

ePunk, Inc.
Form 10-Q/A
June 28, 2012

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

FORM 10-Q/A

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

For the quarterly period ended March 31, 2012

ePunk, Inc.
(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
(Exact name of registrant as specified in Charter)

Nevada (State or other jurisdiction of incorporation or organization)	333-147394 (Commission File No.)	26-1395403 (IRS Employee Identification No.)
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34105 Pacific Coast Highway
Dana Point, CA 92629
(Address of Principal Executive Offices)

(949) 514-6724
(Issuer Telephone number)

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

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

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Indicate by check mark whether the registrant is a larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes
o Nox

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. At June 26, 2012 the registrant had outstanding 31,819,917 shares of common stock, \$.0001 par value per share. The registrant's common stock is listed under the symbol "PUNK.PK".

EXPLANATORY NOTE

The sole purpose of this Amendment No. 1 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (the "Form 10-Q") is to submit Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. Exhibit 101 consists of the Interactive Data Files from the Registrant's Form 10-Q for the quarterly period ended March 31, 2012.

ePunk, Inc.
FORM 10-Q
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Item 1. Financial Statements.

ePunk, Inc.
Consolidated Balance Sheets

	March 31, 2012 (Unaudited)	September 30, 2011
ASSETS		
Current assets:		
Cash	\$ 279,274	\$ 18,206
Accounts receivable (Note B)	182,294	1,136
Inventory	13,508	7,317
Other current assets	5,540	-
Total current assets	480,616	26,659
Property, plant and equipment, net of \$2,495 of accumulated depreciation	26,660	2,293
Intangible assets net of \$1,934 of amortization	10,566	11,459
Deposits	17,442	11,050
Total assets	\$ 535,284	\$ 51,461
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities (Note C)	\$ 369,246	\$ 24,335
Accrued interest (Note D)	11,997	4,297
Convertible notes payable (Note D)	328,349	395,588
Promissory notes, net of \$97,105 discount (Note D)	182,895	-
Total current liabilities	892,487	424,220
Total liabilities	892,487	424,220
Commitments and contingencies		
Stockholders' deficit (Note E):		
Common stock, \$0.0001 par value; 100,000,000 shares authorized; issued and outstanding 30,008,585 and 30,008,585 at March 31, 2012 and September 30, 2011, respectively.	3,001	3,001
Common stock payable	193,199	-
Additional paid-in capital	(243,799)	(300,917)
Accumulated earnings	(309,604)	(74,843)
Total stockholders' deficit	(357,203)	(372,759)
Total liabilities and stockholder's deficit	\$ 535,284	\$ 51,461

The accompanying notes are an integral part of these financial statements

ePunk, Inc.

Consolidated Statements of Operations (Unaudited)

For the Three and Six Months Ended March 31, 2012 and the Period From February 25, 2011 (Inception) through March 31, 2011

	Three Months Ended March 31, 2012	February 25, 2011 through March 31, 2011	Six Months Ended March 31, 2012	February 25, 2011 through March 31, 2011
Net sales	\$531,268	\$25,750	\$757,974	\$25,750
Cost of sales	470,474	24,981	662,638	24,981
Gross profit	60,794	769	95,336	769
Operating expenses:				
General and administrative	96,671	2,200	197,088	2,200
Sales and marketing	32,876	-	50,714	-
Depreciation and amortization	2,240	-	3,180	-
Total operating expenses	131,787	2,200	250,982	2,200
Operating loss	(70,993)	(1,431)	(155,646)	(1,431)
Non-operating income (expense):				
Interest expense	(16,067)	(67)	(21,997)	(67)
Amortization of beneficial conversion feature	(57,118)	-	(57,118)	-
Total non-operating income (expense)	(73,185)	(67)	(79,115)	(67)
Loss before income taxes	(144,178)	(1,498)	(234,761)	(1,498)
Income tax provision (benefit)	-	-	-	-
Net loss	\$(144,178)	\$(1,498)	\$(234,761)	\$(1,498)
Net loss per common share:				
Basic	\$(0.005)	\$(0.005)	\$(0.008)	\$(0.005)
Weighted average common shares outstanding basic	30,048,534	308,534	30,028,559	308,534
The average shares listed below were not included in the computation of diluted losses per share because to do so would have been antidilutive for the periods presented:				
Convertible promissory notes	1,696,662	-	1,696,662	-

The accompanying notes are an integral part of these financial statements

ePunk, Inc.

Consolidated Statement of
Stockholder's DeficitFor Six Months Ended March 31, 2012 and the Period From February 25, 2011 (Inception) through
September 30, 2011

	Shares	Common stock Amount	Payable	Additional paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, February 25, 2011	-	\$-	\$-	\$-	\$ -	\$ -
Shares issued for website properties	24,750,000	2,475		10,025		12,500
Legal acquirer shares issued in merger	308,585	31		(359,947)		(359,916)
Shares issued upon the conversion of debt	4,950,000	495		49,005		49,500
Net loss					(74,843)	(74,843)
Balance, September 30, 2011	30,008,585	\$3,001	\$-	\$(300,917)	\$(74,843)	\$(372,759)
Shares issued upon the conversion of debt			122,266			122,266
Shares issued as inducement to lend			70,933			70,933
Amortization of beneficial conversion feature				57,118		57,118
Net loss					(234,761)	(234,761)
Balance, March 31, 2012 (Unaudited)	30,008,585	\$3,001	\$193,199	\$(243,799)	\$(309,604)	\$(357,203)

The accompanying notes are an integral part of these financial statements

ePunk, Inc.

Consolidated Statements of Cash Flows (Unaudited)

For the Six Months Ended March 31, 2012 and the Period From February 25, 2011 (Inception) through March 31, 2011

	Six Months Ended March 31, 2012	February 25, 2011 through March 31, 2011
Cash flows from operating activities:		
Net loss	\$(234,761)	\$(1,498)
Reconciliation to net cash provided by (used in) continuing operations:		
Depreciation and amortization	3,180	-
Accretion of debt discount	8,828	-
Amortization of beneficial conversion feature	57,118	-
Changes in certain assets and liabilities:		
Accounts receivable	(181,158)	-
Inventory	(6,191)	4,400
Other current assets	(5,540)	-
Deposits	(6,392)	-
Accounts payable	344,911	-
Accrued interest	13,169	67
Net cash (used) provided by operating activities	(6,836)	2,969
Cash flows from investing activities:		
Capital expenditures, net	(26,655)	-
Net cash used by investing activities	(26,655)	-
Net cash provided by financing activities:		
Proceeds from convertible promissory notes	49,559	5,000
Proceeds from promissory notes	245,000	-
Net cash provided by financing activities	294,559	5,000
Net increase in cash	261,068	7,969
Cash - beginning of period	18,206	-
Cash - end of period	\$279,274	\$7,969
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID DURING THE YEAR FOR:		
Taxes paid	\$-	\$-
Interest paid	\$-	\$-
NON-CASH FINANCING ACTIVITIES:		
Value of Common Stock issued for accrued interest	\$5,469	\$-
Value of Common Stock issued for debt	\$116,797	\$-
Value of Common Stock as inducement to lend	\$70,933	\$-

The accompanying notes are an integral part of these financial statements

ePunk, Inc.

Notes to Consolidated Financial Statements (Unaudited)

For the Three and Six Months Ended March 31, 2012

and the Period From February 25, 2011 (Inception) to March 31, 2011

Basis of Presentation

The unaudited financial statements of ePunk, Inc. as of March 31, 2012 and for the three and six months ended March 31, 2012 and the period from February 25, 2011 (Inception) through March 31, 2011 have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting. Accordingly, they do not include all of the disclosures required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended September 30, 2011 as filed with the Securities and Exchange Commission as part of our Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the interim financial information have been included. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Note A-Organization and Going Concern

Organization

ePunk, Inc. (the "Company")(formerly Truesport Alliances & Entertainment, Ltd.) (formerly Sewell Ventures, Inc.) was incorporated under the laws of the State of Delaware on April 27, 2007.

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, a privately owned Nevada limited liability company organized under the laws of the State of Nevada on October 17, 2008.

On January 15, 2010, the Company name was changed with the State of Delaware from Sewell Ventures, Inc. to Truesport Alliances, Ltd., and on January 29, 2010, the Company changed its state of incorporation to the State of Nevada.

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 90,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company's assets were transferred and the Company kept certain notes payable totaling approximately \$359,000.

On June 15, 2011, Excelsior Management, LLC, ("Seller") as agent for the beneficial owners of a total of 202,852 shares of common stock of ePunk, Inc. (fka Truesport Alliances & Entertainment, Ltd.), entered into a stock purchase agreement with Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler (the "Purchasers") for the sale and purchase of the Common Shares. As a result of the execution of the Stock Purchase Agreement, Excelsior sold, 65.75% of the issued and outstanding shares of common stock of the Company to the Purchasers in exchange for \$23,451.97.

On June 20, 2011 a majority of the shareholders of the Company approved the appointment of Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler to the Board of Directors. In addition, at such time, Richard Jesse Gonzales was appointed the Company's President and Chief Executive Officer, Justin Matthew Dornan as

Treasurer, and Frank J. Drechsler as Secretary. None of the appointed directors or officers entered into an employment agreement with the Company.

On June 20, 2011, the board of directors and a majority of the shareholders of the Company approved the name change of the Company from TrueSport Alliance & Entertainment, Ltd. to ePunk, Inc. On June 20, 2011, the Company amended Article 1 of its Articles of Incorporation to change the Company's name to ePunk, Inc.

On June 20, 2011, the shareholders and the board of directors of ePunk authorized a 1 for 100 reverse stock split. FINRA approved the reverse split on June 28, 2011 and declared the reverse split effective as of July 5, 2011.

ePunk, Inc.

Notes to Consolidated Financial Statements (Unaudited)

For the Three and Six Months Ended March 31, 2012

and the Period From February 25, 2011 (Inception) to March 31, 2011

Note A-Organization and Going Concern (Continued)

On June 30, 2011, The board and majority of the shareholders of the Company approved the issuance of 24,750,000 shares of common stock in exchange for 100% of the issued and outstanding capital stock of Punk Industries, Inc. causing Punk Industries, Inc. to become a wholly owned subsidiary of the Company. Punk Industries, Inc. was formed in February 2011 to develop off-road vehicle distribution. The Merger was accounted for as a “reverse merger,” as the stockholders of Punk Industries, Inc. owned a majority of the outstanding shares of ePunk, Inc. common stock immediately following the Merger. Punk Industries, Inc. was deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations of Punk Industries, Inc. prior to the Merger are reflected in the financial statements at the historical cost basis of Punk Industries, Inc. The Company's consolidated financial statements include the assets and liabilities of both ePunk, Inc. and Punk Industries, Inc., the historical operations of Punk Industries, Inc. and the Company's continuing operations from the Effective Date of the Merger. The Company accounted for the merger under recapitalization accounting whereby the equity of the acquiring enterprise (Punk Industries, Inc.) is presented as the equity of the combined enterprise and the capital stock account of the acquiring enterprise is adjusted to reflect the par value of the outstanding stock of the legal acquirer (ePunk, Inc.) after giving effect to the number of shares issued in the business combination. Shares retained by the legal acquirer (ePunk, Inc.) are reflected as an issuance as of the reverse merger date (June 30, 2011) for the historical amount of the net assets of the acquired entity.

The consolidated financial statements include the accounts of ePunk, Inc. and its wholly-owned subsidiary, Punk Industries, Inc. which are 100% consolidated in the financial statements.

Going Concern

In its report with respect to the Company's financial statements for the year ended September 30, 2011, the Company's independent auditors expressed substantial doubt about the Company's ability to continue as a going concern. Because the Company has not yet generated sufficient revenues from its operations, its ability to continue as a going concern is dependent upon its ability to obtain additional financing. Currently, the Company is seeking additional financing but has no commitments to obtain any such financing, and there can be no assurance that financing will be available in amounts or on terms acceptable to the Company, if at all.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. In the course of funding development and sales and marketing activities, the Company has sustained operating losses since inception and has an accumulated deficit of \$309,604 and \$74,843 at March 31, 2012 and September 30, 2011, respectively. In addition, the Company has negative working capital of \$411,871 and \$397,561 at March 31, 2012 and September 30, 2011, respectively. The Company will continue to use capital to market its products and may not be profitable for the foreseeable future. These factors raise doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of their common stock. There is no assurance that the Company will be successful in raising this additional capital. If adequate funds are not available on reasonable terms or at all, it would result in a material adverse effect on the Company's business, operating results, financial condition and prospects.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. These consolidated financial statements do not give effect to any adjustments which will be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable at March 31, 2012 consisted of two customers, one of which totalled 99% of the total receivable and 24% of total revenue during the six months ended March 31, 2012.

NOTE C - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at March 31, 2012 consisted of \$6,450 of professional services, \$31,129 of customer deposits and \$331,667 of trade payables.

ePunk, Inc.

Notes to Consolidated Financial Statements (Unaudited)

For the Three and Six Months Ended March 31, 2012

and the Period From February 25, 2011 (Inception) to March 31, 2011

NOTE D – PROMISSORY NOTES

Convertible Promissory Notes

As of March 31, 2012 the Company had the following convertible promissory notes payable:

	Principle Balance	Interest Rate		Date of:		Accrued Interest	Total Due
				Funding	Maturity		
Excelsior Management LLC note purchased by Amalfi	7,836	5.00	%	02/26/10	12/31/11	229	8,065
Coast Capital on June 24, 2011 and \$49,436 assigned to the RFF Family Trust on April 3, 2012.	59,000	5.00	%	05/27/10	08/27/10	1,722	60,722
Conversion into common stock	(45,400)			06/02/10	09/01/10	817	28,817
Total	\$ 49,436					\$ -	\$ 49,436
	\$ 50,592	5.00	%	01/30/10	12/31/10	\$ 1,912	\$ 52,504
Palatine Capital Investment Group LLC note purchased by Ravello Capital Corp on June 24, 2011 and assigned to the RFF Family Trust on April 3, 2012.	30,000	5.00	%	02/14/10	12/31/11	1,130	31,130
	25,000	5.00	%	02/26/10	12/31/11	942	25,942
	14,500	5.00	%	09/09/10	12/31/11		