptions are set forth in the Form.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of March 31, 2018, the registrant had outstanding 79,796,679 shares of its common stock, par value of $0.001.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated:

(1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information in this Annual Report on Form 10-K may constitute “forward-looking statements.” The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “outlook,” “estimate,” “potential,” “continues,” “may,” “will,” “seek,” “approximately,” “predict,” “anticipate,” “should,” “would,” “could” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause our actual results to differ from those in the forward-looking statements are described in “Risk Factors” herein.

Readers are cautioned not to place undue reliance on forward-looking statements, which are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

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REFERENCES WITHIN THIS REPORT

All references to "Ksix Media Holdings", "Surge Holdings," the "Company," "we," "us," and "our" refer to Surge, Inc. and its subsidiaries, unless the context otherwise requires or where otherwise indicated.

ITEM I: BUSINESS

PART 1 - DESCRIPTION OF BUSINESS

Corporate History and Overview

Surge Holdings, Inc. ("Surge Holdings" or "the Company"), incorporated in Nevada on August 18, 2006, is a company focused on Telecom, Media, Blockchain, FinTech and Cryptocurrency applications serving customers worldwide online and across social media, gaming and mobile platforms.

The Company was previously known as North American Energy Resources, Inc. ("NAER") and KSIX Media Holdings, Inc. ("KSIX Media"). Prior to April 27, 2015, the Company operated solely as an independent oil and natural gas company engaged in the acquisition, exploration and development of oil and natural gas properties and the production of oil and natural gas through its wholly owned subsidiary, NAER. On April 27, 2015, NAER entered into a Share Exchange Agreement with Ksix Media whereby KSIX Media became a wholly-owned subsidiary of NAER and which resulted in the shareholders of KSIX Media owning approximately 90% of the voting stock of the surviving entity. While the Company continued the oil and gas operations of NAER following this transaction, on August 4, 2015, the Company changed its name to Ksix Media Holdings, Inc. On December 21, 2017, the Company changed its name to Surge Holdings, Inc. to better reflect the diversity of its business operations.

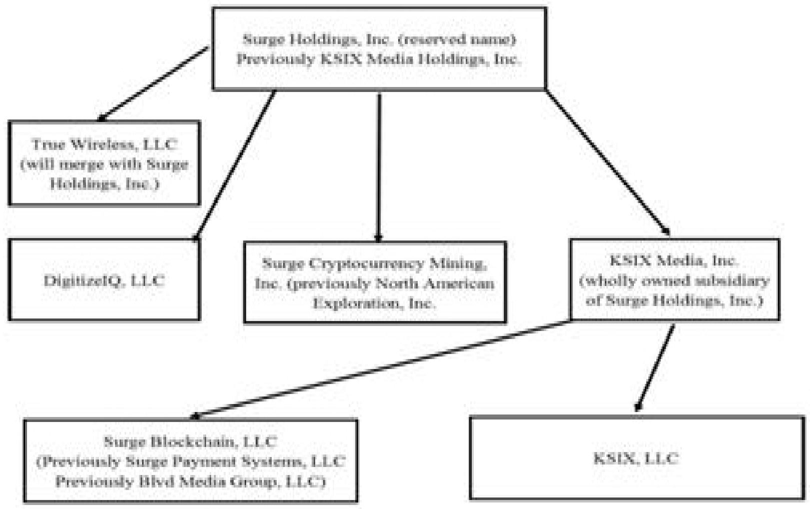
Surge Holdings operates three wholly-owned subsidiaries: (i) DigitizeIQ, LLC ("DIQ"), a digital advertising company which is a full service digital advertising agency specializing in survey generation and landing page optimization specifically designed for mass tort class action lawsuits; (ii) Surge Cryptocurrency Mining, Inc. (formerly North American Energy Resources, Inc.) ("Surge Crypto"), which operates the Company's cryptocurrency operations and (iii) KSIX Media, Inc., ("KSIX Media") which is a holding company for (a) Surge Blockchain, LLC (previously Surge Payment Systems, LLC and Blvd Media Group, LLC) ("Surge Blockchain") which operates the Company's Blockchain operations and (b) KSIX, LLC ("KSIXLLC").

KSIXLLC was created as an advertising network designed to create revenue streams for affiliates and provide advertisers with increased measurable audience through targeted cross-platform marketing strategies. KSIXLLC provides performance-based marketing solutions to drive traffic and conversions within a Cost-Per-Lead ("CPl") business model. The KSIXLLC online advertising network works directly with advertisers and other networks to promote advertiser campaigns. KSIXLLC manages offer tracking, reporting and distribution on the third-party platform.

KSIXLLC deals with incentive-based advertising. Incentive based advertising occurs when a user viewing the advertisement gets some sort of reward for participating in the advertisers offer. These types of transactions are demonstrated frequently in online/mobile video games where users need in game currency to purchase an in-game item. Online and mobile games will pay the users a certain amount of their game currency to participate with the advertisers offer to keep the user engaged in the game for free. Once the user completes the needed task with the advertisers offer, the advertiser pays us a commission for the action or lead generated and we split that commission with the game owner.

KSIXLLC will garner additional revenue through branding, graphic design, web development, mobile software application development, search engine optimization, and social media curation offering a full in-house suite of creative and marking services.

The following is a Company organizational chart:



KSIXLLC and Surge Blockchain were acquired by KSIX Media, Inc. from Paywall, Inc. on or about December 18, 2014 pursuant to the terms of a "Membership Interest Purchase Agreement". Pursuant such agreement, KSIX Media, Inc. assumed the remaining balance owed to under a Promissory Note to a third party in the original face amount of $362,257. As of December 31, 2016, the then amount outstanding on the Promissory Note was $68,973. Effective April 1, 2016, the Company temporarily suspended its BLVD business operations and is reviewing a potential discontinuation of the business.

On October 15, 2015, KSIXLLC acquired DigitizeIQ, LLC ("DIQ"), a digital advertising company which is a full service digital advertising agency specializing in survey generation and landing page optimization specifically designed for mass tort class action lawsuits.

True Wireless, LLC (now True Wireless, Inc.)

Master Agreement for the Exchange of Common Stock, Management, and Control

On or about December 7, 2016, the Company, entered into a Master Agreement for the Exchange of Common Stock, Management, and Control (the "Exchange Agreement") with True Wireless, LLC, an Oklahoma Limited Liability Company ("TW") and the members of TW (the "Members"). Hereinafter, the Company, TW, and its Members may be referred to as a "Party" individually or collectively as the "Parties".

TW's primary business operation is a full-service telecommunications company specializing in the Lifeline program as set forth by the Telecommunications Act of 1996 and regulated by the FCC which provides subsidized mobile phone services for low income individuals ("Lifeline Services"). TW currently has an FCC license to offer Lifeline Services in the following states: Oklahoma, Rhode Island, Maryland, Texas, and Arkansas.

Kevin Brian Cox ("Cox"), a resident of the State of Tennessee, is the sole owner of all of TW's issued and outstanding membership interests, either directly or indirectly through EWP Communications, LLC, a Tennessee limited liability company, the beneficial owner of which is Cox.

Additionally, pursuant to the terms of the Exchange Agreement, the Company executed and entered into a "Management and Marketing Agreement" ("Management Agreement") with TW (see below).

Pursuant to the Management Agreement, the Company agreed to enter into a Management Agreement with TW whereby the Company would act as the manager of TW until such time as the Exchange Agreement and the transactions contemplated thereunder are approved by the FCC. Following such approval (which has not occurred as of the date of this Report), the Parties will hold a final closing of the Exchange Agreement and TW would become a wholly-owned subsidiary of the Company (collectively, the "Transaction").

First Addendum to Master Agreement for the Exchange of Equity, Management, and Control

On March 30, 2017, the Parties executed a First Addendum to the Exchange Agreement extending the time for all material deadlines contemplated therein to be completed by May 1, 2017.

Amended Master Agreement for the Exchange of Common Stock, Management, and Control

On July 18, 2017, the Parties entered into an Amended Master Agreement for the Exchange of Common Stock, Management, and Control (the "Amended Exchange Agreement") which amended and restated the Exchange Agreement. The Amended Exchange Agreement reset certain of the milestones and timetables detailed in the Exchange Agreement. The material terms of the Amended Exchange Agreement are as follows:

TERMS

- The Management Agreement would commence on July 18, 2017, concurrent with the execution of the Amended Exchange Agreement (the "Management Closing");

- All other terms and conditions with respect to the Transaction set forth in this Amended Exchange Agreement required to be completed by the Parties would occur only after all required governmental and regulatory approvals of the Transaction have been delivered. At that time, the Parties agreed to complete the Company's acquisition of TW (the "Equity Closing"). The Parties agreed to expedite preparation of all financial information and audits to be completed at the earliest feasible time.

- The Equity Closing is subject to the completion of due diligence by all Parties to the Amended Exchange Agreement;

- The Transaction (including the Equity Closing) is subject to delivery by the Parties of all documents required under the Amended Exchange Agreement;

- The Company and TW agreed to take all necessary corporate actions to authorize the Management and Equity Closings; and

- It was intended that the transaction underlying the Amended Exchange Agreement would qualify for United States federal income tax purposes as a re-organization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended. However, both Parties recognized that in the event the transaction underlying this Agreement does not qualify for United States federal income tax purposes as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended, each party is separately responsible for any tax consequences and indemnifies and holds harmless the other party from and against any and all claims, demands, actions, suits, proceedings, assessments, judgments, damages, costs, losses and expenses, resulting from the that Parties failure to pay their tax liability for this transaction.

CLOSINGS

THE MANAGEMENT CLOSING

The Management Closing occurred on July 18, 2017 pursuant to the following material terms or actions which were approved by the Parties:

- The Company agreed, upon execution of the Amended Exchange Agreement, to deliver (a) $1.5 Million Promissory Note issued by the Company in favor of Cox; and (b) undertake to authorize an additional number of shares of common stock as required to fulfill the terms and conditions of the transactions between the parties;

- Upon the Equity Closing (which has not yet occurred), the Company agreed to issue to Cox and/or his assigns, approximately 114 million shares of Company Common Stock and Warrants to purchase 45 million Company Common Shares for a period of five years at a purchase price of $0.50 per share (subject to adjustment) which can be exercised on a "cashless" basis. As of the date of this Report, 12 million shares of Company Common Stock have been issued to Cox and assigns;

- The Company also agreed to an anti-dilution provision (the "Anti-Dilution Provision") whereby it would issue such number of additional shares at the Equity Closing as would be necessary to maintain Cox's percentage ownership of Company Common Stock at the time of the Equity Closing at 69.5% ("Cox Percentage"). This provision applies with respect to any additional stock, warrants or other security issued by the Company prior to the Equity Closing;

- It was agreed that 75% of Carter Matzinger's ("Matzinger") Series "A" Preferred Stock ("Series A Preferred Stock") containing specified majority common stock voting rights of the Company would be transferred by Matzinger to Cox upon execution of the Amended Exchange Agreement. This agreement was subsequently amended to provide for the transfer of 100% of the Series A Preferred Stock by Matzinger to Cox;

- It was agreed that Matzinger would submit for cancellation and retirement all of his (or his assigns) shares of Company Common Stock in excess of 14 million shares. As a result thereof, Matzinger would hold no more than 14 million shares of Company Common Stock following the Equity Closing.

Management and Marketing Agreement

On or about July 18, 2017, the Company executed and entered into a "Management and Marketing Agreement" ("Management Agreement") with Cox. Pursuant to the Management Agreement, the Company is obligated to provide certain management services to Cox as detailed in the Management Agreement. On December 27, 2017, the Company and K. Brian Cox mutually agreed to terminate the Management Agreement and cancel the $1,500,000 Promissory Note issued on July 18, 2017, *ab initio* and declared that both the Management Agreement and the Promissory Note annulled and would be treated as if they were never consummated.

EQUITY CLOSING (AGREEMENT AND PLAN OF REORGANIZATION)

As of March 30, 2018, the parties to the Transaction have restructured the Transaction and intend to have an Equity Closing during the early part of the Company's 2nd fiscal quarter of 2018. In March 2018, the parties negotiated an Agreement and Plan of Reorganization among the Company, True Wireless Acquisition, Inc., a Nevada corporation ("Acquisition Subsidiary") and wholly-owned subsidiary of the Company and True Wireless, Inc., an Oklahoma corporation ("TW") ("Merger Agreement") which supersedes all prior agreements with respect to the terms of the Transaction. Pursuant to the terms of the Merger Agreement, TW (successor in interest to True Wireless, LLC) will merge into Acquisition Subsidiary in a transaction where TW will be the surviving company and become a wholly-owned subsidiary of the Company. The transaction is structured as a tax-free reverse triangular merger. In addition to the 12,000,000 shares of Company Common Stock and $500,000 cash which has been paid to the shareholders of TW, at the Closing of the merger transaction, the shareholders of TW will receive the following as additional merger consideration:

- 151,707,516 shares of newly-issued Company Common Stock, which will give the shareholders of TW, on a proforma basis, a 69.5% interest in the Company's total Common Shares.
- An additional number of shares of Company Common Stock, if any, necessary to vest 69.5% of the aggregate issued and outstanding Common Stock in the shareholders of TW at the Closing.
- A Promissory Note in the original face amount of $3,000,000, bearing interest at 3% per annum maturing on December 31, 2018.
- 3,000,000 shares of newly-issued Company Series A Preferred Stock

At the closing of the Merger, outstanding shares in TW together with all documentation to reflect the intent of the Parties such that TW would become a wholly owned subsidiary of the Company shall be delivered to the Company.

Pursuant to the terms of the Merger Agreement, the parties confirmed the prior delivery of 12,000,000 shares of Company Common Stock and $500,000 cash which was been paid to the shareholders of TW as a deposit on the Transaction.

Conditioned upon the Parties, having completed all material requirements of the Merger Agreement, including all delivery of all Exhibits and Collateral Agreements contemplated thereby, and the receipt of any required third party approvals, the Parties agreed to proceed with the Equity Closing, as follows:

Company Investment in TW

At the date of this filing, the Company's investment in TW consists of the following:

	Shares		Amount
Consideration paid			
Cash paid		$	500,000
Common stock issued	12,000,000		1,200,000
Total consideration paid	12,000,000	$	1,700,000
Consideration to be paid:			
Common stock to be issued at closing	151,707,516	$	60,683,006
Series A Preferred Stock to be issued at closing	3,000,000		120,000
Note payable due December 31, 2018			1,500,000
Total consideration to be paid		$	62,303,006
Total consideration		$	64,003,006

Notes to Table Above:

1 Common Stock to be issued at closing at an average price of approximately $0.40 per share.
2 Series A Preferred Stock to be issued at closing at an average price of $0.04 per share.

Status of True Wireless Transaction

As of the date of this Report, the Transaction has not closed and the Company anticipates its closing early in the second quarter of 2018. The terms of the Transaction are subject to change prior to closing.

DigitizeIQ, LLC

On October 12, 2015, the Company entered into an Agreement for the Exchange of Common Stock ("DIQ Agreement") with DigitizeIQ, LLC ("DIQ") and its sole owner ("Owner"). DIQ's primary business is operation of a full service digital advertising agency specializing in survey generation and landing page optimization specifically designed for mass tort action lawsuits. Pursuant to the transaction, DIQ became a wholly owned subsidiary of the Company.

The Agreement provided for a purchase price of $1,250,000, paid as follows:

- Upon execution of the Agreement, the Company paid $250,000 in cash (of which $150,000 was returned after renegotiation) and issued 1,250,000 shares of Company Common Stock valued at $100,000.

- The Company issued a non-interest bearing Promissory Note to Owner in the face amount of $250,000, which was due on November 12, 2015; this Promissory Note has now been paid in full.

- The Company issued a second non-interest bearing Promissory Note to Owner in the face amount of $250,000, which was due on January 12, 2016. This Promissory Note remains outstanding.

- The Company issued a third non-interest bearing Promissory Note to Owner in the amount of $250,000, which was due on March 12, 2016. This Promissory Note remains outstanding.

As of the date of this filing, the Company owes Owner a total of $485,000 towards the purchase price of DIQ which is represented by the Promissory Notes due on January 12, 2016 and March 12, 2016. Presently, the Company is in default on these Promissory Notes and intends to attempt to negotiate a full settlement with the holder. There is no guarantee that any settlement can be achieved, or if one is achieved, it will be on terms beneficial to the Company.

Blockchain Technology

Surge Blockchain is focused on expanding development and licensing for a Blockchain Service as a Software (SaaS) Payments Platform in order to deliver a real product that improves people's lives.

Cryptocurrency Mining

Surge Crypto intends to strategically mine Bitcoin, Litecoin and cryptocurrencies. The company is currently working to finalize its first mining farm of 100 Antminer L3+ machines. The mining operation will work 24/7 to both generate revenues and deliver to the Company a commodity.

Trademarked Products and Proprietary Technology:

RewardTool® - A proprietary "offer wall" or "ad container" that promotes hundreds of different advertising campaigns on a single web page. Offer walls, by definition, attract users with the premise of getting virtual currency without having to spend money. Instead they are asked to fill out a survey, download an app, watch a video, or sign up for something in return for the free currency. The RewardTool® displays up to 1,000 offers and automatically rewards users upon completion. It is customizable and completely systematizes all of the processes needed to successfully run these campaigns.

AccessTool® - A proprietary "content locker" that is used to monetize any type of premium digital content like videos, music, or eBooks. Content lockers, by definition, attract users with the premise of access to premium content without having to spend money. Instead, they are asked to complete an advertiser's offer in return for free access to the content. The AccessTool® displays up to 1,000 offers and is customizable to match the design of any website.

Adsynthe - A proprietary technology used to manage Facebook media buying. This software allows the company to monitor and manage campaigns spending and to leverage rules to limit non-effective campaign spending.

General Business Strategy:

The Company intends to grow by strategic acquisition of niche companies which demonstrate performance-based success in specific digital advertising and marketing platforms and other related industries. Because digital advertising and online marketing strategies are inherently low yield, the ability to make even small gains in efficiency benefits the Company and its network of partners and affiliates exponentially.

Employees and Labor Relations

At December 31, 2017, we had six full-time employees. We plan to add corporate and managerial staff as necessary consistent with the growth of our operations.

We plan to concentrate on the acquisition of companies where the employees are not, and have not historically been, members of unions. However, there is no assurance that any company that we acquire will not be the subject of a successful unionization vote.

ITEM 1A - RISK FACTORS

Smaller reporting companies are not required to provide the information required by this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2: DESCRIPTION OF PROPERTIES

The Company presently occupies space at 4340 S. Valley View, Suite 230, Las Vegas, NV 89103 on a rent=free basis. The Company will acquire additional office space as its needs warrant.

ITEM 3: LEGAL PROCEEDINGS

The following is summary of threatened, pending, asserted or un-asserted claims against the Company or any of its wholly owned subsidiaries.

Claims by River North Equity, LLC against KSIX Media Holdings, Inc.:

On June 29, 2017, River North Equity, LLC ("River North Equity") filed suit against the Company and Carter Matzinger in the Circuit Court of the 18th Judicial District of DuPage County in Wheaton, IL (Case # 2017AR000989) arising out of an Equity Purchase Agreement the Company entered into with River North Equity on July 11, 2016. The Complaint alleges that the Company entered into a series of convertible promissory notes in the aggregate face amount of $177,500 and that these notes are presently in default. The Complaint also alleges that the Company failed to maintain sufficient authorized capital to allow for conversion of the promissory notes; failed to honor conversion notices delivered with respect to the promissory notes; failed to file a registration statement with the U.S. Securities and Exchange Commission with respect to shares issuable on conversion of the promissory notes and failed to properly disclose the existence of the promissory notes and relevant details in its filings with the U.S. Securities and Exchange Commission. River North Equity is seeking damages in the amount of at least $27,500 plus accrued interest and such other damages as may be proven at trial. As of the date of this Report, this matter has been settled and dismissed.

Claims by TCA Global Credit Master Fund, L.P.

On or about May 9, 2017, TCA Global Credit Master Fund, L.P. ("TCA") filed a civil action in Broward County Florida against the Company and its subsidiaries regarding an outstanding balance due under a Senior Secured Debt Facility Agreement dated February 26, 2016. This facility was fully paid on December 7, 2017. In all other respects, the action with TCA has been settled and dismissed.

Claims by American Express Bank FSB:

On or about August 26, 2016 American Express Bank FSB ("American Express") filed a civil complaint against DIQ and Scott Kaplan (an employee of the Company) in the District Court for Clark County, Nevada for approximately $336,726 due on a credit card issued to DIQ, which was allegedly guaranteed by Scott Kaplan, the vice president of business development for KSIX, LLC. This action was subsequently dismissed on July 19, 2017. While the Company was not a party to this action, ostensibly there could be an obligation on the part of the Company to indemnify Mr. Kaplan on this matter. As of this date, no claim for indemnification has been made against the Company and the Company seeks to resolve any issues relating to this matter on an amicable basis without incurring any liability. Failure to resolve this matter could potentially have a material adverse effect on the Company and its business. There is no guarantee that this matter can be resolved on any basis which is favorable to the Company.

West Publishing v DigitizeIQ LLC.

On or about September 28, 2017 West Publishing Corporation ("West Publishing") filed a civil action in the Superior Court of the State of California County of San Diego, Central Division (Case# 37-201700034215-CU-CL-CTL) for breach of contract and open book account against the Company's subsidiary DIQ. West Publishing claims an open account of $435,700 against DIQ from an account originating in 2014 wherein DIQ provided lead-generation services for West Publishing. The Company has retained counsel and will vigorously defend this action. The Company contends that the open book account claimed by West Publishing is an accounting error and that, in fact, West Publishing owes DIQ for verified lead generation services during the relevant period. This matter is still pending as of the date of this Report and the outcome cannot be predicted. There is no guarantee that this matter can be resolved on any basis which is favorable to the Company.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock, $0.001 par value per share, is traded in the OTC Markets Inc. OTCQB Market ("OTCQBs") under the symbol "SURG" Until we began trading on July 24, 2007, there was no public market for our common stock.

On March 31, 2015, the Company effected a 1 for 23 reverse stock split. All share references included herein have been adjusted as if the change took place before the date of the earliest transaction reported.

The following table sets forth the quarterly high and low daily close for our common stock as reported by OTC Markets Inc. for the two years ended December 31, 2017 and 2016. The bids reflect inter dealer prices without adjustments for retail mark-ups, mark-downs or commissions and may not represent actual transactions. There is a very limited market for the Company's common stock.

Period ended	High	Low
December 31, 2017	$ 0.850	$ 0. 310
September 30, 2017	$ 0.420	$ 0.016
June 30, 2017	$ 0.020	$ 0.050
March 31, 2017	$ 0.030	$ 0.050
December 31, 2016	$ 0.450	$ 0.050
September 30, 2016	$ 0.134	$ 0.060
June 30, 2016	$ 0.204	$ 0.097
March 31, 2016	$ 0.450	$ 0.060

Penny Stock Considerations

Our shares are presently considered a will be "penny stock" as that term is generally defined in the Securities Exchange Act of 1934 to mean equity securities with a price of less than $5.00. Our shares thus will be subject to rules that impose sales practice and disclosure requirements on broker-dealers who engage in certain transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling a penny stock to anyone other than an established customer or accredited investor must make a special suitability determination regarding the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000, or annual income exceeding $100,000 individually or $300,000 together with his or her spouse, is considered an accredited investor. In addition, under the penny stock regulations the broker-dealer is required to:

- Deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt;

- Disclose commissions payable to the broker-dealer and our registered representatives and current bid and offer quotations for the securities;

- Send monthly statements disclosing recent price information pertaining to the penny stock held in a customer's account, the account's value and information regarding the limited market in penny stocks; and

- Make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction, prior to conducting any penny stock transaction in the customer's account.

Because of these regulations, broker-dealers may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of selling shareholders or other holders to sell their shares in the secondary market and have the effect of reducing the level of trading activity in the secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities, if our securities become publicly traded. In addition, the liquidity for our securities may decrease, with a corresponding decrease in the price of our securities. Our shares in all probability will be subject to such penny stock rules and our shareholders will, in all likelihood, find it difficult to sell their securities.

Recent Sales of Unregistered Securities

During year ended December 31, 2017, the Company issued an aggregate of 32,713,544 shares of common stock in unregistered transactions, including 7,225,000 shares for cash, 3,665,000 shares for services, 9,823,544 shares for convertible notes payable and 12,000,000 shares as a deposit on the acquisition of True Wireless. Such issuances included shares sold to investors in transactions not involving a public offering, shares issued as consideration for transactions, shares issued on conversion of debt instruments and shares issued to consultants. The prices of the shares sold for cash ranged from $0.10-$0.20 per share.

The shares of common stock were issued in reliance on Section 4(2) promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The shares of common stock issued have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements.

Holders

As of March 22, 2018, there are approximately 82 shareholders of record of the Company's common stock, including 13,892,734 shares held by CEDE & Co. as nominee.

Dividend Policy

The Board of Directors has never declared or paid a cash dividend. At this time, the Board of Directors does not anticipate paying dividends in the future. The Company is under no legal or contractual obligation to declare or to pay dividends, and the timing and amount of any future cash dividends and distributions is at the discretion of our Board of Directors and will depend, among other things, on the Company's future after-tax earnings, operations, capital requirements, borrowing capacity, financial condition and general business conditions. The Company plans to retain any earnings for use in the operation of our business and to fund future growth.

Securities Authorized for Issuance Under Equity Compensation Plans

The Company does not currently have any equity compensation plans.

Issuer Purchases of Equity Securities

During the year ended December 31, 2017, the Company did not purchase any shares of its common stock. As a part of the settlement of litigation with TCA, TCA returned 1,782,000 shares of Company Common Stock it held to the Company treasury.

ITEM 6: SELECTED FINANCIAL DATA

The Company operates as a smaller reporting company and is not required to provide this information.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Disclosure Regarding Forward Looking Statements

This Annual Report on Form 10-K includes forward looking statements ("Forward Looking Statements"). All statements other than statements of historical fact included in this report are Forward Looking Statements. In the normal course of its business, the Company, in an effort to help keep its shareholders and the public informed about the Company's operations, may from time-to-time issue certain statements, either in writing or orally, that contain or may contain Forward-Looking Statements. Although the Company believes that the expectations reflected in such Forward Looking Statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of such plans or strategies, past and possible future, of acquisitions and projected or anticipated benefits from acquisitions made by or to be made by the Company, or projections involving anticipated revenues, earnings, levels of capital expenditures or other aspects of operating results. All phases of the Company operations are subject to a number of uncertainties, risks and other influences, many of which are outside the control of the Company and any one of which, or a combination of which, could materially affect the results of the Company's proposed operations and whether Forward Looking Statements made by the Company ultimately prove to be accurate. Such important factors ("Important Factors") and other factors could cause actual results to differ materially from the Company's expectations are disclosed in this report. All prior and subsequent written and oral Forward-Looking Statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Important Factors described below that could cause actual results to differ materially from the Company's expectations as set forth in any Forward Looking Statement made by or on behalf of the Company.

Overview

The accompanying consolidated financial statements as of December 31, 2017 and December 31, 2016 and for the years then ended includes the accounts of Surge and its wholly owned subsidiaries.

COMPARISON OF YEARS ENDED DECEMBER 31, 2017 AND 2016

Revenues and cost of revenue for the years ended December 31, 2017 and 2016 consisted of the following:

	2017	2016
Revenue	$ 1,429,872	$ 3,296,747
Cost of revenue	733,033	2,328,467
Gross profit	$ 696,839	$ 968,280

Revenue and cost of revenue by subsidiary is as follows:

	2017	2016
Revenue		
DIQ	$ 893,631	$ 2,143,652
KSIX	535,059	1,149,198
Other	1,182	3,897
	$ 1,429,872	$ 3,296,747
Cost of revenue		
DIQ	409,916	1,723,301
KSIX	323,109	603,986
Other	8	1,180
	$ 733,033	$ 2,328,467
Gross profit		
DIQ	483,715	420,351
KSIX	211,950	545,212
Other	1,174	2,717
	$ 696,839	$ 968,280

DIQ is a full service digital advertising agency specializing in survey generation and landing page optimization specifically designed for mass tort action lawsuits. DIQ revenues represented 62% of 2017 consolidated revenues and 65% of 2016 consolidated revenues. DIQ revenue declined $1,250,021 (58%) in 2017 from the 2016 amount due to the loss of a major advertiser during 2016. DIQ also revised its marketing strategy and increased its gross profit margin from 20% in 2016 to 54% in 2017.

KSIX provides performance based marketing solutions to drive traffic and conversions within a Cost-Per-Lead (“CPL”) business model. KSIX works directly with advertisers and other networks to promote advertiser campaigns through their affiliates. KSIX’ revenues represented 37% of 2017 consolidated revenues and 35% of 2016 consolidated revenues. KSIX revenues declined $614,139 (53%) in 2017 from the 2016 amount due to a shift in advertisers and affiliates to drive leads. KSIX gross profit amounted to 40% in 2017 as compared to 47% in 2016.

Costs and expenses during the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Depreciation and amortization	$ 119,262	$ 433,118
Asset impairment	-	372,706
Selling, general and administrative	2,646,647	3,269,270
Total	$ 2,765,909	$ 4,075,094

Depreciation and amortization in 2017 represents primarily the amortization of intangible assets associated with the acquisition of DIQ in 2015. Depreciation and amortization in 2016 includes both the amortization of intangible assets which commenced December 23, 2014 (KSIX and BLVD) and October 12, 2015 (DIQ), when acquired. Amortization was lower in 2017 as a result of the impairment of KSIX and BLVD at December 31, 2016.

The Company determined to not continue the operations of BLVD in 2016 temporarily and due to declining cash flow, the Company impaired the remaining net intangible assets associated with its KSIX, LLC operations. Accordingly, an impairment charge in the amount of $372,706 was recorded in 2016.

Selling, general and administrative expense during the years ended December 31, 2017 and 2016 is as follows:

	2017	2016
Payroll and payroll taxes	$ 441,681	$ 508,697
Outside contractors and consultants	1,484,613	1,485,099
Bad debt expense	10,000	36,954
Officer compensation	239,984	451,913
Professional services	202,447	435,732
Webhosting and internet	67,048	100,420
Advertising and marketing	2,255	73,924
Insurance	51,845	44,345
Dues and subscriptions	15,962	32,091
Rent	17,975	20,490
Other	112,837	79,605
Total	$ 2,646,647	$ 3,269,270

Selling, general and administrative expenses decreased $622,623 (19%) in 2017 as compared to 2016. The following explains the changes in specific expenses from 2016 to 2017.

- Payroll and payroll taxes decreased $67,016 (13%) in 2017 as compared to 2016. This is primarily due to the reduction in personnel due to the lower volume of operations.
- Outside contractors and consultants decreased $486 in 2017 from the amount in 2016.
- Bad debt expense decreased from $36,954 in 2016 to $10,000 in 2017.
- Officer compensation amounted to $451,913 in 2016 and $239,984 in 2017 and includes stock awards. Amortization of the value of stock options issued to Mr. Matzinger is included in both periods. This amortization amounted to $261,913 in 2016. In addition, the 2016 amount includes $190,000 for the value of preferred stock issued to Mr. Matzinger for prior services.
- Professional services decreased to $202,447 in 2017 from $435,732 in 2016, a decrease of $233,285 (54%). The 2016 amount includes $112,500 associated with the value of common stock issued to the Company's attorney pursuant to a legal services agreement.
- Webhosting and internet costs decreased from $100,420 in 2016 to $67,048 in 2017, a decrease of $33,372 (33%).
- Advertising and marketing costs amounted to $2,255 in 2017 and $73,924 in 2016 as the company substantially eliminated outside advertising.
- Insurance costs amounted to $44,345 in 2016 as compared to $51,845 in 2017.
- Dues and subscriptions amounted to $32,091 in 2016 and $15,962 in 2017.
- Rent expense in 2016 amounted to $20,490 and $07,975 in 2017, a decrease of $2,515 (12%).
- Other selling, general and administrative expenses amounted to $79,604 in 2016 and $112,837 in 2017, an increase of $33,233 (42%).

Other income (expense) during the years ended December 31, 2017 and 2016 is as follows:

	2017	2016
Interest expense	$ (416,959)	$ (1,660,338)
Other income	9,585	5,844
Gain (loss) on change in value of derivatives	(504,201)	268,236
Gain (loss) on debt extinguishment	1,000,349	(107,104)
Total	$ 88,774	$ (1,493,362)

Interest expense decreased to $416,959 in 2017 from $1,660,338 in 2016. The 2016 amount includes $163,788 in interest accrued on notes payable and long-term debt and $30,000 in loan penalty. The remaining $1,466,550 represents the amortization of loan costs and debt discounts associated with the derivative liabilities which are determined from the Company's convertible debt. The majority of the 2017 expense is interest on notes payable.

Other income in 2017 is a gain from settlement of a vendor obligation and in 2016 represents the recovery of a bad debt written off in 2015.

The change in value of derivatives occurred in 2016 for the first time when the Company issued convertible debt which resulted in recording a derivative liability. The change results from revaluing the derivative when changes in the debt occur and at the quarterly balance sheet dates.

The gain (loss) on debt settlement arose when the Company settled convertible notes payable.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is presently financing its cash needs through private sales of equity and short-term debt. The Company has retired a substantial portion of its debt during 2017 through cash payments and issuing common stock and continues to restructure its remaining debt. There is no guarantee that these efforts will be successful in part or at all. The Company is in a growth mode, which results in increasing receivables and intermittent cash shortages.

On October 12, 2015, the Company acquired DigitizeIQ, LLC, which had a total of $1,000,000 in cash requirements over the subsequent 150 days. As of December 31, 2016, the Company has made $515,000 of the required payments and still owes $485,000 as of December 31, 2017. The Company is negotiating with the seller of DIQ to reduce and restructure these payments.

At December 31, 2017 and 2016, our current assets were $319,560 and $758,837, respectively, and our current liabilities were $2,486,466 and $4,059,894, respectively, which resulted in a working capital deficit of $2,166,906 and $3,301,057, respectively.

Total assets at December 31, 2017 and 2016 amounted to $3,145,707 and $2,357,246, respectively. At December 31, 2017, assets consisted of current assets of $319,560, net property and equipment of $157,444, net intangible assets of $101,921, goodwill of $866,782 and $1,700,000 in deposits on acquisitions. At December 31, 2016, assets consisted of current assets of $758,837, property and equipment of $14,432, net intangible assets of $217,195, goodwill of $866,782 and $500,000 in deposits on acquisitions.

At December 31, 2017, our total liabilities of $2,538,654 decreased $1,633,641 (39%) from $4,172,295 at December 31, 2016. The decrease primarily consists of a reduction in long-term debt of $1,056,552, a reduction of $280,318 in accounts payable and accrued expenses and a reduction in derivative liability of $491,271.

At December 31, 2016, our stockholders' deficit was $(1,815,049) as compared to stockholders' equity of $607,053 at December 31, 2017. The principal reason for the increase in stockholders' equity was the common stock issued for cash, debt, services and advances of acquisition less the operating loss incurred.

The following table sets forth the major sources and uses of cash for the years ended December 31, 2017 and 2016.

	2017	2016
Net cash used in operating activities	$ (604,109)	$ (641,877)
Net cash provided by (used in) investing activities	(147,000)	(503,000)
Net cash provided by financing activities	903,243	1,139,097
Net increase (decrease) in cash and cash equivalents	$ 152,134	$ (5,780)

At December 31, 2017, the Company had the following material commitments and contingencies.

Acquisitions – See Note 12 to the Consolidated Financial Statements.

Notes payable and long-term debt - $1,094,223 ($304,000 in related party debt), See Notes 7 and 8 to the Consolidated Financial Statements.

Accounts payable and accrued expenses - $495,306.

Advances from related party - $389,502

Cash requirements and capital expenditures – The Company will be required to make a cash payment of $1,500,000 to close the acquisition of True Wireless, LLC as set forth in Note 12 to the Consolidated Financial Statements. In addition, the majority of the Company's remaining debt is past due and substantial additional cash will be required.

Known trends and uncertainties – The Company is planning to acquire other businesses that are similar to its operations. The uncertainty of the economy may increase the difficulty of raising funds to support the planned business expansion.

Evaluation of the amounts and certainty of cash flows – In 2017, sales declined $1,866,875 (57%) from the 2016 amount. There can be no assurance that the Company will be able to replace the lost business, become proficient in operating its new business or be able to fund operations in the future.

Going Concern – Our financial statements have been presented on the basis that we continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has a working capital deficiency of $2,166,906 as of December 31, 2017, incurred losses and did not generate cash from its operations for the past two years. These factors create an uncertainty about our ability to continue as a going concern. The Company projects that it needs to raise $1-1.5 million of new capital investment in the short term, restructure literally all of its current debt and complete its acquisition of TW in order to reach a level of minimal viability. If these goals can be achieved in the next 90 days, management believes that the Company could achieve positive cash flow by the end of the 2nd quarter of 2018 (June 30, 2018) from ongoing operations by the combination of increased cash flow from its current subsidiaries, as well as restructuring our current debt burden. The Company is constantly seeking new investment from a variety of sources, debt, equity and hybrid. Additionally, the Company believes that it is moving toward the closing of the acquisition of TW. There are no guarantees that any of this will be achieved and the Company's ability to continue as a going concern is dependent on the success of these plans.

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, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 2 of the Consolidated Financial Statements. During the year ended December 31, 2017, we were required to make material estimates and assumptions that affect the reported amounts and related disclosures of assets, liabilities, revenue and expenses. The estimates will require us to rely upon assumptions that were highly uncertain at the time the accounting estimates are made, and changes in them are reasonably likely to occur from period to period. Changes in estimates used in these and other items could have a material impact on our financial statements in the future. Our estimates will be based on our experience and our interpretation of economic, political, regulatory, and other factors that affect our business prospects. Actual results may differ significantly from our estimates.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company operates as a smaller reporting company and is not required to provide this information.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements of Surge Holdings, Inc. together with the reports thereon of Paritz & Co., P.A. for the years ended December 31, 2017 and December 31, 2016, is set forth as follows:

Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Surge Holdings, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Surge Holdings, Inc. and subsidiaries (the “Company”) as of December 31, 2017 and 2016, and the related consolidated statements of operations, stockholders’ equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s 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 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, an 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.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 3 to the financial statements, the Company has a working capital deficiency of $2,166,906 as of December 31, 2017, incurred losses and did not generate cash from its operations for the past two years. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Management’s plans in regards to these matters are described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Paritz & Company, P.A.

We have served as the Company’s auditor since 2010.

Hackensack, NJ

April 10, 2018

SURGE HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

		December 31, 2017		December 31, 2016
ASSETS				
Current assets:				
Cash and cash equivalents	$	215,843	$	63,709
Accounts receivable, less allowance for doubtful accounts of $17,000 and $17,000, respectively		56,036		126,428
Prepaid expenses		47,681		568,700
Total current assets		319,560		758,837
Property and Equipment, less accumulated depreciation of $8,663 and $4,675, respectively		157,444		14,432
Intangible assets less accumulated amortization of $282,723 and $167,449, respectively		101,921		217,195
Goodwill		866,782		866,782
Deposit on acquisition		1,700,000		500,000
Total assets	$	3,145,707	$	2,357,246
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable and accrued expenses - others	$	482,262	$	775,624
- Related party		13,044		-
Credit card liability		336,726		336,726
Deferred revenue		130,000		165,000
Derivative liability		92,897		584,168
Advance from related party		389,502		356,502
Current portion of long-term debt - related party		304,000		53,750
Notes payable and current portion of long-term debt, net of discount of $0 and $8,774, respectively		738,035		1,788,124
Total current liabilities		2,486,466		4,059,894
Long-term debt - related party		-		53,750
Long-term debt less current installments, net of discount of $0 and $87,379, respectively		52,188		58,651
Total liabilities		2,538,654		4,172,295
Commitments and contingencies				
Stockholders' equity (deficit):				
Preferred stock: $0.001 par value; 100,000,000 shares authorized; 10,000,000 and no shares issued and outstanding at December 31, 2017 and 2016, respectively		10,000		10,000
Common stock: $0.001 par value; 500,000,000 shares authorized; 90,057,445 shares and 57,343,901 shares issued and 88,275,445 and 57,343,901outstanding at December 31, 2017 and December 31, 2016, respectively		90,058		57,344
Additional paid in capital		9,584,473		4,145,589
Less treasury stock at cost (1,782,000 shares)		(1,069,200)		-
Accumulated deficit		(8,008,278)		(6,027,982)
Total stockholders' equity (deficit)		607,053		(1,815,049)
Total liabilities and stockholders' equity (deficit)	$	3,145,707	$	2,357,246

See accompanying notes to consolidated financial statements

SURGE HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended December 31, 2017 and December 31, 2016

	2017	2016
Revenue	$ 1,429,872	$ 3,296,747
Cost of revenue	733,033	2,328,467
Gross profit	696,839	968,280
Costs and expenses		
Depreciation and amortization	119,262	433,118
Asset impairment	-	372,706
Selling, general and administrative	2,646,647	3,269,270
Total costs and expenses	2,765,909	4,075,094
Operating loss	(2,069,070)	(3,106,814)
Other income (expense):		
Interest expense	(416,959)	(1,660,338)
Other income	9,585	5,844
Change in fair value of derivatives	(504,201)	268,236
Gain (loss) on debt extinguishment	1,000,349	(107,104)
Total other income (expense)	88,774	(1,493,362)
Net loss before provision for income taxes	(1,980,296)	(4,600,176)
Provision for income taxes	-	-
Net loss	$ (1,980,296)	$ (4,600,176)
Net loss per common share, basic and diluted	$ (0.03)	$ (0.10)
Weighted average common shares outstanding	76,183,385	44,796,318

See accompanying notes to consolidated financial statements.

SURGE HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Equity (Deficit)
Years ended December 31, 2017 and December 31, 2016

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total
	Shares	Amount	Shares	Amount			Shares	Amount	
Balance, December 31, 2015	-	$ -	36,130,432	$ 36,130	$ 784,929	$ (1,427,806)	-	$ -	$ (606,747)
Common stock issued for:									
Cash	-	-	8,750,000	8,750	848,750	-	-	-	857,500
Services	10,000,000	10,000	7,890,000	7,890	1,389,898	-	-	-	1,407,788
Loan costs	-	-	1,782,000	1,782	298,218	-	-	-	300,000
Convertible notes payable	-	-	2,791,469	2,792	507,963	-	-	-	510,755
Warrant issued for services	-	-	-	-	389,698	-	-	-	389,698
Option compensation	-	-	-	-	301,133	-	-	-	301,133
Measurement period adjustment	-	-	-	-	(375,000)	-	-	-	(375,000)
Net loss	-	-	-	-	-	(4,600,176)	-	-	(4,600,176)
Balance, December 31, 2016	10,000,000	10,000	57,343,901	57,344	4,145,589	(6,027,982)	-	-	(1,815,049)
Common stock issued for:									
Cash	-	-	7,225,000	7,225	1,167,775	-	-	-	1,175,000
Services	-	-	3,665,000	3,665	936,508	-	-	-	940,173
Convertible notes payable	-	-	9,823,544	9,824	1,906,617	-	-	-	1,916,441
Deposit for acquisition	-	-	12,000,000	12,000	1,188,000	-	-	-	1,200,000
Treasury stock acquired	-	-	-	-	-	-	1,782,000	(1,069,200)	(1,069,200)
Option compensation	-	-	-	-	239,984	-	-	-	239,984
Net loss	-	-	-	-	-	(1,980,296)	-	-	(1,980,296)
Balance, December 31, 2017	10,000,000	$ 10,000	90,057,445	$ 90,058	$ 9,584,473	$ (8,008,278)	1,782,000	$ (1,069,200)	$ 607,053

See accompanying notes to consolidated financial statements.

SURGE HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and December 31, 2016

	2017	2016
Operating activities		
Net loss	$ (1,980,296)	$ (4,600,176)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	119,262	433,118
Common stock issued for services	1,701,176	1,531,380
Change in fair value of derivatives	504,201	(268,236)
(Gain) loss on debt extinguishment	(1,000,349)	107,105
Bad debt expense	10,000	36,954
Non-cash interest	288,110	1,466,550
Loan penalty	-	30,000
Asset impairment	-	372,706
Gain from accounts payable settlement	(9,585)	-
Changes in operating assets and liabilities:		
Accounts receivable	60,392	111,711
Deferred revenue	(35,000)	(353,240)
Accounts payable and accrued expenses	(262,020)	427,660
Credit card liability	-	62,591
Net cash used in operating activities	(604,109)	(641,877)
Investing activities		
Purchase of property and equipment	(147,000)	(3,000)
Cash paid as deposit on acquisition of True Wireless, LLC	-	(500,000)
Net cash used in investing activities	(147,000)	(503,000)
Financing activities		
Sale of common stock for cash	1,175,000	857,500
Cash paid for settlement of notes payable	(485,000)	-
Advances from related party, net of repayment	33,000	38,500
Loan proceeds	519,000	770,000
Loan repayment	(338,757)	(526,903)
Net cash provided by financing activities	903,243	1,139,097
Net increase (decrease) in cash and cash equivalents	152,134	(5,780)
Cash and cash equivalents, beginning of year	63,709	69,489
Cash and cash equivalents, end of year	$ 215,843	$ 63,709

See accompanying notes to consolidated financial statements

SURGE HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and December 31, 2016, Continued

	2017	2016
Supplemental cash flow information		
Cash paid for interest and income taxes:		
Interest	$ 128,850	$ 30,268
Income taxes	$ -	$ -
Non-cash investing and financing activities:		
Common stock for services to be rendered issued included in prepaid expenses	$ 1,180,157	$ 218,111
Common stock issued for deposit on investment	$ 1,200,000	$ -
Common stock issued for settlement of notes payable	$ 1,916,441	$ 510,754
Warrant issued for prepaid services	$ -	$ 349,127
Treasury stock acquired in settlement of notes payable	$ 1,069,200	$ -

See accompanying notes to consolidated financial statements

1 BASIS OF PRESENTATION AND BUSINESS

Basis of presentation

The accompanying consolidated financial statements include the accounts of Surge Holdings, Inc. ("Surge"), formerly Ksix Media Holdings, Inc. (the "Holdings"), incorporated in Nevada on August 18, 2006, and its wholly owned subsidiaries, Ksix Media, Inc. ("Media"), incorporated in Nevada on November 5, 2014, Ksix, LLC ("KSIX"), a Nevada limited liability company that was formed on September 14, 2011, Surge Blockchain, LLC ("Blockchain"), formerly Blvd. Media Group, LLC ("BLVD"), a Nevada limited liability company that was formed on January 29, 2009, DigitizeIQ, LLC ("DIQ") an Illinois limited liability company that was formed on July 23, 2014 and Surge Cryptocurrency Mining, Inc. ("Crypto"), formerly North American Exploration, Inc. ("NAE"), a Nevada corporation that was incorporated on August 18, 2006 (collectively the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Business description

The Company has been doing business through two of its wholly owned subsidiaries. DIQ is a full service digital advertising agency specializing in survey generation and landing page optimization specifically designed for mass tort action lawsuits. KSIX is an Internet marketing company. KSIX is an advertising network designed to create revenue streams for its affiliates and to provide advertisers with increased measurable audience. KSIX provides performance based marketing solutions to drive traffic and conversions within a Cost-Per-Lead ("CPL") business model. KSIX has an online advertising network that works directly with advertisers and other networks to promote advertiser campaigns and manages offer tracking, reporting and distribution.

Other subsidiaries are inactive as of the date of this consolidated financial statement. In December 2017, the Company renamed Blockchain and Crypto and intend to pursue the following business models.

Blockchain is focused on expanding development and licensing for a Blockchain Service as a Software (SaaS) Payments Platform in order to deliver a real product that improves people's lives.

Crypto intends to strategically mine Bitcoin, Litecoin and other cryptocurrencies. The company is working to finalize its first mining farm of 100 Antminer L3+ machines. The mining operation will work 24/7 to both generate revenues and deliver to the Company a commodity.

Effective December 7, 2016, the Company executed a Master Exchange Agreement for the exchange of Common Stock, Management and Control (the "Exchange Agreement") with True Wireless, LLC ("TW") and Kevin Brian Cox ("Cox"), the sole owner of TW's issued and outstanding membership interests. TW's primary business operation is a full-service telecommunications company specializing in the Lifeline program which provides subsidized mobile phone service for low income individuals. The acquisition has not closed as of the date of these financial statements (See Note 12 for details).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates in the presentation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 net revenue and expenses during each reporting period. Actual results could differ from those estimates.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are generally due thirty days from the invoice date. The Company has a policy of reserving for uncollectible accounts based on their best estimate of the amount of profitable credit losses in its existing accounts receivable. The Company extends credit to its customers based on an evaluation of their financial condition and other factors. The Company generally does not require collateral or other security to support accounts receivable. The Company performs ongoing credit evaluations of its customers and maintains an allowance for potential bad debts if required.

The Company determines whether an allowance for doubtful accounts is required by evaluation of specific accounts where information indicates the customer may have an inability to meet financial obligations. In these cases, the Company uses assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. The Company may also record a general allowance as necessary.

Direct write-offs are taken in the period when the Company has exhausted their efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that the Company should abandon such efforts. For the years ended December 31, 2017 and 2016, the Company reported $10,000 and $36,954 of bad debt expense, respectively.

Credit risk

The Company had cash deposits in certain banks that at times may have exceeded the maximum insured by the Federal Deposit Insurance Corporation. The Company monitors the financial condition of the banks and has experienced no losses on these accounts.

Earnings (loss) per common share

The Company is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive shares outstanding. At December 31, 2017 and 2016, there were no potentially dilutive common stock equivalents. Accordingly, basic and diluted earnings (loss) per share are the same for each of the periods presented.

Contingencies

Certain conditions may exist as of the date financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Company management and its legal counsel assess such contingencies related to legal proceeding that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a liability has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or if probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable would be disclosed.

Share-based compensation

The Company accounts for share-based compensation in accordance with Financial Accounting Standards Board ("FASB") ASC 718, "Compensation-Stock Compensation." Under the fair value recognition provisions of this pronouncement, share-based compensation cost is measured at the grant date based on the fair value of the award, reduced as appropriate based on estimated forfeitures, and is recognized as expense over the applicable vesting period of the stock award using the accelerated method. The excess tax benefit associated with stock compensation deductions have not been recorded in additional paid-in capital. When evaluating whether an excess tax benefit has been realized, share based compensation deductions are not considered realized until NOLs are no longer sufficient to offset taxable income. Such excess tax benefits will be recorded when realized.

Property and equipment

Property and equipment and software development costs are stated at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the life of the lease if it is shorter than the estimated useful life. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Computer and office equipment is generally three to five years and office furniture is generally seven years.

Business combinations

We allocate the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed 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 users, acquired technology, and trade names from a market participant perspective, 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.

Goodwill

Goodwill is recognized for the excess of the purchase price over the fair value of tangible and identifiable intangible net assets of businesses acquired. Goodwill is not being amortized, but is reviewed at least annually for impairment. In our evaluation of goodwill impairment, we perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment is not conclusive, we proceed to a two-step process to test goodwill for impairment including comparing the fair value of the reporting unit to its carrying value (including attributable goodwill). Fair value for our reporting units is determined using an income or market approach incorporating market participant considerations and management's assumptions on revenue growth rates, operating margins, discount rates and expected capital expenditures. Fair value determinations may include both internal and third-party valuations. Unless circumstances otherwise dictate, we perform our annual impairment testing in the fourth quarter.

We perform the allocation based on our knowledge of the market in which we operate, and our overall knowledge of the industry.

Revenue recognition

The Company recognizes revenue in accordance with Accounting Standard Codification ("ASC") 605-10 (previously Securities and Exchange Commission Staff Accounting Bulletin No. 104, Revenue Recognition).

Revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured. The Company's revenues are derived from online advertising sales and on a cost per lead ("CPL") basis. Revenue from advertisers on a CPL basis is recognized in the period the leads are accepted by the client, following the execution of a service agreement and commencement of the services.

Deferred revenue

DIQ generally requires prepayment of the initial contract amount in advance of services being performed. As such, the advance payment is deferred as a current liability until DIQ delivers the surveys contracted. At that time revenue is recognized and the deferred revenue liability is reduced.

Fair value measurements

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1 — quoted prices in active markets for identical assets or liabilities.
- Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable.
- Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

The derivative liability in connection with the conversion feature of the convertible debt, classified as a Level 3 liability, is the only financial liability measure at fair value on a recurring basis.

The change in the Level 3 financial instrument is as follows:

	2017	2016
Balance, beginning of year	$ 584,168	$ -
Issued during the year	22,368	1,226,020
Converted	(1,017,840)	(373,616)
Change in fair value recognized in operations	504,201	(268,236)
Balance, end of year	$ 92,897	$ 584,168

The estimated fair value of the derivative instruments was valued using the Black-Scholes option pricing model, using the following assumptions as of December 31, 2017 and December 31, 2016:

	2017	2016
Estimanted dividends	None	None
Expected volatility	179.55%	261.35%
Risk free interest rate	2.58%	2.79%
Expected term	0.01-36 months	0.01-36 months

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities". Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as freestanding derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

Advertising costs

Advertising costs are expensed as incurred in accordance with ASC 720-35 "Advertising Costs". The Company incurred advertising costs of $2,255 and $73,924 for the years ended December 31, 2017 and 2016, respectively, which are included in selling, general and administrative expenses on the Company's consolidated financial statements.

Income taxes

We use the asset and liability method of accounting for income taxes in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. 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 results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

Through December 23, 2014, KSIX and BLVD operated as limited liability companies and all income and losses were passed through to the owners. Through October 12, 2015, DIQ operated as a limited liability company and all income and losses were passed through to its owner. Subsequent to the acquisition dates, these limited liability companies were owned by Surge and became subject to income tax.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Asset impairment and disposal of long-lived assets

Long-lived assets, such as property, equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount of the asset or asset group exceeds the fair value of the asset or asset group. Assets to be disposed would be presented separately in the Consolidated Balance Sheet.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year's presentation.

Recent accounting pronouncements

In May 2016, FASB issued ASU 2016-12, "Revenue from Contracts with Customers (Topic 606) - Narrow-Scope Improvements and Practical Expedients". The update is to address certain issues identified by the FASB/IASB Joint Transition Resource Group for Revenue Recognition (TRG) in the guidance on assessing collectability, presentation of sales taxes, noncash consideration, and completed contracts and contract modifications at transition, the Board decided to add a project to its technical agenda to improve Topic 606, Revenue from Contracts with Customers, by reducing: 1) the potential for diversity in practice at initial application and 2) the cost and complexity of applying Topic 606 both at transition and on an ongoing basis. The amendments in this Update affect entities with transactions included within the scope of Topic 606. The scope of that Topic includes entities that enter into contracts with customers to transfer goods or services (that are an output of the entity's ordinary activities) in exchange for consideration. The amendments to the recognition and measurement provisions of Topic 606 also affect entities with transactions included within the scope of Topic 610, Other Income. The amendments in this Update affect the guidance in Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which is not yet effective. The effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements for Topic 606 (and any other Topic amended by Update 2014-09). Accounting Standards Update No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, defers the effective date of Update 2014-09 by one year. The adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements and related disclosures.

In October 2016, the FASB issued ASU 2016-16, *"Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory",* which eliminates the exception that prohibits the recognition of current and deferred income tax effects for intra-entity transfers of assets other than inventory until the asset has been sold to an outside party. The updated guidance is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company is currently evaluating the impact of the new standard.

In May 2017, the FASB issued ASU 2017-09, "*Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting,"* which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This standard is required to be adopted in the first quarter of 2018. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

In December 2017, the Securities and Exchange Commission ("SEC") released Staff Accounting Bulletin No. 118 (the "Bulletin"), which provides accounting guidance regarding accounting for income taxes for the reporting period that includes the enactment of the Tax Act. The Bulletin provides guidance in those situations where the accounting for certain income tax effects of the Tax Act will be incomplete by the time financial statements are issued for the reporting period that includes the enactment date. For those elements of the Tax Act that cannot be reasonably estimated, no effect will be recorded.

The SEC has provided in the Bulletin that in situations where the accounting is incomplete for certain effects of the Tax Act, a measurement period which begins in the reporting period that includes the enactment of the Tax Act and ends when the entity has obtained, prepared and analyzed the information is needed in order to complete the accounting requirements. The measurement period shall not exceed one year from enactment.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

3 GOING CONCERN

The Company has not established sources of revenues sufficient to fund the development of its business, or to pay projected operating expenses and commitments for the next year. The Company has a working capital deficiency of $2,166,906 as of December 31, 2017 incurred losses and did not generate cash from its operations for the past two years. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The Company projects that it should be cash flow positive after the end of the 2nd quarter ended June 30, 2018 from ongoing operations by the combination of increased cash flow from its current subsidiaries, as well as restructuring our current debt burden and completion of the acquisition of TW an Oklahoma Limited Liability Company. The Company has executed an agreement with a FINRA licensed broker, as well as several institutional investors, to bring in equity investments to pay down existing debt obligations, cover short term shortfalls, and complete proposed acquisitions. The Company's ability to continue as a going concern is dependent on the success of this plan.

The Company's financial statements have been presented on the basis that it continues as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business, and do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

4 INTANGIBLE ASSETS

Intangible assets are as follows:

	Term		2017		2016
DIQ customer relationships	5 years	$	183,255	$	183,255
DIQ noncompetition agreement	2 years		201,389		201,389
			384,644		384,644
Accumulated amortization			282,723		167,449
		$	101,921	$	217,195
Asset impairment		$	-	$	372,706
Amortization expense:		$	115,274	$	430,128

Effective April 1, 2016, the Company temporarily suspended its BLVD business operations and is reviewing a potential discontinuation of the business. BLVD had only nominal operations in 2017 and 2016. In addition, the Company evaluated the operations of KSIX at the end of 2016 and determined that, due to declining cash flows, the unamortized balance of the intangible assets associated with KSIX and BLVD should be impaired. An impairment of $372,706 was recorded.

5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

		2017		2016
Equipment [1]	$	166,107	$	19,107
Accumulated depreciation		8,663		4,675
Net property and equipment	$	157,444	$	14,432
Depreciation expense	$	3,988	$	2,990

[1] Includes costs related to equipment not placed in service as of December 31, 2017 and December 31, 2016 of $147,000 and $0, respectively.

6 CREDIT CARD LIABILITY

The Company has utilized a credit card issued in the name of DIQ to pay for certain of its trade obligations. At December 31, 2017 and December 31, 2016, the Company's credit card liability was $336,726 and $336,726, respectively. The credit card liability is guaranteed by Scott Kaplan, the vice president of business development for KSIX, LLC. See Note 13.

7 LONG-TERM DEBT – RELATED PARTY

Long-term debt due to related parties consists of:

		December 31, 2017		December 31, 2016
Notes payable to SMDMM Funding, LLC; interest at 8% per annum; due on demand	$	285,000	$	-
Notes payable to True Wireless, LLC; non-interest bearing; due on demand		19,000		-
Note payable to director due in four equal annual installments of $26,875 on April 28 of each year		-		107,500
		304,000		107,500
Less current portion - related party		-		53,750
Long-term debt - related party	$	304,000	$	53,750

SMDMM Funding, LLC and True Wireless, LLC are owned by the Company's chief executive officer. Accrued interest owed to SMDMM Funding, LLC was $1,711 at December 31, 2017.

On April 28, 2015, the Company issued a promissory note to a director for the principal amount of $107,500. The promissory note is due in four equal annual payments of $26,875 on April 28 each year. The payments due April 28, 2016 and 2017 for the notes payable to a former director have not been made. Pursuant to the terms of the note, the note began to accrue interest at 6% per annum and the past due portion is convertible into the Company's common stock at a conversion price equal to 70% of the current price of the common stock. The Company determined that the conversion feature for the past due portion of the note constitutes a derivative which was bifurcated from the note and recorded as a derivative liability, with a corresponding discount recorded to the note. Accrued interest was $1,088 at December 31, 2016. The director resigned in July 2017; accordingly, the note balance was included with other notes payable beginning in September 2017. See Note 8.

8 NOTES PAYABLE AND LONG-TERM DEBT

As of December 31, 2017, notes payable and long-term debt consists of:

	Note Balance	Debt Discount	Carrying Value
On October 26, 2011, the Company entered into a note payable in the amount of $362,257, relating to a Unit redemption agreement bearing interest at 6% per annum and is payable in equal monthly installments of $7,003, inclusive of interest, past due. This note was settled for $10,000 in February 2018.	$ 68,973	$ -	$ 68,973
Note payable to former officer and director due in four equal annual installments of $26,875 beginning April 28, 2016; past due in 2016 and 2017; accruing interest at 6% per annum since April 28, 2016 on the past due portion	107,500	-	107,500
Note payable to former officer due in four equal annual installments of $25,313 on April 28 of each year; past due in 2016 and 2017; accruing interest at 6% per annum since April 28, 2016 on the past due portion	101,250	-	101,250
Notes payable to seller of DigitizeIQ, LLC due as noted below[2]	485,000	-	485,000
Convertible note payable to River North Equity LLC dated July 13, 2016 with interest at 10% per annum; due April 13, 2017; convertible into common stock 5	27,500	-	27,500
	790,223	-	790,223
Less current portion	738,035	-	738,035
Long-term debt	$ 52,188	$ -	$ 52,188

As of December 31, 2016, notes payable and long-term debt consists of:

	Note Balance	Debt Discount	Carrying Value
On October 26, 2011, the Company entered into a note payable in the amount of $362,257, relating to a Unit redemption agreement bearing interest at 6% per annum and is payable in equal monthly installments of $7,003, inclusive of interest, past due	$ 68,973	$ -	$ 68,973
Convertible Promissory Note - Non-interest bearing; on January 19, 2016, the Company modified the terms of a secured note payable in the original amount of $950,000 and made the $700,000 balance convertible[1]	590,000	-	590,000
Note payable to former officer due in four equal annual installments of $25,313 on April 28 of each year; past due in 2016; accruing interest at 6% per annum since April 28, 2016 on past due portion	101,250	-	101,250
Notes payable to seller of DigitizeIQ, LLC due as noted below[2]	485,000	-	485,000
Senior Secured Credit Facility dated February 24, 2016; interest at 18% per annum; interest only for two months then 16 payments of $28,306 monthly[3]	261,043	-	261,043
Note payable to Calvary Fund I LP dated May 25, 2016 with interest at 18%[4]	130,000	-	130,000
Convertible note payable to River North Equity LLC dated July 13, 2016 with interest at 10% per annum; due April 13, 2017; convertible into common stock [5]	27,500	8,774	18,726
Convertible promissory notes payable to Salksanna, LLC dated October 7, 2016 and December 21, 2016 with interest at 10% per annum; due March 13, 2018; convertible into common stock [6]	95,405	87,379	8,026
Working capital notes [7]	183,757	-	183,757
	1,942,928	96,153	1,846,775
Less current portion	1,796,898	8,774	1,788,124
Long-term debt	$ 146,030	$ 87,379	$ 58,651

[1] The **Convertible Promissory Note** was modified on January 19, 2016 to release the pledge of the holder's former membership units in Ksix and BLVD, to make the note convertible into the Company's common stock and to require an extra payment of $100,000 due within 90 days. The terms of the Convertible Note provided in the event the Note was not paid prior to the Maturity Date (January 1, 2017) or that payments are not made to the holder by the due date ($10,000 on the 1st and 15th of each month), the holder shall have the right thereafter, exercisable in whole or in part, to convert the outstanding principal or payment then due into shares of the common stock of the Company. The Convertible Promissory Note provided the note conversion price was determined by taking the lowest closing price of the Company's common stock in the previous ten trading days and then applying a 45% discount. On March 23, 2016, the parties entered into an Addendum to the Convertible Promissory Note to allow an immediate conversion of the $20,000 payments due in April 2016 at the 45% discount rate; to modify the conversion discount rate from 45% to 35% for any future conversions; and to require an additional payment of $30,000 within sixty days. The Company evaluated the embedded conversion feature for derivative treatment and the debt discount is fully amortized at December 31, 2016.

The original note and the convertible promissory note provide for semi-monthly payments of $10,000 due on the 1st and 15th of the month, with any unpaid balance due on January 1, 2017. If the Company paid the unpaid balance on December 31, 2016, they were allowed a discount of $200,000 from the remaining balance. In addition, the modification and addendum, provided for two additional payments during 2016. Within 90 days of January 19, 2016, the Company was required to make an additional payment of $100,000 and within 60 days of March 23, 2016, the Company was required to make an additional payment of $30,000. As of January 1, 2017 the total balance was past due.

In May 2017, the Company issued 6,257,459 shares of its common stock and in November 2017, the Company issued 1,750,000 shares of its common stock in exchange for the balance due on the note.

[2] **Notes due seller of DigitizeIQ, LLC includes a series of notes as follows**:

- A non-interest bearing Promissory Note made payable to the Seller in the amount of $250,000, which was due on November 12, 2015; (Paid February 26, 2016).
- A second non-interest bearing Promissory Note made payable to the Seller in the amount of $250,000, which was due on January 12, 2016; (Balance at December 31, 2016 - $235,000)
- A third non-interest bearing Promissory Note made payable to the Seller in the amount of $250,000, which was due on March 12, 2016 (Unpaid).

The Company is renegotiating the terms of the notes. The notes bear interest at 5% per annum when in default (after the due date). The notes were non-interest bearing until due. Accordingly, a debt discount at 5% per annum was calculated for the notes and was amortized to interest expense until the due date of the notes.

[3] **Senior Secured Credit Facility Agreement -** On February 24, 2016, the Company executed a Senior Secured Credit Facility Agreement (“Senior Credit Facility”) in the maximum amount of $5,000,000 together with a Convertible Promissory Note (“Convertible Note”) in the amount of $750,000 with TCA Global Credit Master Fund, LP (“TCA”). The initial loan advance was $400,000 and requires monthly interest only payments for two months and then sixteen monthly payments of $28,306, including interest at 18% per annum. The obligation is secured by substantially all assets of the Company and its subsidiaries. The payment due August 29, 2016 was acquired by Salksanna LLC on September 13, 2016 (See [6] below). The payment due September 29, 2016 was acquired by Salksanna, LLC on October 7, 2016 and the payment due October 29, 2016 was acquired by Salksanna, LLC on December 21, 2016. (See [6] below).

The Senior Credit Facility includes a provision for advisory fees in the amount of $300,000 which was paid when the Company issued 1,782,000 shares of its common stock to TCA (the “Advisory Shares”) on or about March 24, 2016. If TCA is unable to collect the $300,000 from sales of the Advisory Shares within twelve months, the Company is obligated to issue additional shares to TCA until TCA is able to collect the full $300,000. Should TCA still be unable to collect the full $300,000, and after at least one year, TCA can require the Company to redeem any remaining shares for an amount equal to $300,000 less the sales proceeds that TCA has collected. In the event TCA sells the Advisory Shares for more than $300,000, the excess proceeds, together with unsold common shares will be returned to the Company. As long as there is no default under the terms of the Senior Credit Facility, TCA is limited to weekly sales of the Advisory Shares equal to no more than 20% of the average weekly volume of the Company’s common stock on its principal trading market. The stock was valued at the trading price on the date of the agreement and the resulting $300,000 was included as a direct reduction from the carrying amount of the debt liability and was fully amortized at December 31, 2016.

The Convertible Note is convertible into the Common Stock of the Company upon the event of: (1) a default under any of the loan documents between the Company and TCA; or (2) mutual agreement between the Company and TCA, at which time TCA may convert all or a portion of the outstanding principal, accrued and unpaid interest into shares of the Common Stock of the Company calculated by the conversion amount divided by 85% of the lowest of the daily weighted average price of the Company's Common Stock during five business days immediately prior to the date of the request of conversion (the "Conversion"). Pursuant to the terms of the Convertible Note, TCA is limited to beneficial ownership of not more than 4.99% of the issued and outstanding Common Stock of the Company after taking into effect the Common Stock to be issued pursuant to the Conversion.

The TCA note was restructured effective August 29, 2016, September 29, 2016 and October 29, 2016 to accommodate the payment of the amounts due on those dates by Salksanna, LLC and the issue by the Company of convertible notes payable to Salksanna for the amounts of those payments. (See [6] below.) The restructured note to TCA added $25,146 to each payment for the loan fee originally paid with common stock. When the fee is paid in full, the 1,782,000 shares will be returned to the Company. The payments due TCA on November 29, 2016 and December 29, 2016 are currently unpaid and this default resulted in the note becoming convertible into common stock of the Company.

The Company evaluated the resulting embedded conversion feature for derivative treatment and recorded an initial derivative liability and debt discount of $163,883. The debt discount was fully amortized at December 31, 2016.

The Company was also responsible for other transaction, due diligence and legal fees of $42,500 if it borrowed the remaining $350,000 initially committed.

The proceeds from the loan were used to pay a $250,000 note to the seller of DIQ and for working capital.

The Company paid $375,000 in cash on December 7, 2017 in full payment of the note and the 1,782,000 shares held by TCA were returned to the Company and are included in treasury stock at December 31, 2017.

[4] **Calvary Fund I, LP Note –** The Calvary note payable was due in installments of $25,000 plus accrued interest on November 25, 2016; $18,750 plus accrued interest on December 25, 2016; $14,063 plus accrued interest on January 25, 2017 and a final payment of the unpaid balance plus accrued interest on May 25, 2017. The agreement provides for limitations on additional indebtedness. If an event of default, as defined in the agreement, occurs and if not cured within ten days, the note becomes convertible into the Company's common stock at a rate equal to 65% of the average VWAP over the previous 5 trading days. If the event of default is for non-payment of any installment due, the amount convertible is limited to the amount of the unpaid installment. Pinz Capital is controlled by a director of the Company. Calvary Fund I, LP acquired the note from Pinz Capital in December 2016.

The payments due November 25, 2016 and December 25, 2016 were not made. As a result, the Company was penalized $30,000, which was added to the note balance and due to other past due obligations, it was determined the total balance was in default and due, making the note convertible. Accordingly, a debt discount for the derivative liability was recorded on November 25, 2016 for $52,889. At December 31, 2016, the debt discount was fully amortized.

The Company issued 100,000 shares of its common stock on January 24, 2017; 310,675 shares of its common stock on March 8, 2017; 512,128 shares of its common stock on October 16, 2017; and 260,000 shares of its common stock on November 15, 2017 in full payment of the note.

[5] **Convertible note payable to River North Equity, LLC ("RNE")-** The Company evaluated the embedded conversion for derivative treatment and recorded an initial derivative liability and debt discount of $23,339. The debt discount has been amortized to a balance of $8,774 at December 31, 2016 and at December 31, 2017, the debt discount is fully amortized.

The Company has entered into a number of agreements with RNE wherein RNE has agreed to invest up to $3,000,000 in the common stock of the Company. These agreements require an effective Registration Statement to be on file by the Company and would allow the Company to require RNE to purchase the Company's common stock at 70% of the lowest trading price of the Company's common stock during the previous twenty-one trading days. The Company has not yet filed a Registration Statement with the SEC.

[6] The Company issued three convertible notes to Salksanna, LLC in exchange for payments made by Salksanna to TCA. The first note in the amount of $53,452 was converted into 1,953,399 shares of the Company's common stock. The second note in the original amount of $53,452 was partially converted with $11,500 in principal and $44 in accrued interest converted into 383,525 shares of the Company's common stock. The conversion of the first note and the partial conversion of the second note resulted in a loss on debt extinguishment of $107,104.

At December 31, 2016, the remaining notes with a principal balance of $95,405 had a debt discount of $87,379. On December 7, 2017, the Company paid $110,000 in cash in full payment of the balances due on the notes.

[7] In November 2016, the Company entered into four working capital notes in the original amount of $245,000 which require daily payments aggregating $2,956. The notes were paid in full during 2017.

Derivative liability

The Company has determined that the conversion feature embedded in the notes referred to above that contain a potential variable conversion amount constitutes a derivative which has been bifurcated from the note and recorded as a derivative liability, with a corresponding discount recorded to the associated debt. The excess of the derivative value over the face amount of the note, if any, is recorded immediately to interest expense at inception.

The estimated fair value of the derivative instruments was valued using the Black-Scholes option pricing model, using the following assumptions:

	December 31, 2017	December 31, 2016
Estimated dividends	None	None
Expected volatility	178.98% to 238.94%	194.65% to 273.69%
Risk free interest rate	2.58% to 2.89%	1.77% to 2.86%
Expected term	0.01 to 36 months	0.01 to 36 months

9 INCOME TAXES

The income tax provision (benefit) consists of the following:

	2017	2016
Federal:		
Current	$ -	$ -
Deferred	(403,900)	(1,267,100)
Change in valuation allowance	403,900	1,267,100
	$ -	$ -

The Company's income is earned in Nevada, and is thus not subject to state income tax.

The expected tax benefit based on the statutory rate is reconciled with actual tax benefit as follows:

	2017	2016
U.S. federal statutory rate	-34.0%	-34.0%
State income tax, net of federal benefit	0.0%	0.0%
Increase (decrease) in valuation allowance	34.0%	34.0%
	0.0%	0.0%

Deferred tax assets consist of the effects of temporary differences attributable to the following:

	2017	2016
Deferred tax assets		
Net operating losses	$ 1,943,700	$ 1,621,400
Option compensation accrual	184,000	102,400
Deferred tax assets	2,127,700	1,723,800
Valuation allowance	(2,127,700)	(1,723,800)
Deferred tax assets, net of valuation allowance	$ -	$ -

The Company has approximately $6 million of net operating losses ("NOL") carried forward to offset taxable income in future years which expire commencing in fiscal 2034. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the assessment, management has established a full valuation allowance against all of the deferred tax assets relating to NOLs for every period because it is more likely than not that all of the deferred tax assets will not be realized.

The U.S. Tax Cuts and Jobs Act (Tax Act) was enacted on December 22, 2017 and introduces significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35% to 21% and creates new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as the global intangible low-taxed income tax and the base erosion tax, respectively. The Tax Act requires us to pay U.S. income taxes on accumulated foreign subsidiary earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets and 8% on the remaining earnings. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, the Company has not recorded any adjustments according to Tax Act. As we collect and prepare necessary data, and interpret the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, we may make adjustments to the provisional amounts. Those adjustments may materially impact our provision for income taxes and effective tax rate in the period in which the adjustments are made. The accounting for the tax effects of the Tax Act will be completed in 2018.

10 STOCKHOLDER'S EQUITY

On October 10, 2017, the Company effectuated an increase in its authorized shares to a total of 600,000,000 shares comprising 100,000,000 shares of Preferred Stock par value $0.001 and 500,000,000 shares of Common Stock par value $0.001.

PREFERRED STOCK

At December 31, 2017 and December 31, 2016 the Company had 10,000,000 shares of its Preferred Stock issued and outstanding.

Series "A" Preferred Stock

On May 6, 2016, the Company, pursuant to the consent of the Board of Directors filed a Certificate of Designation with the Nevada Secretary of State which designated 10,000,000 shares of the Company's authorized preferred stock as Series "A" Preferred Stock, par value $0.001. (See Note 15). The Series "A" Preferred Stock has the following attributes:

- Ranks senior only to any other class or series of designated and outstanding preferred shares of the Company;
- Bears no dividend;
- Has no liquidation preference, other than the ability to convert to common stock of the Company;
- The Company does not have any rights of redemption;
- Voting rights equal to ten shares of common stock for each share of Series "A" Preferred Stock;
- Entitled to same notice of meeting provisions as common stock holders;
- Protective provisions require approval of 75% of the Series "A" Preferred Shares outstanding to modify the provisions or increase the authorized Series "A" Preferred Shares; and
- Each ten Series "A" Preferred Shares can be converted into one common share at the option of the holder.

On May 6, 2016, upon filing the Certificate of Designation which designated 10,000,000 shares of the Company's $0.001 par value preferred stock as Series "A", the board of directors authorized the Company to issue all 10,000,000 shares of Series "A" Preferred Stock to Carter Matzinger, Chief Executive Officer and Chairman of the Board of Directors, for services previously rendered.

The Company valued these shares based upon their conversion rate of 10 shares of preferred stock for each share of common stock based on the market price of the common stock as of March 30, 2016 of $0.19 per share. The Company recorded compensation expense in the amount of $190,000.

On March 29, 2018, the Company filed a Certificate of Amendment to its Certificate of Designations for its Series A Preferred Stock which increased the authorized Series A Preferred Stock from 10,000,000 shares to 13,000,000 shares.

COMMON STOCK

At December 31, 2017 and December 31, 2016, the Company had 90,057,445 shares and 57,343,901 shares of its Common Stock issued and 88,275,445 and 57,343,901 shares outstanding, respectively.

2017 Transactions

During 2017, the Company issued its common stock in the following transactions:

- 7,225,000 shares were issued for cash in the amount of $1,175,000;
- 9,823,544 shares were issued for notes payable and accrued interest in the amount of $1,916,441; and
- 3,665,000 shares were issued in exchange for services valued at $940,173, and

On March 24, 2017, 12,000,000 shares of common stock were issued to Brian Cox pursuant to a Master Agreement for the Exchange of Common Stock, Management and Control as a part of the planned acquisition of True Wireless, LLC. These shares were valued at the fair market value on the date issued of $1,200,000.

2016 Transactions

Effective January 4, 2016, the Company issued 250,000 shares of its common stock pursuant to a legal services agreement. The common stock was valued at $112,500 based on the closing price of the common stock on that date.

Effective February 1, 2016, the Company issued 250,000 shares of its common stock pursuant to a consulting agreement. The common stock was valued at $30,000 based on the closing price of the common stock on that date.

On February 24, 2016, the Company issued 1,782,000 shares of its common stock for advisory fees pursuant to the Senior Secured Credit Facility Agreement (Note 9). The stock was valued at the trading price on the date of the agreement and the resulting $300,000 was included as a reduction of the related note payable and was fully amortized at December 31, 2016.

On April 1, 2016, the Company issued 454,545 shares of its common stock valued at $20,000 in exchange for principal payments in that amount due on a note payable.

On April 5, 2016, the Company issued 1,000,000 shares of its common stock valued at $180,000 in partial consideration for a six-month consulting agreement. The $180,000 was amortized to expense over the term of the agreement.

On April 18, 2016, the Company issued 100,000 shares of its common stock in exchange for cash in the amount of $10,000.

On May 10, 2016, the Company issued 1,000,000 shares of its common stock valued at $190,000 in partial consideration for a two-year consulting agreement with a director. The $190,000 is being amortized to expense over the term of the agreement.

On May 13, 2016, the Company issued 1,800,000 shares of its common stock as part of the Unit Subscription Agreement described in (1) below for consideration of $180,000.

On May 23, 2016, the Company issued 240,000 shares of its common stock as partial consideration for a six- month public relations consulting agreement. The shares were valued at $38,688, which was amortized to expense over the term of the agreement.

On June 10, 2016, the Company issued a total of 3,150,000 shares of its common stock to six employee/consultants in exchange for prior services. The stock was valued at $516,600 and the amount is included in selling, general and administrative expense.

On August 17, 2016, the Company issued 1,000,000 shares of its common stock valued at $100,000 in consideration for a one year consulting agreement. The amount is being amortized to expense over the term of the agreement.

On September 19, 2016, the Company issued 250,000 shares of its common stock in exchange for cash consideration of $20,000.

On September 22, 2016, the Company issued 625,000 shares of its common stock as part of the Unit Subscription Agreement described in (2) below for consideration of $50,000.

Effective October 6, 2016, the Company issued 1,000,000 shares of its common stock valued at $50,000 in partial consideration for a six-month consulting contract. This amount is being amortized to expense over the term of the agreement.

Effective October 26, 2016, the Company issued 1,953,399 shares of its common stock in exchange for the Company's convertible note payable in the amount of $53,452 plus accrued interest of $5,345.

Effective October 26, 2016, the Company issued 383,525 shares of its common stock in exchange for a portion of the Company's convertible note payable in the amount of $11,500 plus accrued interest of $44.

On November 23, 2016, the Company entered into a one year consulting agreement with an individual which called for compensation with a cashless warrant for 1,500,000 shares of the Company's common stock. The warrant was valued at $389,699, which amount was included in repaid expense and additional paid in capital. The prepaid expense is being amortized over the one year term of the agreement.

During November and December 2016 the Company sold 5,975,000 Units at a price of $0.10 per Unit and consisting of one share of common stock and one-half warrant to purchase additional common stock at a purchase price of $0.50 per share for a period of three years as described in (3) below for consideration of $597,500.

COMMON STOCK OPTIONS

Pursuant to his employment agreement with the Company, Carter Matzinger was awarded a "Performance Based Stock Option" of 3,000,000 shares of the Company's common stock and a "Time Based Stock Option" of up to 3,000,000 shares of Common Stock of the Company. Both sets of options come with Registration Rights and when requested by Mr. Matzinger, the Company will be required to file a Form S-8 Registration Statement. The Time Based Stock Options vested on September 24, 2016 on the one year anniversary of Mr. Matzinger's employment contract. The terms of both types of common stock option awards are described as follows:

<u>Performance Based Stock Options</u>

- Stock Option #1 (Vests after revenues resulting in $10,000,000 in Annual Sales) to purchase up to 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.12 per share.

- Stock Option #2 (Vests after revenues resulting in $15,000,000 annual sales) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.30 per share.

- Stock Option #3 (Vests after revenues resulting in $20,000,000 annual sales) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.50 per share.

Time Based Stock Options

- Stock Option #4 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.12 per share.

- Stock Option #5 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.30 per share.

- Stock Option #6 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.50 per share.

The following assumptions were used to value the options:

Expected term	4 years
Expected average volatility	398.18%
Expected dividend yield	0%
Risk-free interest rate	1.44%
Expected annual forfeiture rate	0%

No value was recorded for the performance based stock options. The time based stock options were valued at $959,940 using Black-Scholes model, based on the assumptions above, which was amortized over the service period of four years.

UNIT SUBSCRIPTION AGREEMENT – WARRANTS

(1) On May 13, 2016, the Company entered into a Unit subscription agreement with BCAN Holdings, LLC, which is controlled by the Chief Strategy Officer of the Company. Each Unit was priced at $0.10 and contained: (a) one share of common stock restricted in accordance with Rule 144; and (b) two Warrants to purchase an additional share of common stock restricted in accordance with Rule 144 for $0.75 for a period of 18 months after the close of the offering. Pursuant to the Unit subscription agreement, the Company offered to the individual a minimum of 1,800,000 Units ($180,000) and a maximum of 5,000,000 Units ($500,000). The individual purchased the minimum of 1,800,000 Units ($180,000) on May 13, 2016 and had a non-transferable and irrevocable option to purchase the remaining 3,200,000 Units ($320,000) for a period of 120 days from the effective date of May 13, 2016, which expired on September 10, 2016. The Warrants are classified as equity since they have a fixed exercise price and do not have a provision for modification.

(2) On September 16, 2016, the Company entered into a Unit subscription agreement with BCAN Holdings, LLC, which is controlled by the Chief Strategy Officer of the Company. Each Unit was priced at $0.08 and contained: (a) one share of common stock restricted in accordance with Rule 144; and (b) two Warrants to purchase an additional share of common stock restricted in accordance with Rule 144 for $0.50 for a period of 18 months after the close of the offering. Pursuant to the Unit subscription agreement, the Company offered to the individual a minimum of 625,000 Units ($50,000) and a maximum of 4,000,000 Units ($320,000). The individual purchased the minimum of 625,000 Units ($50,000) on September 22, 2016 and has a non-transferable and irrevocable option to purchase the remaining 3,375,000 Units ($270,000) for a period of 45 days from the effective date of September 22, 2016. The option expired on November 14, 2016. The Warrants are classified as equity since they have a fixed exercise price and do not have a provision for modification.

(3) During November and December 2016, the Company entered into Unit subscription agreements with seventeen unrelated companies and individuals. Each Unit was priced at $0.10 and contained: (a) one share of common stock restricted in accordance with Rule 144; and (b) one-half Warrant to purchase an additional share of common stock restricted in accordance with Rule 144 for $0.50 for a period of three years after the close of the offering. The parties purchased 5,975,000 Units ($597,500) during November and December 2016. The Warrants are classified as equity since they have a fixed exercise price and do not have a provision for modification.

(4) The Company entered into Unit subscription agreements during the period from January through August 2017. Each Unit was priced at $0.10 and contained: (a) one share of common stock restricted in accordance with Rule 144; and (b) one-half Warrant to purchase an additional share of common stock restricted in accordance with Rule 144 for $0.50 for a period of three years after the close of the offering. The parties purchased 2,700,000 Units ($270,000) with 1,350,000 Warrants. The Warrants are classified as equity since they have a fixed exercise price and do not have a provision for modification.

(5) The Company entered into Unit subscription agreements during the period from September through December 2017. Each Unit was priced at $0.20 and contained: (a) one share of common stock restricted in accordance with Rule 144; and (b) one-half Warrant to purchase an additional share of common stock restricted in accordance with Rule 144 for $0.50 for a period of three years after the close of the offering. The parties purchased 4,525,000 Units ($905,000) with 2,262,500 Warrants. The Warrants are classified as equity since they have a fixed exercise price and do not have a provision for modification.

11 RELATED PARTY TRANSACTIONS

The Company's chief executive officer has advanced the Company various amounts on a non-interest bearing basis, which is being used for working capital. The advance has no fixed maturity. The activity is summarized as follows:

	December 31, 2017	December 31, 2016
Balance at beginning of period	$ 356,502	$ 318,002
New advances	34,000	40,000
Repayment	(1,000)	(1,500)
Balance at end of period	$ 389,502	$ 356,502

On May 6, 2016, the Company issued 10,000,000 shares of Series "A" Preferred Stock to Carter Matzinger, Chief Executive Officer and Chairman of the Board of Directors, for services previously rendered. The Preferred Stock was valued at $190,000 and recorded as compensation expense.

See Note 7 for long-term debt due to a director and related parties.

Axia Management, LLC ("Axia"), is wholly owned by the Company's Chief Executive Officer, Kevin Brian Cox, and provides a prepayment for the Company in regard to the Surge Media Division Facebook Ads and charges by use of the Axia credit card. Axia is reimbursed for the actual amount of credit card charges. In 2017 the reimbursement amount was $138,556 and has been reimbursed in full. Axia has not received any compensation for its accommodation.

On May 10, 2016, the Company entered into a Consulting Agreement with Anthony P. Nuzzo, Jr., the Company's Chief Operating Officer and a director, for a term of two years. Pursuant to the terms of the Consulting Agreement, the Company has delivered 1,000,000 shares of Company Common Stock value at $190,000, which is being amortized over the two year term of the agreement.

The Company contracts for call center services with CenterCom, LLC, a company which is owned by Anthony P. Nuzzo, Jr., the Chief Operating Officer and a director of the Company and Kevin Brian Cox, the Chief Executive Officer and a director of the Company. During 2017, the Company paid an aggregate of $6,678 to CenterCom, LLC.

12 COMMITMENTS AND CONTINGENCIES

True Wireless, LLC (now True Wireless, Inc.)

Master Agreement for the Exchange of Common Stock, Management, and Control

On or about December 7, 2016, the Company, entered into a Master Agreement for the Exchange of Common Stock, Management, and Control (the "Exchange Agreement") with True Wireless, LLC, an Oklahoma Limited Liability Company ("TW") and the members of TW (the "Members"). Hereinafter, the Company, TW, and its Members may be referred to as a "Party" individually or collectively as the "Parties".

TW's primary business operation is a full-service telecommunications company specializing in the Lifeline program as set forth by the Telecommunications Act of 1996 and regulated by the FCC which provides subsidized mobile phone services for low income individuals ("Lifeline Services"). TW currently has an FCC license to offer Lifeline Services in the following states: Oklahoma, Rhode Island, Maryland, Texas, and Arkansas.

Kevin Brian Cox ("Cox"), a resident of the State of Tennessee, is the sole owner of all of TW's issued and outstanding membership interests, either directly or indirectly through EWP Communications, LLC, a Tennessee limited liability company, the beneficial owner of which is Cox.

Additionally, pursuant to the terms of the Exchange Agreement, the Company executed and entered into a "Management and Marketing Agreement" ("Management Agreement") with TW (see below).

Pursuant to the Management Agreement, the Company agreed to enter into a Management Agreement with TW whereby the Company would act as the manager of TW until such time as the Exchange Agreement and the transactions contemplated thereunder are approved by the FCC. Following such approval (which has not occurred as of the date of this Report), the Parties will hold a final closing of the Exchange Agreement and TW would become a wholly-owned subsidiary of the Company (collectively, the "Transaction").

First Addendum to Master Agreement for the Exchange of Equity, Management, and Control

On March 30, 2017, the Parties executed a First Addendum to the Exchange Agreement extending the time for all material deadlines contemplated therein to be completed by May 1, 2017.

Amended Master Agreement for the Exchange of Common Stock, Management, and Control

On July 18, 2017, the Parties entered into an Amended Master Agreement for the Exchange of Common Stock, Management, and Control (the "Amended Exchange Agreement") which amended and restated the Exchange Agreement. The Amended Exchange Agreement reset certain of the milestones and timetables detailed in the Exchange Agreement. The material terms of the Amended Exchange Agreement are as follows:

TERMS

- The Management Agreement would commence on July 18, 2017, concurrent with the execution of the Amended Exchange Agreement (the "Management Closing");

- All other terms and conditions with respect to the Transaction set forth in this Amended Exchange Agreement required to be completed by the Parties would occur only after all required governmental and regulatory approvals of the Transaction have been delivered. At that time, the Parties agreed to complete the Company's acquisition of TW (the "Equity Closing"). The Parties agreed to expedite preparation of all financial information and audits to be completed at the earliest feasible time.

- The Equity Closing is subject to the completion of due diligence by all Parties to the Amended Exchange Agreement;

- The Transaction (including the Equity Closing) is subject to delivery by the Parties of all documents required under the Amended Exchange Agreement;

- The Company and TW agreed to take all necessary corporate actions to authorize the Management and Equity Closings; and

- It was intended that the transaction underlying the Amended Exchange Agreement would qualify for United States federal income tax purposes as a re-organization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended. However, both Parties recognized that in the event the transaction underlying this Agreement does not qualify for United States federal income tax purposes as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended, each party is separately responsible for any tax consequences and indemnifies and holds harmless the other party from and against any and all claims, demands, actions, suits, proceedings, assessments, judgments, damages, costs, losses and expenses, resulting from the that Parties failure to pay their tax liability for this transaction.

CLOSINGS

THE MANAGEMENT CLOSING

The Management Closing occurred on July 18, 2017 pursuant to the following material terms or actions which were approved by the Parties:

- The Company agreed, upon execution of the Amended Exchange Agreement, to deliver (a) $1.5 Million Promissory Note issued by the Company in favor of Cox; and (b) undertake to authorize an additional number of shares of common stock as required to fulfill the terms and conditions of the transactions between the parties;

- Upon the Equity Closing (which has not yet occurred), the Company agreed to issue to Cox and/or his assigns, approximately 114 million shares of Company Common Stock and Warrants to purchase 45 million Company Common Shares for a period of five years at a purchase price of $0.50 per share (subject to adjustment) which can be exercised on a "cashless" basis. As of the date of this Report, 12 million shares of Company Common Stock have been issued to Cox and assigns;

- The Company also agreed to an anti-dilution provision (the "Anti-Dilution Provision") whereby it would issue such number of additional shares at the Equity Closing as would be necessary to maintain Cox's percentage ownership of Company Common Stock at the time of the Equity Closing at 69.5% ("Cox Percentage"). This provision applies with respect to any additional stock, warrants or other security issued by the Company prior to the Equity Closing;

- It was agreed that 75% of Carter Matzinger's ("Matzinger") Series "A" Preferred Stock ("Series A Preferred Stock") containing specified majority common stock voting rights of the Company would be transferred by Matzinger to Cox upon execution of the Amended Exchange Agreement. This agreement was subsequently amended to provide for the transfer of 100% of the Series A Preferred Stock by Matzinger to Cox;

- It was agreed that Matzinger would submit for cancellation and retirement all of his (or his assigns) shares of Company Common Stock in excess of 14 million shares. As a result thereof, Matzinger would hold no more than 14 million shares of Company Common Stock following the Equity Closing.

Management and Marketing Agreement

On or about July 18, 2017, the Company executed and entered into a "Management and Marketing Agreement" ("Management Agreement") with Cox. Pursuant to the Management Agreement, the Company is obligated to provide certain management services to Cox as detailed in the Management Agreement. On December 27, 2017, the Company and K. Brian Cox mutually agreed to terminate the Management Agreement and cancel the $1,500,000 Promissory Note issued on July 18, 2017, *ab initio* and declared that both the Management Agreement and the Promissory Note annulled and would be treated as if they were never consummated.

EQUITY CLOSING (AGREEMENT AND PLAN OF REORGANIZATION)

As of March 30, 2018, the parties to the Transaction have restructured the Transaction and intend to have an Equity Closing during the early part of the Company's 2nd fiscal quarter of 2018. In March 2018, the parties negotiated an Agreement and Plan of Reorganization among the Company, True Wireless Acquisition, Inc., a Nevada corporation ("Acquisition Subsidiary") and wholly-owned subsidiary of the Company and True Wireless, Inc., an Oklahoma corporation ("TW") ("Merger Agreement") which supersedes all prior agreements with respect to the terms of the Transaction. Pursuant to the terms of the Merger Agreement, TW (successor in interest to True Wireless, LLC) will merge into Acquisition Subsidiary in a transaction where TW will be the surviving company and become a wholly-owned subsidiary of the Company. The transaction is structured as a tax-free reverse triangular merger. In addition to the 12,000,000 shares of Company Common Stock and $500,000 cash which has been paid to the shareholders of TW, at the Closing of the merger transaction, the shareholders of TW will receive the following as additional merger consideration:

- 151,707,516 shares of newly-issued Company Common Stock, which will give the shareholders of TW, on a proforma basis, a 69.5% interest in the Company's total Common Shares.
- An additional number of shares of Company Common Stock, if any, necessary to vest 69.5% of the aggregate issued and outstanding Common Stock in the shareholders of TW at the Closing.
- A Promissory Note in the original face amount of $3,000,000, bearing interest at 3% per annum maturing on December 31, 2018.
- 3,000,000 shares of newly-issued Company Series A Preferred Stock

At the closing of the Merger, outstanding shares in TW together with all documentation to reflect the intent of the Parties such that TW would become a wholly owned subsidiary of the Company shall be delivered to the Company.

Pursuant to the terms of the Merger Agreement, the parties confirmed the prior delivery of 12,000,000 shares of Company Common Stock and $500,000 cash which was been paid to the shareholders of TW as a deposit on the Transaction.

Conditioned upon the Parties, having completed all material requirements of the Merger Agreement, including all delivery of all Exhibits and Collateral Agreements contemplated thereby, and the receipt of any required third party approvals, the Parties agreed to proceed with the Equity Closing, as follows:

Company Investment in TW

At the date of this filing, the Company's investment in TW consists of the following:

	Shares		Amount
Consideration paid:			
Cash paid		$	500,000
Common stock issued	12,000,000		1,200,000
Total consideration paid	12,000,000	$	1,700,000
Consideration to be paid:			
Common stock to be issued at closing	151,707,516	$	60,683,006
Series A Preferred Stock to be issued at closing	3,000,000		120,000
Note payable due December 31, 2018			1,500,000
Total consideration to be paid		$	62,303,006
Total consideration		$	64,003,006

Notes to Table Above:

1 Common Stock to be issued at closing at an average price of approximately $0.40 per share.
2 Series A Preferred Stock to be issued at closing at an average price of $0.04 per share.

Status of True Wireless Transaction

As of the date of this Report, the Transaction has not closed and the Company anticipates its closing early in the second quarter of 2018. The terms of the Transaction are subject to change prior to closing.

13 LITIGATION

The following is summary of threatened, pending, asserted or un-asserted claims against the Company or any of its wholly owned subsidiaries.

Claims by River North Equity, LLC against KSIX Media Holdings, Inc.:

On June 29, 2017, River North Equity, LLC ("River North Equity") filed suit against the Company and Carter Matzinger in the Circuit Court of the 18th Judicial District of DuPage County in Wheaton, IL (Case # 2017AR000989) arising out of an Equity Purchase Agreement the Company entered into with River North Equity on July 11, 2016. The Complaint alleges that the Company entered into a series of convertible promissory notes in the aggregate face amount of $177,500 and that these notes are presently in default. The Complaint also alleges that the Company failed to maintain sufficient authorized capital to allow for conversion of the promissory notes; failed to honor conversion notices delivered with respect to the promissory notes; failed to file a registration statement with the U.S. Securities and Exchange Commission with respect to shares issuable on conversion of the promissory notes and failed to properly disclose the existence of the promissory notes and relevant details in its filings with the U.S. Securities and Exchange Commission. River North Equity is seeking damages in the amount of at least $27,500 plus accrued interest and such other damages as may be proven at trial. As of the date of this Report, this matter has been settled and dismissed.

Claims by TCA Global Credit Master Fund, L.P.

On or about May 9, 2017, TCA Global Credit Master Fund, L.P. ("TCA") filed a civil action in Broward County Florida against the Company and its subsidiaries regarding an outstanding balance due under a Senior Secured Debt Facility Agreement dated February 26, 2016. This facility was fully paid on December 7, 2017. In all other respects, the action with TCA has been settled and dismissed.

Claims by American Express Bank FSB:

On or about August 26, 2016 American Express Bank FSB ("American Express") filed a civil complaint against DIQ and Scott Kaplan (an employee of the Company) in the District Court for Clark County, Nevada for approximately $336,726 due on a credit card issued to DIQ, which was allegedly guaranteed by Scott Kaplan, the vice president of business development for KSIX, LLC. This action was subsequently dismissed on July 19, 2017. While the Company was not a party to this action, ostensibly there could be an obligation on the part of the Company to indemnify Mr. Kaplan on this matter. As of this date, no claim for indemnification has been made against the Company and the Company seeks to resolve any issues relating to this matter on an amicable basis without incurring any liability. Failure to resolve this matter could potentially have a material adverse effect on the Company and its business. There is no guarantee that this matter can be resolved on any basis which is favorable to the Company.

West Publishing v DigitizeIQ LLC.

On or about September 28, 2017 West Publishing Corporation ("West Publishing") filed a civil action in the Superior Court of the State of California County of San Diego, Central Division (Case# 37-201700034215-CU-CL-CTL) for breach of contract and open book account against the Company's subsidiary DigitizeIQ, LLC ("DigitizeIQ"). West Publishingclaims an open account of $435,700 against DigitizeIQ from an account originating in 2014 wherein DigitizeIQ provided lead-generation services for West Publishing. The Company has retained counsel and will vigorously defend this action. The Company contends that the open book account claimed by West Publishing is an accounting error and that, in fact, West Publishing owes DigitizeIQ for verified lead generation services during the relevant period. This matter is still pending as of the date of this Report and the outcome cannot be predicted.

14 CONCENTRATION

Revenue from one customer represented 45% of total revenue for the year ended December 31, 2017.

15 SUBSEQUENT EVENTS

The Company has evaluated events occurring subsequent to December 31, 2017 and through the date these financial statements were available to be issued and disclosure as following:

1) On January 4, 2018, Carter Matzinger voluntarily cancelled 10,778,761 shares of Company Common Stock he had previously held.

2) Between January 1, 2018 and March 31, 2018, the Company sold an additional 2,300,000 shares of Company Common Stock for gross proceeds of $460,000.

3) On March 29, 2018, the Company filed a Certificate of Amendment to its Certificate of Designations for its Series A Preferred Stock which increased the authorized Series A Preferred Stock from 10,000,000 shares to 13,000,000 shares.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Under the PCAOB standards, a control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those responsible for oversight of the company's financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of December 31, 2016. Our management has determined that, as of December 31, 2017, the Company's disclosure controls and procedures are not effective due to a lack of segregation of duties.

Management's report on internal control over financial reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with the United States' generally accepted accounting principles (US GAAP), including those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as set forth in its Internal Control - Integrated Framework. Based on our evaluation under the framework in Internal Control - Integrated Framework, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2017 due to a lack of segregation of duties.

There were no significant changes in internal controls or in other factors that could significantly affect these controls during the year ended December 31, 2017.

ITEM 9B: OTHER INFORMATION

None.

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Listed below are our directors and executive officers.

Set forth below is certain biographical information concerning our current executive officers and directors. We currently have two executive officers as described below.

Directors and Executive Officers	Position/Title	Age
Kevin Brian Cox	President, Chief Executive Officer and Director	41
Carter Matzinger	Director	43
Anthony P. Nuzzo, Jr.	Chief Operating Officer and Director	48
David C. Ansani	Chief Administrative Officer and Director	52
Brian M. Speck	Chief Financial Officer	43
Manuel Flores	Director	45

The following information sets forth the backgrounds and business experience of the directors and executive officers.

Kevin Brian Cox – President, Chief Executive Officer Chief Financial Officer and a Director –Mr. Cox has been President, Chief Executive Officer Chief Financial Officer and a Director since July 2017. He been the majority owner and CEO of True Wireless since January 2011. True Wireless has been a leader and innovator in the wireless industry with a focus on providing reduced cost cellular service to low income individuals. Mr. Cox got his start in telecom in 2004 when he founded his first telephone company (CLEC). Through organic growth and acquisition, he ran 3 CLECs providing service to 200,000 residential subscribers and became the largest prepaid home phone company in the country before selling in 2009. Mr. Cox is a minority partner, investor and or stakeholder in several other technology companies including telecom, wireless and network transactions. Mr. Cox has a proven track record of not only success but winning. Many aspects of his leadership style are contributed to what he learned on the football field while earning Team Captain and All-Conference honors at Murray State University while majoring in Economics.

Carter Matzinger - Director - Mr. Matzinger has been a director of the Company since April 2015 and served as President of the Company from 2015 to 2017. He has over 18 years of diverse experience including working with many Fortune 500 companies including: The Limited, CompuServe, Goodyear Tire, and Amoco. For the past nine years, Mr. Matzinger has worked in the field of online marketing and has specialized in building large affiliate networks. He works closely with online advertisers and advertising networks to expand the reach of profitability of the Company. His experience in search engine optimization, list management, and pay-per-click advertising provides a vast network of relationships and industry expertise. Mr. Matzinger is the co-founder and President of Blvd Media Group, LLC (now Surge Blockchain, LLC), and KSIX LLC. Mr. Matzinger is a graduate of the University of Utah in 1997 B.A. in Business Administration.

Anthony P. Nuzzo Jr. – Chief Operating Officer and Director – Mr. Nuzzo has been the Chief Operating Officer and a director of the Company since July 2016. In 1991 Mr. Nuzzo formed Nuzzo Enterprises, Inc. d/b/a Jackson Hewitt Tax Service, a tax franchise, and successfully expanded the company to include twenty-two locations spread over six counties in Chicago, IL and the Syracuse, NY area. In June 2003, Mr. Nuzzo became one of five co-founders and Managing Members to successfully launch Leading Edge Recovery Solutions, LLC. In 2008 ranked 21st in the U.S. within the Financial Services Industry by the Inc. 500 Fastest Growing Private Companies annual Publication received the honor of Inc. 500 Fastest Growing Private Companies Annual Publication being Ranked 346 overall by Inc. In 2009, Mr. Nuzzo left for a new challenge and purchased Glass Mountain Capital, LLC. Mr. Nuzzo set out to create an Accounts Receivable Management company that focused on helping the consumer while achieving goals set by the clients. In 2013 under the leadership of Mr. Nuzzo Glass Mountain Capital, LLC was ranked 198 in the U.S. within the Financial Services Industry by the Inc. 500 Fastest Growing Private Companies annual Publication received the honor of Inc. 500 Fastest Growing Private Companies Annual Publication being overall by Inc. Magazine annual publishing of the Top 500 Fastest Growing Private Companies in the U.S. REVENUE: $6.9 Million. In early 2017, Mr. Nuzzo successful launched a near shore BPO, CenterCom Global, BPO in Central America. CenterCom will give all clients a near shore option that will drive down costs and build efficiencies.

David C. Ansani – Chief Administrative Officer and Director – Mr. Ansani has been a director of the Company since August 2017. From 2010 to the present date, he has been and is Chief Compliance Officer/Human Resources Officer/In-House Counsel for Glass Mountain Capital, LLC, a start-up financial services company specializing in the recovery of distressed assets. In this capacity, he reviews and evaluates compliance issues and concerns within the organization. The position ensures that management and employees are in compliance with applicable laws, rules and regulations of regulatory agencies (FDCPA, TCPA, GLB, CFPB, etc.); that company policies and procedures are being followed; and that behavior in the organization meets the company's standards of conduct.

Brian M. Speck – Chief Financial Officer – Mr. Speck has been Chief Financial Officer of the Company since March 2018. Since late 2013, he has been Director of Financial Reporting for Brio Financial Group, which will also support the Company's ongoing financial reporting. In his capacity at Brio, he consults various private and public companies in financial reporting, internal control development and evaluation, budgeting and forecasting. Prior to joining Brio, from 2011 to 2013, he was an audit supervisor at Wiss & Company. In that capacity, he was involved in their accounting and tax practice with industry focuses in manufacturing, wholesalers, construction contractors, and professional service firms. Mr. Speck has a Master of Science in Accounting from Kean University.

Manuel Flores – Director – Mr. Flores has been a director of the Company since August 2017. Since August 2015, he has been an attorney at Arnstein & Lehr, LLP, Chicago, IL. His primary practice areas include: banking and consumer finance regulation, and compliance; land use and zoning; and government affairs. He is a member of the Small Business Advisory Council (Illinois), FinTEx Chicago, Community Bankers Association of Illinois and Illinois Bankers Association. From November, 2012 through January 2015, he was Acting Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR), Springfield/Chicago, IL. In this capacity, he served as Chief Executive Officer of a state regulatory agency with an employee head count of 500 and an operating budget of $111,000,000.

None of the above directors and executive officers has been involved in any legal proceedings as listed in Regulation S-K, Section 401(f), except as disclosed above and there is no family relationship among the director and executive officers.

AUDIT COMMITTEE. The Company intends to establish an audit committee, which will consist of independent directors. The audit committee's duties would be to recommend to the Company's board of directors the engagement of independent auditors to audit the Company's financial statements and to review its accounting and auditing principles. The audit committee would review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee would at all times be composed exclusively of directors who are, in the opinion of the Company's board of directors, free from any relationship which would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles.

COMPENSATION COMMITTEE. Our board of directors does not have a standing compensation committee responsible for determining executive and director compensation. Instead, the entire board of directors fulfills this function, and each member of the Board participates in the determination. Given the small size of the Company and its Board and the Company's limited resources, locating, obtaining and retaining additional independent directors is extremely difficult. In the absence of independent directors, the Board does not believe that creating a separate compensation committee would result in any improvement in the compensation determination process. Accordingly, the board of directors has concluded that the Company and its stockholders would be best served by having the entire board of directors' act in place of a compensation committee. When acting in this capacity, the Board does not have a charter.

In considering and determining executive and director compensation, our board of directors' reviews compensation that is paid by other similar public companies to its officers and takes that into consideration in determining the compensation to be paid to the Company's officers. The board of directors also determines and approves any non-cash compensation to any employee. The Company does not engage any compensation consultants to assist in determining or recommending the compensation to the Company's officers or employees.

Compliance with Section 16(a) Of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's executive officers, directors and persons who own more than ten percent of the Company's common stock to file initial reports of ownership and changes in ownership with the SEC. Additionally, SEC regulations require that the Company identify any individuals for whom one of the referenced reports was not filed on a timely basis during the most recent fiscal year or prior fiscal years. To the Company's knowledge, based solely on a review of reports furnished to it, none of the Company's officers, directors and ten percent holders have made the required filings.

Code of Ethics

Our Board of Directors has not adopted a Code of Business Conduct and Ethics.

ITEM 11: EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the compensation for the Company's Chief Executive Officer and all other executive officers of the Company and any employee of the Company whose cash compensation exceeds $100,000 for the years ended December 31, 2017 and 2016.

		Annual Compensation			Long-Term Compensation[3]			
Name and Principal Position[5]	Year	Salary ($)[1]	Bonus ($)[2]	Other Annual Compensation ($)[7]	Restricted Stock Awards ($)	Securities Underlying Options ($)[6]	LTIP Payouts	All Other Compensation
Carter Matzinger[4]	2017	$ 120,000	$ —	$ —	$ —	$ —	$ —	$ —
Former CEO, CFO and Director	2016	$ 120,000	$ —	$ 190,000	$ —	$ —	$ —	$ —
Kevin Brian Cox	2017	$ —	$ —	$ —	$ —	$ —	$ —	$ —
CEO, Former CFO and Director	2016	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Footnotes to Executive Compensation:

[1] Management base salaries can be increased by our Board of Directors based on the attainment of financial and other performance guidelines set by the management of the Company.

[2] Salaries listed do not include annual bonuses to be paid based on profitability and performance. These bonuses will be set, from time to time, by a disinterested majority of our Board of Directors. No bonuses will be set until such time as the aforementioned occurs.

[3] The Company plans on developing an "Employee Stock Option Plan" ("ESOP") for both management and strategic consultants. However, the Company does anticipate executing long-term employment contracts with both, along with other members of the future management team, during the 2017 calendar year. It is anticipated these management agreements will contain compensation terms that could include a combination of cash salary, annual bonuses, insurance and related benefits, matching IRA contributions, restricted stock awards based upon longevity and management incentive stock options. At the current time, the Company does not know the final structure of the ESOP or the proposed long term management employment contracts.

[4] Our Board of Directors will serve until the next annual meeting of the stockholders and until successors are duly elected and qualified, unless earlier removed as provided in the Company's Corporate Bylaws. Executive officers serve at the pleasure of the Board of Directors.

[5] As of the Company's last fiscal year and the date of the filing of this current report, there are officially no other executive officers of the Company besides Mr. Matzinger as is required to be disclosed under Item 402(m)(2)(ii) and (iii), and the instructions to Item 402(m)(2) as set forth under regulation S-K. Additionally, there are no other employees who could even be considered to be an executive officer who make in excess of $100,000 USD per year.

[6] Pursuant to his employment agreement with the Company, Carter Matzinger was awarded a "Performance Based Stock Option" of 3,000,000 shares of the Company's common stock and a "Time Based Stock Option" of up to 3,000,000 shares of Common Stock of the Company. Both sets of options come with Registration Rights and when requested by Mr. Matzinger, the Company will be required to file a Form S-8 Registration Statement. The Time Based Stock Options vested on September 24, 2016 on the one-year anniversary of Mr. Matzinger's employment contract and expire on September 24, 2019. The terms of both types of common stock option awards are described below:

Performance Based Stock Options

- Stock Option #1 (Vests after revenues resulting in $10,000,000 in annual sales) to purchase up to 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.12 per share.
- Stock Option #2 (Vests after revenues resulting in $15,000,000 in annual sales) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.30 per share.
- Stock Option #3 (Vests after revenues resulting in $20,000,000 in annual sales) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at $0.50 per share.

Time Based Stock Options (Vested)

- Stock Option #4 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.12 per share.
- Stock Option #5 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.30 per share.
- Stock Option #6 (Vests One Year from date of Employment Agreement) to purchase 1,000,000 shares of the common stock of the Company (good for 3 years from vesting) at a price of $0.50 per share.

The following assumptions were used to value the options:

Expected term	4 years
Expected average volatility	398.18%
Expected dividend yield	0%
Risk-free interest rate	1.44%
Expected annual forfeiture rate	0%

No value was recorded for the performance-based stock options. The time-based stock options were valued at $959,919, based on the assumptions above, and an accrual of $39,219 was recorded as amortization of this amount in 2015 and $261,913 was recorded as amortization of this amount in 2016. $301,132 was recorded as additional paid in capital in 2016.

[7] On May 6, 2016, upon filing the Certificate of Designation which designated 10,000,000 shares of the Company's $0.001 par value preferred stock as Series "A", the board of directors authorized the Company to issue all 10,000,000 shares of Series "A" Preferred Stock to Carter Matzinger, Chief Executive Officer and Chairman of the Board of Directors, for services previously rendered.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards			
	Number of Securities Underlying Unexercised Options			
Name	Exercisable	Unexercisable	Option Exercise Price	Option Expiration Date
Carter Matzinger				
Option 1		1,000,000	$ 0.12	*
Option 2		1,000,000	$ 0.30	*
Option 3		1,000,000	$ 0.50	*
Option 4	1,000,000		$ 0.12	September 24, 2019
Option 5	1,000,000		$ 0.30	September 24, 2019
Option 6	1,000,000		$ 0.50	September 24, 2019

* Three years from date vested.

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Name				
Carter Matzinger				
Option 1				
Option 2				
Option 3				
Option 4			1,000,000	$ 246,397
Option 5			1,000,000	$ 189,500
Option 6			1,000,000	$ 152,386
			3,000,000	$ 588,283

The Company valued these shares based upon their conversion rate of 10 shares of preferred stock for each share of common stock based on the market price of the common stock as of March 30, 2016 of $0.18 per share. The Company recorded compensation expense in the amount of $190,000.

Compensation Policy

Our Company's executive compensation plan is based on attracting and retaining qualified professionals which possess the skills and leadership necessary to enable our Company to achieve earnings and profitability growth to satisfy our stockholders. We must, therefore, create incentives for these executives to achieve both Company and individual performance objectives through the use of performance-based compensation programs. No one component is considered by itself, but all forms of the compensation package are considered in total. Wherever possible, objective measurements will be utilized to quantify performance, but many subjective factors still come into play when determining performance.

Compensation Components

As a growth stage Company with a plan of action of both vertical and horizontal industry acquisitions (and potential retention of management of acquired businesses), the main elements of compensation packages for executives shall consist of a base salary, stock options under the proposed plan discussed above under this section, and bonuses (cash and/or equity) based upon performance standards to be negotiated.

Base Salary

As the Company continues to grow, both through acquisition or through revenue growth from existing business interests, and financial conditions improve, these base salaries, bonuses, and incentive compensation will be reviewed for possible adjustments. Base salary adjustments will be based on both individual and Company performance and will include both objective and subjective criteria specific to each executive's role and responsibility to the Company.

Compensation of Directors

At the time of this filing, directors receive no remuneration for their services as directors of the Company, nor does the Company reimburse directors for expenses incurred in their service to the Board of Directors of the Company. The Company plans to put in place an industry standard director compensation package during the fiscal year 2018.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following information table sets forth certain information regarding the Common Stock owned on March 31, 2018 by: (i) each person who is known by the Company to own beneficially more than 5% of its outstanding Common Stock; (ii) each director and officer; and (iii) all officers and directors as a group:

Title of Class	Name and Address of Beneficial Owner [1]	Title of Beneficial Owner	Amount of Beneficial Ownership	% of Class [2]
Common	**Carter Matzinger** 10624 S. Eastern, Suite A-910 Henderson, NV 89052	Director	15,000,000[6]	18.80%
Common	**Anthony P. Nuzzo Jr.** [3] 1930 Thoreau Drive, Suite 100 Schaumberg, IL 60173	Director	4,025,000	5.04%
Common	**Kevin Brian Cox**[4] 3124 Brother Blvd. #104 Bartlett, TN 38133	Chairman, Director, President and Chief Executive Officer	14,425,000	18.08%
Series A Preferred			10,000,000[5]	100%
Common	**David C. Ansani** 1930 Thoreau Drive Suite 100 Schaumburg, IL 60173	Director	7,000	*
Common	**Manuel Flores** 18 South Merrill Street Park Ridge, IL 60068	Director	0	0.00%
Common	All Directors & Officers as a Group (5 persons)		31,032,000	38.89%
Common	Edwin F. Winfield 1771 East Flamingo Road, Suite 206A Las Vegas, NV 89119	5% Holder	5,106,134[7]	6.40%

- Less than one (1) percent

Notes:

(1) The person named in this table has sole voting and investment power with respect to all shares of common stock reflected as beneficially owned;

(2) based on 79,796,679 shares of common stock outstanding as of March 31, 2018; there are no underlying options or warrants to purchase shares of Common Stock, or other securities convertible into the Common Stock of the Company, that currently are exercisable or convertible or that will become exercisable or convertible within sixty (60) days of this filing except for the Time Based Stock Option for 3,000,000 shares held by Mr. Matzinger, see (6) below.

(3) Includes 1,600,000 shares owned by Anthony P. Nuzzo Jr. and 2,425,000 shares owned by BCAN Holdings, LLC, a Nevada limited liability company, of which Mr. Nuzzo is managing member.

(4) Includes 11,000,000 shares owned by Kevin Brian Cox, 1,000,000 shares owned by EWP Communications, LLC, a Tennessee liability company, of which Mr. Cox is a beneficial owner, and 2,425,000 shares owned by BCAN Holdings, LLC, a Nevada limited liability company, of which Mr. Cox is a beneficial owner.

(5) Each share of Series A Preferred Stock is entitled to vote ten (10) shares of Common Stock for each one (1) share of Series A Preferred Stock held.

(6) Includes 13,000,000 shares owned by Thirteen Nevada, LLC, a Nevada limited liability company, of which Mr. Matzinger is a beneficial owner. Mr. Matzinger was granted options to acquire up to 6,000,000 shares of the Company's common stock as described in Item 11 herein. At December 31, 2017, options to acquire up to 3,000,000 shares of the Company's common stock are exercisable, and 2,000,000 shares are in the money and included in the beneficial ownership table above.

(7) Includes 4,606,134 shares owned by Edwin F. Winfield and 500,000 shares owned by Vegas Media Group, Inc., a Nevada corporation, of which Mr. Winfield is a beneficial owner.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes certain information as of December 31, 2017 and December 31, 2016, with respect to compensation plans (including individual compensation arrangements) under which our common stock is authorized for issuance:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighed average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Performance based stock options	3,000,000	$ 0.31	-
Time Based stock options	3,000,000	$ 0.31	-

The Company has not yet formalized stock option plans for its officers, employees, directors and consultants. The Company's chief executive officer was granted the options summarized above, the specifics of which are summarized in Item 11 herein.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Party Transactions

A director of the Company has advanced the Company various amounts on a non-interest bearing basis, which is being used for working capital. The advance has no fixed maturity. The activity is summarized as follows:

	December 31, 2017	December 31, 2016
Balance at beginning of period	$ 356,502	$ 318,002
New advances	34,000	40,000
Repayment	(1,000)	(1,500)
Balance at end of period	$ 389,502	$ 356,502

On December 6, 2016, the consulting agreement with the director was amended to include provisions specifically related to the agreement to acquire TW as described in Note 12 of the Consolidated Financial Statements under "Director Consulting Agreement."

The Company has non-interest bearing long-term debt due to a director in the amount of $107,500, which is due in four equal annual installments of $26,875 on April 28 of each of the four years beginning April 28, 2016. The payments due April 28, 2017 and April 28, 2016 have not been made. During 2017, the Company borrowed $304,000 from companies owned by the Company's chief executive officer. See Note 7 to the Consolidated Financial Statements.

Axia Management, LLC ("Axia"), is wholly owned by the Company's Chief Executive Officer, Kevin Brian Cox, and provides credit cards for the Company. Axia is reimbursed for the actual amount of the Company's credit card charges, $138,556 in 2017, and receives no additional compensation for its services.

On May 6, 2016, the Company issued 10,000,000 shares of Series "A" Preferred Stock to Carter Matzinger, Chief Executive Officer and Chairman of the Board of Directors, for services previously rendered. (See Note 11).

On May 10, 2016, the Company entered into a Consulting Agreement with Anthony P. Nuzzo, Jr., the Company's Chief Operating Officer and a director, for a term of two years. Pursuant to the terms of the Consulting Agreement, the Company has delivered 1,000,000 shares of Company Common Stock value at $190,000, which is being amortized over the two year term of the agreement.

The Company contracts for call center services with CenterCom, LLC, a company which is owned by Anthony P. Nuzzo, Jr., the Chief Operating Officer and a director of the Company and Kevin Brian Cox, the Chief Executive Officer and a director of the Company. During 2017, the Company paid an aggregate of $6,678 to CenterCom, LLC.

Review, Approval and Ratification of Related Party Transactions

The board of directors has responsibility for establishing and maintaining guidelines relating to any related party transactions between us and any of our officers or directors. We do not currently have any written guidelines for the board of directors which will set forth the requirements for review and approval of any related party transactions, but we plan to adopt such guidelines once we add additional independent board members.

Director Independence

Our common stock is currently quoted on the OTCQB. Since the OTCQB does not have rules for director independence, we use the definition of independence established by the NYSE MKT (formerly the American Stock Exchange). Under applicable NYSE MKT rules, a director will only qualify as an "independent director" if, in the opinion of our Board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

We periodically review the independence of each director. Pursuant to this review, our directors and officers, on an annual basis, are required to complete and forward to the Corporate Secretary a detailed questionnaire to determine if there are any transactions or relationships between any of the directors or officers (including immediate family and affiliates) and us. If any transactions or relationships exist, we then consider whether such transactions or relationships are inconsistent with a determination that the director is independent. As this time, we have one independent director, Manuel Flores.

Conflicts Relating to Officers and Directors

To date, we do not believe that there are any conflicts of interest involving our officers or directors, unless disclosed above. With respect to transactions involving real or apparent conflicts of interest, we have not adopted any formal policies or procedures. In the absence of any formal policies and procedures regarding conflicts, we intend to follow these guidelines: (i) the fact of the relationship or interest giving rise to the potential conflict be disclosed or known to the directors who authorize or approve the transaction prior to such authorization or approval, (ii) the transaction be approved by a majority of our disinterested outside directors, and (iii) the transaction be fair and reasonable to us at the time it is authorized or approved by our directors.

ITEM 14: PRINCIPAL ACCOUNTING FEES AND SERVICES

In the last two fiscal years ended December 31, 2017 and 2016, we have retained Paritz & Company, P.A., as our principal accountants. We understand the need for our principal accountants to maintain objectivity and independence in their audit of our financial statements. To minimize relationships that could appear to impair the objectivity of our principal accountants, our board has restricted the non-audit services that our principal accountants may provide to us primarily to audit related services. We are only to obtain non-audit services from our principal accountants when the services offered by our principal accountants are more effective or economical than services available from other service providers, and, to the extent possible, only after competitive bidding. The board has adopted policies and procedures for pre-approving work performed by our principal accountants. After careful consideration, the board has determined that payment of the audit fees is in conformance with the independent status of our principal independent accountants.

Audit Fees – During 2017, $39,000 was billed for the completion of the 2017 audit and the quarterly reviews for 2017. The aggregate fees billed for professional services rendered by the Company's accountant was approximately $33,500 for the audit of the Company's annual financial statements and the quarterly reviews for the fiscal year ended December 31, 2016.

Audit-Related Fees – None.

Tax Fees – None.

All Other Fees – Other than the services described above, no other fees were billed for services rendered by the principal accountant.

Audit Committee Policies and Procedures – Not applicable.

If greater than 50 percent, disclose the percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees – Not applicable.

PART IV

ITEM 15: EXHIBITS, FINANCIAL STATEMENT SCHEDULES, SIGNATURES

(a) The following documents are filed as part of this report:

1 Financial Statements – The following financial statements of Surge Holdings, Inc. are contained in Item 8 of this Form 10-K:

- Reports of Independent Registered Public Accountant
- Consolidated Balance Sheets at December 31, 2017 and 2016
- Consolidated Statements of Operations for the years ended December 31, 2017 and December 31, 2016
- Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2017 and December 31, 2016
- Consolidated Statements of Cash Flows for the years ended December 31, 2017 and December 31, 2016
- Notes to Consolidated Financial Statements

2 Financial Statement Schedules were omitted, as they are not required or are not applicable, or the required information is included in the Consolidated Financial Statements.

3 Exhibits – The following exhibits are filed with this report or are incorporated herein by reference to a prior filing, in accordance with Rule 12b-32 under the Securities Exchange Act of 1934.

Exhibit No.	Description
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INS	XBRL Instance Document [4]
101.SCH	XBRL Taxonomy Extension Schema Document [4]
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document [4]
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document [4]
101.LAB	XBRL Taxonomy Extension Label Linkbase Document [4]
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document [4]

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Surge, Inc.
April 10, 2018	*/s/ Kevin Brian Cox* Kevin Brian Cox President, Chief Executive Officer, Principal Executive Officer and a Director
April 10, 2018	*/s/ Brian M. Speck* Brian M. Speck Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

April 10, 2018	*/s/ Kevin Brian Cox* President, Chief Executive Officer, Principal Executive Officer and a Director
April 10, 2018	*/s/ David C. Ansani* David C. Ansani Chief Administrative Officer and a Director
April 10, 2018	*/s/ Carter Matzinger* Carter Matzinger Director
April 10, 2018	*/s/ Anthony P. Nuzzo* Anthony P. Nuzzo Chief Operating Officer and a Director
April 10, 2018	*/s/ Manuel Flores* Manuel Flores Director

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, Kevin Brian Cox, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2017 of Surge Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    e. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    f. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 10, 2018

/s/ Kevin Brian Cox
Kevin Brian Cox
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, Brian M. Speck, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2017 of Surge Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   e. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   f. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 10, 2018

/s/ Brian M. Speck
Brian M. Speck
Principal Financial Officer
Principal Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Kevin Brian Cox, the Chief Executive Officer of SURGE HOLDINGS, INC. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-K for the year ended December 31, 2017 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

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

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 10th day of April, 2018.

/s/ Kevin Brian Cox
Kevin Brian Cox
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to SURGE HOLDINGS, INC. and will be retained by SURGE HOLDINGS, INC. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Brian M. Speck, the Chief Financial Officer of SURGE HOLDINGS, INC. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-K for the year ended December 31, 2017 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

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

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 10th day of April, 2018.

/s/ Brian M. Speck
Brian M. Speck
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to SURGE HOLDINGS, INC. and will be retained by SURGE HOLDINGS, INC. and furnished to the Securities and Exchange Commission or its staff upon request.