UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20058

In the Matter of **LegacyXChange, Inc.,** **Respondent.**	**DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION AND RESPONSE TO RESPONDENT'S MOTION FOR SUMMARY DISPOSITION**

I. INTRODUCTION

In its Motion for Summary Disposition, Respondent fails to explain why its filings were delinquent for more than four years, fails to analyze the *Gateway*[1] factors, and fails to proffer anything other than its recent belated filings as a basis to avoid revocation. This is insufficient: "'even if an issuer has filed all delinquent periodic reports, revocation can be appropriate, particularly when . . . the delinquencies continued for an extended period without adequate explanation." *Absolute Potential*, Exch. Act Rel. No. 71866, 2014 WL 1338256, at *7 (Apr. 4, 2014) (quoting *China-Biotics, Inc.*, Exch. Act Rel. No. 70800, 2013 WL 5883342, at *13 (Nov. 4, 2013)). Here, the *Gateway* factors point strongly in favor of revocation: four years of non-filing is serious and recurrent misconduct. The level of culpability is high—Respondent knew of but failed to comply with its obligations—a failure that remains unexplained. Respondent's recent compliance efforts "do not overcome the need for revocation." *Absolute Potential*, 2014 WL 1338256, at *5. Respondent's filings concede a material weakness in internal controls, and it provides no assurances of future compliance in light of its minimal assets and lack of revenue.

[1] *Gateway Int'l Holdings, Inc.*, Exch. Act Rel. No. 53907, 2006 WL 1506286 (May 31, 2006).

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Accordingly the Commission should deny Respondent's motion and grant the Division of Enforcement's motion.

II. STATEMENT OF FACTS

Respondent LegacyXchange, Inc. ("Legacy") is a Nevada corporation with its principal offices in Florida.[2] Legacy has a class of securities registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act").[3] On June 30, 2016, Legacy filed a Form 12b-25 signed by its CEO, William Bollander, stating that Legacy could not file its Form 10-K by the due date because it was "in the process of preparing and reviewing the financial and other information," and that it needed "additional time to complete its financial statements as well as to have the report reviewed by its accountants and attorneys."[4] Legacy represented that it would file the report no more than fifteen days late.[5]

Legacy then went dark for more than four years, failing to file reports for the periods ending March 31, 2016 through June 30, 2020.[6] On August 11, 2020, Legacy filed a Form 8-K, signed by Bollander, stating that on July 2, 2020, Legacy's Board of Directors (i.e., Bollander)[7]—approved the engagement of an independent auditing firm, to whom Legacy disclosed "the need to bring the Company current with financial reporting including filings with the Securities and Exchange Commission."[8] Neither the Form 8-K nor Legacy's Summary Disposition Motion

[2]Exh. 1 (Form 10-Q for Period Ending Dec. 31, 2020), at 1 [page references for all exhibits are to the attached pdf].

[3]Legacy's Answer to Order Instituting Proceedings, at II.A (Mar. 4, 2021).

[4]Exh. 2 (Form 12b-25, June 30, 2016), at 2.

[5]*Id.*

[6]A table summarizing the delinquencies is appended at the end of this motion.

[7]Exh. 3 (Form 10-K for Period Ending Mar. 31, 2020), at 19 (listing Bollander as the sole director).

[8]Exh. 4 (Form 8-K, Aug. 11, 2020), at 2.

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provide any explanation as to the cause of the delinquency. Legacy filed the delinquent reports (and two reports that had subsequently become due) between December 2020 and February 2021).[9]

Legacy's most recent quarterly report reveals Legacy to be a shell company with few assets and no business operations. As of December 31, 2020, it had assets of $20,076 against liabilities of $1.6 million.[10] Legacy "is currently inactive due to lack of working capital to fund its operations," and it had no revenue.[11] Management believes Legacy's financial situation "raise[s] substantial doubt about the Company's ability to continue as a going concern . . . ."[12] Between November 2019 and June 2020, Legacy borrowed $91,000 from "an investor."[13] In February 2021, an investor (unclear if the same individual) loaned Legacy another $55,000.[14]

In its discussion of internal controls, Legacy's management concluded that as of December 31, 2020, Legacy's "disclosure controls and procedures were not effective." Legacy went on to state that it "expect[ed] to be materially dependent upon third parties to provide us with accounting consulting services . . . for the foreseeable future."[15]

III. PROCEDURAL HISTORY

On September 24, 2020, the Commission ordered a 10-day trading suspension in Legacy's securities. Exch. Act Rel. No. 89982. The Commission instituted this proceeding that same day. Exch. Act Rel. No. 89981. Legacy initially failed to respond to the Order Instituting Proceedings ("OIP"), and on February 19, 2021, the Commission issued an Order to Show Cause requiring

[9] Exh. 5 (printout from EDGAR of Legacy's filings).

[10] Exh. 1 (Form 10-Q for Period Ending Dec. 31, 2020), at 3.

[11] *Id.* at 7, 20.

[12] *Id.* at 7.

[13] *Id.* at 13.

[14] *Id.* at 19.

[15] *Id.* at 30.

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Legacy to demonstrate why its securities should not be revoked by default. Exch. Act Rel. No. 91167. On March 4, 2021, Legacy filed an Answer to the OIP and a response to the Order to Show Cause, in which Legacy "confirm[ed] . . . that at the time of the [OIP, it] was delinquent in its periodic filings with the Commission . . . ." Based on this filing (and without objection by the Division), the Commission discharged the Order to Show Cause and ordered the parties to conduct a prehearing conference. Exch. Act Rel. No. 91315 (Mar. 12, 2021). The parties did so and agreed to resolution by cross-motions for summary disposition, and the Commission entered a Scheduling Order adopting the parties' proposal. Exch. Act Rel. No. 91391 (Mar. 23, 2021).

III. THE COMMISSION SHOULD REVOKE THE REGISTRATION OF LEGACY'S SECURITIES

As Legacy concedes the violation, the issue is whether revocation is appropriate. Application of the *Gateway* factors shows that it is.

When determining the appropriate sanctions, the Commission is guided by:

1. The seriousness of the issuer's violations;
2. The isolated or recurrent nature of the violations;
3. The degree of culpability involved;
4. The extent of the issuer's efforts to remedy its past violations and ensure future compliance; and
5. The credibility of its assurances, if any, against further violations.

2006 WL 1506286, at *4.

In *Absolute Potential*, the Commission applied the *Gateway* factors to factually similar circumstances. *Absolute Potential* also involved a shell company many years delinquent in its filings seeking to avoid revocation based on post-OIP cure efforts. The Commission held that revocation was appropriate. The Commission determined that five years of delinquent filings were

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"serious and recurrent" violations and that, combined with the absence of an adequate explanation, supported a finding that the violations "involved a high degree of culpability." 2014 WL 1338256, at *4. The Commission acknowledged Absolute's remedial efforts—it had filed all of the delinquent reports—but concluded they were "insufficient to overcome the need for revocation." *Id.* at *5. The Commission stated that it would "apply a strong presumption in favor of revocation whereby a 'recurrent failure to file periodic reports' is 'so serious that only a strongly compelling showing with respect to the other factors we consider would justify a lesser sanction than renovation.'" *Id.* at *6 (quoting *Impax Labs., Inc.*, Exch. Act Rel. No. 57864, 2008 WL 2167956, at 8 (May 23, 2008)); *see also id.* at *7 ("'[E]ven if an issuer has filed all delinquent periodic reports, revocation can be appropriate, particularly when . . . the delinquencies continued for an extended period without adequate explanation.") (quoting *China-Biotics*, 2013 WL 5883342, at *13).

Here, applying the *Gateway* factors through the lens of *Absolute Power*'s analysis shows that revocation is appropriate. First, the violations are serious and recurrent. Legacy had nineteen delinquent reports, the worst of which was 4½ years overdue. Legacy filed only one Form 12b-25, with respect to the first late annual report, and filed none thereafter. This is comparable to Absolute, which had 20 overdue filings, the worst of which was five years late, and which filed no Forms 12b-25. Second, the violations demonstrate a high degree of culpability. Legacy clearly knew of its filing obligation—it filed a Form 12b-25 when it first became delinquent. Moreover, Legacy's motion for summary disposition provides no explanation whatsoever, let alone an affidavit from Bollander, explaining Legacy's protracted delinquency. Thus, Legacy is in even a worse position than Absolute, which at least provided some explanation, albeit one that was "tardy and unilluminating." *Id.* at 4.

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Because of the lengthy delinquency, a presumption of revocation arises, requiring Legacy to make a strongly compelling showing with respect to the other factors to avoid revocation. It has not done so. First, Legacy has failed to explain the cause of its delinquency.

Second, Legacy has proffered no evidence that it will remain compliant in the future. In its motion, Legacy asserts that it "has shown through steadfast diligence its ability to continue to meet its filing requirements." However, its periodic reports demonstrate otherwise: Legacy's internal controls disclosure states that it is relying on its accounting firm to make up for its material control weaknesses, but Legacy does not say how it could continue to finance that firm's fees. Legacy is a shell that has no operations. It has assets of only $20,000 as of year-end 2020, and it has been kept afloat by an unidentified investor who lent the company an additional $55,000 in February 2021. However, this does not provide assurances of future compliance. Legacy provides no evidence that this mystery investor has either the obligation or the intent to fund indefinitely the costs of Legacy's continued compliance with its reporting obligations. *See Absolute Potential*, 2014 WL 1338256, at *5 (revoking registration notwithstanding controlling shareholder's representation that it would continue to lend money to the company).

Finally, revocation is particularly important given Legacy's status as a non-operating shell company.

> Section 12(j) proceedings play an important role in the Commission's enforcement program because many publicly traded companies that fail to file on a timely basis are "shell companies" and, as such, attractive vehicles for fraudulent stock manipulation schemes. Revocation under Section 12(j) can make such issuers less appealing to persons who would put them to fraudulent use.

e-Smart Technologies, Inc., Exch. Act Rel. No. 50514, 2004 WL 2309336, at *2 n.14 (Oct. 12, 2004); *accord Absolute Potential*, 2014 WL 1338256, at *1 n.4; *America's Sports Voice, Inc.*, Exch. Act Rel. No. 55511, 2007 WL 858747, at *4 n.24 (Mar. 22, 2007). A failure to revoke here would allow a shell company to lie in wait for years until circumstances made it worthwhile to

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cure the delinquency. Such an opportunistic model of compliance is inconsistent with the purpose of public reporting: "the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities." *Impax Labs.*, 2008 WL 2167956, at *7.

CONCLUSION

For the reasons stated about, the Division requests that the Commission deny Legacy's Motion for Summary Disposition, grant the Commission's Motion for Summary Disposition, and revoke the registration of Legacy's securities.

April 29, 2021

Respectfully submitted,

s/Andrew O. Schiff

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SECURITIES AND EXCHANGE COMMISSION
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Addendum
Summary of Delinquent Filings for Period Charged in OIP

No.	Report	Period Ending	Due Date For Filing Report	Delinquency Corrected	
				Date	How Late
01	10-K	03-31-2016	06-29-2016	12-04-2020	4 years, 5 months
02	10-Q	06-30-2016	08-14-2016	12-16-2020	4 years, 4 months
03	10-Q	09-30-2016	11-14-2016	12-16-2020	4 years, 1 month
04	10-Q	12-31-2016	02-14-2017	12-16-2020	3 years, 10 months
05	10-K	03-31-2017	06-29-2017	12-23-2020	3 years, 5 months
06	10-Q	06-30-2017	08-14-2017	12-31-2020	3 years, 4 months
07	10-Q	09-30-2017	11-14-2017	12-31-2020	3 years, 1 month
08	10-Q	12-31-2017	02-14-2018	12-31-2020	2 years, 10 months
09	10-K	03-31-2018	06-29-2018	01-07-2021	2 years, 6 months
10	10-Q	06-30-2018	08-14-2018	01-14-2021	2 years, 5 months
11	10-Q	09-30-2018	11-14-2018	01-14-2021	2 years, 2 months
12	10-Q	12-31-2018	02-14-2019	01-14-2021	1 years, 11 months
13	10-K	03-31-2019	06-29-2019	01-19-2021	1 year, 6 months
14	10-Q	06-30-2019	08-14-2019	01-28-2021	1 year, 5 months
15	10-Q	09-30-2019	11-14-2019	01-28-2021	1 year, 2 months
16	10-Q	12-31-2019	02-14-2020	01-28-2021	0 years, 11 months
17	10-K	03-31-2020	06-29-2020	01-28-2021	0 years, 6 months
18	10-Q	06-30-2020	08-12-2020	02-25-2021	0 years, 6 months
19	10-Q	09-30-2020	11-14-2020	02-25-2021	0 years, 3 months

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CERTIFICATE OF SERVICE

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that on April 29, 2021, the foregoing document was filed using the eFAP system and that a true and correct copy of the Division's Motion For Summary Disposition And Response to Respondent's Motion For Summary Disposition has been provided to the APFilings@SEC.gov mailbox and has been served by overnight, on this 29th day of April 2021, on the following persons entitled to notice:

VIA EMAIL
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10-Q 1 f10q1220_legacyxchange.htm QUARTERLY REPORT

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2020

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

For the transition period from __________ to __________

COMMISSION FILE NUMBER: 333-148925

LEGACYXCHANGE, INC.

(Exact name of Registrant as specified in its charter)

Nevada	**20-8628868**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
301 Yamato Rd., Suite 1240, Boca Raton, FL 33431	**(800) 630-4190**
(Address of principal executive offices and zip code)	(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each Exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Non-accelerated filer	☒
Accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 62,570,659 shares as of February 25, 2021.

LEGACYXCHANGE, INC.
Form 10-Q
December 31, 2020

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LEGACYXCHANGE, INC.
BALANCE SHEETS

	December 31, 2020 (Unaudited)	March 31, 2020
ASSETS		
CURRENT ASSETS		
Cash	$ 7,731	$ 21,152
Prepaid expense	12,345	-
Total Current Assets	20,076	21,152
TOTAL ASSETS	$ 20,076	$ 21,152
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 116,973	$ 143,628
Accrued liabilities	772,004	675,708
Loans payable - current portion	163,924	143,924
Convertible notes	480,740	480,740
Total Current Liabilities	1,533,641	1,444,000
Loans payable - long term	71,000	45,000
TOTAL LIABILITIES	1,604,641	1,489,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Preferred stock: $0.001 par value; 10,000,000 shares authorized; No shares issued or outstanding at December 31, 2020 and March 31, 2020	-	-
Common stock: $0.001 par value; 190,000,000 shares authorized; 62,570,659 shares issued and outstanding at December 31, 2020 and March 31, 2020	62,571	62,571
Additional paid-in capital	9,182,575	9,182,575
Accumulated deficit	(10,829,711)	(10,712,994)
TOTAL STOCKHOLDERS' DEFICIT	(1,584,565)	(1,467,848)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 20,076	$ 21,152

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

LEGACYXCHANGE, INC.
STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended December 31, 2020	For the Three Months Ended December 31, 2019	For the Nine Months Ended December 31, 2020	For the Nine Months Ended December 31, 2019
REVENUE, NET	$ -	$ -	$ -	$ -
OPERATING EXPENSES				
Compensation	15,000	15,000	45,000	45,000
Professional and consulting fees	-	20,750	20,000	20,750
Other selling, general and administrative	919	-	1,420	-
TOTAL OPERATING EXPENSES	15,919	35,750	66,420	65,750
LOSS FROM OPERATIONS	(15,919)	(35,750)	(66,420)	(65,750)
OTHER INCOME (EXPENSE)				
Interest expense	(17,359)	(16,120)	(51,297)	(47,874)
Other income	-	-	1,000	-
TOTAL OTHER EXPENSE, NET	(17,359)	(16,120)	(50,297)	(47,874)
NET LOSS	$ (33,278)	$ (51,870)	$ (116,717)	$ (113,624)
NET LOSS PER COMMON SHARE				
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:				
Basic and diluted	62,570,659	62,570,659	62,570,659	62,570,659

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

LEGACYXCHANGE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
For the Three and Nine Months Ended December 31, 2020 and 2019
(UNAUDITED)

	Preferred Stock		Common Stock		Additional		Total
	Number of Shares	Amount	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at March 31, 2020	-	$ -	62,570,659	$ 62,571	$9,182,575	$ (10,712,994)	$ (1,467,848)
Net loss	-	-	-	-	-	(51,900)	(51,900)
Balance at June 30, 2020	-	-	62,570,659	62,571	9,182,575	(10,764,894)	(1,519,748)
Net loss	-	-	-	-	-	(31,539)	(31,539)
Balance at September 30, 2020	-	-	62,570,659	62,571	9,182,575	(10,796,433)	(1,551,287)
Net loss	-	-	-	-	-	(33,278)	(33,278)
Balance at December 31, 2020	-	$ -	62,570,659	$ 62,571	$9,182,575	$ (10,829,711)	$ (1,584,565)

	Preferred Stock		Common Stock		Additional		Total
	Number of Shares	Amount	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at March 31, 2019	-	$ -	62,570,659	$ 62,571	$9,182,575	$ (10,562,984)	$ (1,317,838)
Cumulative effect adjustment of derivative liability related to adoption of ASU 2017-11	-	-	-	-	-	2,326	2,326
Net loss	-	-	-	-	-	(30,790)	(30,790)
Balance at June 30, 2019	-	-	62,570,659	62,571	9,182,575	(10,591,448)	(1,346,302)
Net loss	-	-	-	-	-	(30,964)	(30,964)
Balance at September 30, 2019	-	-	62,570,659	62,571	9,182,575	(10,622,412)	(1,377,266)
Net loss	-	-	-	-	-	(51,870)	(51,870)
Balance at December 31, 2019	-	$ -	62,570,659	$ 62,571	$9,182,575	$ (10,674,282)	$ (1,429,136)

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

LEGACYXCHANGE, INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended December 31,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (116,717)	$ (113,624)
Adjustments to reconcile net loss to net cash used in operating activities		
Changes in operating assets and liabilities		
Prepaid expenses	(12,345)	(700)
Accounts payable	(26,655)	(2,175)
Accrued liabilities	96,296	96,874
Net cash used in operating activities	(59,421)	(19,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	46,000	20,000
Net cash provided by financing activities	46,000	20,000
Net increase (decrease) in cash	(13,421)	375
Cash Beginning of period	21,152	-
Cash - End of the period	$ 7,731	$ 375
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
NON CASH INVESTING AND FINANCING ACTIVITIES		
Cumulative effect adjustment of derivative liability related to adoption of ASU 2017 11	$ -	$ 2,326

The accompanying condensed notes are an integral part of these unaudited financial statements

LEGACYXCHANGE, INC.
CONDENSED NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

LegacyXchange, Inc., formerly known as True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company amended its Articles of Incorporation and changed its name to True 2 Beauty, Inc.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXchange, Inc. ("LegacyXchange") in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. LegacyXchange operates an online e-commerce platform focused on delivering users a wide array of sports and entertainment related products that can be won in an action-packed environment of a live auction.

On July 2, 2015, pursuant to a Certificate of Dissolution filing with the Nevada Secretary of State, the Company dissolved LegacyXchange (formerly True2Bid, Inc.) to allow for the change in name of its parent company, True 2 Beauty, Inc., to LegacyXchange, Inc.

The Company is currently inactive due to lack of working capital to fund its operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Management acknowledges its responsibility for the preparation of the accompanying unaudited financial statements which reflect all adjustments, consisting of normal recurring adjustments, considered necessary in its opinion for a fair statement of its financial position and the results of its operations for the periods presented. The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the "U.S. GAAP") for interim financial information and with the instructions Article 8-03 of Regulation S-X. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. Certain information and note disclosure normally included in financial statements prepared in accordance with U.S. GAAP has been omitted from these statements pursuant to such accounting principles and, accordingly, they do not include all the information and notes necessary for comprehensive financial statements. These unaudited financial statements should be read in conjunction with the summary of significant accounting policies and notes to the financial statements for the year ended March 31, 2020 of the Company which were included in the Company's annual report on Form 10-K as filed with the Securities and Exchange Commission on January 28, 2021.

Going Concern

The unaudited financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in our accompanying unaudited financial statements, the Company had net loss and net cash used in operating activities of $116,717 and $59,421, respectively, for the nine months ended December 31, 2020. The Company had accumulated deficit, stockholders' deficit and working capital deficit of $10,829,711, $1,584,565 and $1,513,565, respectively, on December 31, 2020. The Company had no revenues for the nine months ended December 31, 2020. The Company's loans payable in aggregate amount of $143,924 and $480,740 of convertible notes are currently in default. Management believes that these matters raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report.

Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management believes that our capital resources are not currently adequate to continue operating and maintaining its business strategy for a period of twelve months from the issuance date of this report. The Company will seek to raise capital through additional debt and/or equity financings to fund its operations in the future.

Although the Company has historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail or cease operations. These unaudited financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

LEGACYXCHANGE, INC.
CONDENSED NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Use of Estimates

The preparation of the unaudited financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value of Financial Instruments and Fair Value Measurements

FASB ASC 820 - Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on December 31, 2020. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments. FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2—Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3—Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash, due from and to related parties, prepaid expenses, accounts payable and accrued liabilities approximate their fair market value based on the short-term maturity of these instruments.

In August 2018, the FASB issued ASU 2018-13—*Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement*, to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted ASU 2018-13 during the period ended June 30, 2020 and its adoption did not have a material impact on the Company's financial statements.

Cash

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. There were no balances in excess of FDIC insured levels as of December 31, 2020 and March 31, 2020. The Company has not experienced any losses in such accounts through December 31, 2020.

Revenue Recognition

In May 2014, FASB issued an update Accounting Standards Update, ASU 2014-09, establishing ASC 606 - Revenue from Contracts with Customers. ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. The Company adopted ASU 2014-09 during the three months ended June 30, 2018. The adoption of ASU 2014-09 did not have any material impact on the Company's financial statements. The Company did not have revenues from operations for the three and nine months ended December 31, 2020.

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Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force) (ASU 2014-12). The guidance applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. For all entities, the amendments in this Update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities. The Company early adopted ASU 2014-12 during the three months ended June 30, 2016. The adoption of ASU 2014-12 did not have any material impact on the Company's financial statements.

Pursuant to ASC 505-50 - Equity-Based Payments to Non-Employees, all share-based payments to non-employees, including grants of stock options, were recognized in the financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusts the expense recognized in the financial statements accordingly. In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The Company early adopted ASU No. 2018-07 during the three months ended March 31, 2018. The adoption ASU No. 2018-07 did not have a material impact on the Company's financial statements.

Income Taxes

The Company accounts for income tax using the liability method prescribed by ASC 740 - Income Taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset net deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of ASC 740 *"Income Taxes*". Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of December 31, 2020 and March 31, 2020, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest and penalties related to uncertain income tax positions in other expense. However, no such interest and penalties were recorded as of December 31, 2020.

Basic and Diluted Loss Per Share

Pursuant to ASC 260-10-45, basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the periods presented. Diluted loss per share is computed by dividing net income by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period. Potentially dilutive common shares consist of common stock issuable for stock options and warrants (using the treasury stock method), convertible notes and common stock issuable. These common stock equivalents may be dilutive in the future. The following potentially dilutive equity securities outstanding as of December 31, 2020 and 2019 were not included in the computation of dilutive loss per common share because the effect would have been anti-dilutive:

	December 31,	
	2020	2019
Stock warrants	—	4,225,000
Convertible notes	76,803,666	69,459,027
Total	76,803,666	73,684,027

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Related Parties

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Recent Accounting Pronouncements

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

NOTE 3 – ACCRUED LIABILITIES

At December 31, 2020 and March 31, 2020, accrued liabilities consisted of the following:

	December 31, 2020 (Unaudited)	March 31, 2020
Accrued interest	$ 363,506	$ 312,210
Accrued professional fees	2,634	2,634
Accrued payroll taxes	28,691	28,691
Accrued executive and director compensation	377,173	332,173
Total	$ 772,004	$ 675,708

NOTE 4 – LOANS PAYABLE

	December 31, 2020 (Unaudited)	March 31, 2020
Current loans payable	$ 163,924	$ 143,924
Long-term loans payable	71,000	45,000
Total principal amount	$ 234,924	$ 188,924

Between July 2015 through March 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $132,769. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

Between April 2016 through May 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $11,155. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

In November 2019 through June 2020, the Company entered into loan agreements with an investor in the principal amount of $91,000. These loans bear an interest rate of 6% and were due and payable on the second anniversary of the date of issuance of the loans.

As of December 31, 2020, these loans had outstanding principal and accrued interest of $234,924 and $76,211, respectively and $143,924 of these loans were in default. As of March 31, 2020, these loans had outstanding principal and accrued interest of $188,924 and $61,637, respectively, and $143,924 of these loans were in default.

During the three and nine months ended December 31, 2020, the Company recorded interest expense of $5,074 and $14,574, respectively, on these loans. During the three and nine months ended December 31, 2019, the Company recorded interest expense of

$3,835 and $11,151, respectively, on these loans.

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NOTE 5 – CONVERTIBLE NOTES PAYABLE

At December 31, 2020 and March 31, 2020, convertible notes consisted of the following:

	December 31, 2020 (Unaudited)	March 31, 2020
Principal amount	$ 480,740	$ 480,740
Convertible notes payable	$ 480,740	$ 480,740

Fiscal 2015 Financing

In October and November 2014, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2015 Agreements") for the sale of the Company's convertible notes. Pursuant to the Fiscal 2015 Agreements, the Company issued to these purchasers, convertible promissory notes (the "Fiscal 2015 Convertible Notes") for an aggregate principal amount of $400,000 with the Company receiving proceeds equal to the principal amount. The Fiscal 2015 Convertible Notes bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through October and November 2017. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2015 Convertible Notes, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.02 During the fiscal year 2016, the conversion price was ratcheted down to $0.01. During the fiscal year 2016, the purchasers converted $130,510 and $10,792 of outstanding principal and accrued interest, respectively, into 7,065,084 shares of the Company's common stock. As of March 31, 2020, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $149,565, respectively. As of December 31, 2020, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $170,151, respectively.

Fiscal 2016 Financing

In May and June 2015, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2016 Agreements I") for the sale of the Company's convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements I, the Company issued to the purchasers for an aggregate subscription amount of $115,000: (i) convertible promissory notes in the aggregate principal amount of $115,000 (the "Fiscal 2016 Notes I") and (ii) five-year warrants to purchase an aggregate of 2,300,000 (twenty warrants for each dollar of the principal amount) shares Company's common stock at an exercise price of $0.07 (the "Fiscal 2016 Warrants I"). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes I bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through May and June 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes I, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes I shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the fiscal year 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $56,744, respectively. As of December 31, 2020, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $65,529, respectively.

During August through October 2015, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2016 Agreements II") for the sale of the Company's convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements II, the Company issued to the purchasers for an aggregate subscription amount of $96,250: (i) convertible promissory notes in the aggregate principal amount of $96,250 (the "Fiscal 2016 Notes II") and (ii) five-year warrants to purchase an aggregate of 1,925,000 (twenty warrants for each dollar of the principal amount) shares Company's common stock at an exercise price of $0.07 (the "Fiscal 2016 Warrants II"). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes II bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through August through September 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes II, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes II shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the fiscal year 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $44,264, respectively. As of December 31, 2020, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $51,617, respectively.

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During the three and nine months ended December 31, 2020, the Company recorded interest expense of $12,286 and $36,724 on these convertible notes. During the three and nine months ended December 31, 2019, the Company recorded interest expense of $12,285 and $36,723 on these convertible notes.

Derivative Liabilities Pursuant to Notes and Warrants

In connection with the issuance of the Notes and Warrants, the Company determined that the terms of the Notes and Warrants contain terms that included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception and included various other terms such as default provisions that caused derivative treatment. Accordingly, under the provisions of ASC 815-40 –*Derivatives and Hedging – Contracts in an Entity's Own Stock*, the embedded conversion option contained in the convertible instruments and the Warrants were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through earnings at each reporting date. The fair value of the embedded conversion option derivatives and warrant derivatives were determined using the Binomial valuation model. At the end of each period, on the date that debt was converted into common shares, and on the date of a cashless exercise of warrants, the Company revalued the embedded conversion option and warrants derivative liabilities.

In July 2017, FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. These amendments simplify the accounting for certain financial instruments with down-round features. The amendments require companies to disregard the down-round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The guidance was adopted as of April 1, 2019 and the Company elected to record the effect of this adoption retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment during the period which the amendment is effective. The Company adopted ASU No. 2017-11 in the period ended June 30, 2019, and the adoption resulted in a cumulative-effect adjustment of $2,326 on its financial statements and as of June 30, 2019, there was no derivative liability recorded.

NOTE 6 – STOCKHOLDERS' DEFICIT

Authorized shares

The Company is authorized to issue 200,000,000 consisting of 190,000,000 shares of common stock at $0.001 per share par value, and 10,000,000 shares of preferred stock at $0.001 per share par value.

Preferred Stock

As of December 31, 2020 and March 31, 2020, the Company did not have any preferred stock issued and outstanding.

Common Stock

As of December 31, 2020 and March 31, 2020, the Company had 62,570,659 shares of common stock issued and outstanding.

Warrants

Warrants issued pursuant to equity subscription agreements:

During fiscal years 2013 to 2015, in connection with the sale of common stock, the Company issued an aggregate of 1,048,315 five-year warrants to purchase common shares for an exercise price of $0.40 per common share to investors pursuant to unit subscription agreements. These warrants were accounted for as equity. During the year ended March 31, 2020, 314,706 of the remaining issued and outstanding warrants expired. As of March 31, 2020, there were no warrants issued and outstanding.

Warrants issued in connection with the Fiscal 2016 Financing:

During fiscal years 2016, pursuant to the convertible note agreements under the fiscal 2016 financing discussed in Note 5, the Company issued five-year warrants to purchase an aggregate of 4,225,000 (twenty warrants for each dollar of the principal amount) shares of the Company's common stock at an exercise price of $0.07. The exercise price of these warrants shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price and were accounted for as derivative liabilities. During the fiscal year 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020, 4,225,000 warrants were issued and outstanding. During the nine months ended December 31, 2020, 4,225,000 of the outstanding warrants expired and there were no warrants issued and outstanding as of December 31, 2020.

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Warrant activity for the nine months ended December 31, 2020 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance Outstanding at March 31, 2020	4,225,000	$ 0.01	0.3	$ —
Expired	(4,225,000)	$ 0.01	—	$ —
Balance Outstanding at December 31, 2020	—	$ —	—	$ —
Exercisable at December 31, 2020	—	$ —	—	$ —

NOTE 7 – SUBSEQUENT EVENTS

In February 2021, the Company entered into loan agreement with an investor in the aggregate principal amount of $55,000. The loans bear interest rate of 6% and were due and payable two-years from the date of issuance.

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

Overview

LegacyXchange, Inc., formerly known as True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company shifted its focus to the beauty industry and later amended its Articles of Incorporation and changed its name to True 2 Beauty, Inc.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXchange, Inc. ("LegacyXchange") in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. LegacyXchange operates an online e-commerce platform focused on delivering users a wide array of sports and entertainment related products that can be won in an action-packed environment of a live auction. The Company is currently inactive and is seeking other business opportunities.

The Company's articles authorize the Company to issue 190,000,000 shares of common stock and 10,000,000 shares of preferred stock, both at a par value of $0.001 per share.

Results of Operations

The following table summarizes the results of operations for the three and nine months ended December 31, 2020 and 2019 and is based primarily on the comparative unaudited financial statements, footnotes and related information for the periods identified and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report.

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2020	2019	2020	2019
Loss from operations	$ (15,919)	$ (35,750)	$ (66,420)	$ (65,750)
Other expense, net	(17,359)	(16,120)	(50,297)	(47,874)
Net loss	$ (33,278)	$ (51,870)	$ (116,717)	$ (113,624)

Revenue:

- We did not generate any revenues from operations for the three and nine months ended December 31, 2020 and 2019.

Operating expenses:

- For the three months ended December 31, 2020 and 2019, operating expenses amounted to $15,919 and $35,750, respectively, a decrease of $19,831 or 55%.

- For the nine months ended December 31, 2020 and 2019, operating expenses amounted to $66,420 and $65,750, respectively, an increase of $670 or 1%.

For the three and nine months ended December 31, 2020 and 2019, operating expenses consisted of the following:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2020	2019	2020	2019
Compensation	$ 15,000	$ 15,000	$ 45,000	$ 45,000
Professional and consulting fees	—	20,750	20,000	20,750
Other selling, general and administrative	919	—	1,420	—
Total	$ 15,919	$ 35,750	$ 66,420	$ 65,750

<u>Compensation:</u>

- For the three months ended December 31, 2020 and 2019, compensation amounted to $15,000 for both periods.

- For the nine months ended December 31, 2020 and 2019, compensation amounted to $45,000 for both periods.

Professional and consulting fees:

- For the three months ended December 31, 2020 and 2019, professional and consulting fees amounted to $0 and $20,750, respectively, a decrease of $20,750 or 100%. The decrease resulted from decrease in accounting fee incurred in.

- For the nine months ended December 31, 2020 and 2019, professional and consulting fees amounted to $20,000 and $20,750, respectively, a decrease of $750 or 4%.

Other selling, general and administrative

For the three months ended December 31, 2020 and 2019, other selling, general and administrative amounted to $919 and nil, respectively, an increase of $919 or 100%. The increase resulted from increase in administrative expenses in 2020.

- For the nine months ended December 31, 2020 and 2019, other selling, general and administrative amounted to $1,420 and nil, respectively, an increase of $1,420 or 100%. The increase resulted from increase in administrative expenses in 2020.

Loss from operations:

- For the three months ended December 31, 2020 and 2019, loss from operations amounted to $15,919 and $35,750, respectively, a decrease of $19,831 or 55%. The decrease was a result of the changes in operating expenses as discussed above.

- For the nine months ended December 31, 2020 and 2019, loss from operations amounted to $66,420 and $65,750, respectively, an increase of $670 or 1%. The increase was a result of the changes in operating expenses as discussed above.

Other income (expense):

Other income (expense) includes interest expense and other income.

- For the three months ended December 31, 2020, total other expense, net amounted to $17,359 as compared to $16,120 for the three months ended December 31, 2019, an increase of $1,239 or 8%. The increase was attributable to an increase in interest expense of $1,239, or 8%.

- For the nine months ended December 31, 2020, total other expense, net amounted to $50,297 as compared to $47,874 for the nine months ended December 31, 2019, an increase of $2,423 or 5%. The increase was attributable to an increase in interest expense of $3,423, or 7% offset by an increase in other income of $1,000 or 100% related a grant from under the SBA's Economic Injury Disaster Loan assistance program in light of the impact of the COVID-19 pandemic.

Net loss:

- For the three months ended December 31, 2020, net loss amounted to $33,278, or net loss per common share of $(0.00) (basic and diluted) as compared to $51,870, or net loss per common share of $(0.00) (basic and diluted) for the three months ended December 31, 2019, a decrease of $18,592, or 36%. The decrease was a result of the changes in operating expenses and other income (expense) as discussed above.

- For the nine months ended December 31, 2020, net loss amounted to $116,717 or net loss per common share of $(0.00) (basic and diluted) as compared to $113,624 or net loss per common share of $(0.00) (basic and diluted) for the nine months ended December 31, 2019, an increase of $3,093, or 3%. The increase was a result of the changes in operating expenses and other income (expense) as discussed above.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had a working capital deficit of $1,513,565 and $7,731 of cash as of December 31, 2020 and working capital deficit $1,422,848 and $21,152 of cash as of March 31, 2020.

	December 31, 2020	March 31, 2020	Change	Percentage Change

Working capital deficit:				
Total current assets	$ 20,076	$ 21,152	$ (1,076)	5.1%
Total current liabilities	(1,533,641)	(1,444,000)	(89,641)	6.2%
Working capital deficit:	$ (1,513,656)	$ (1,422,848)	$ (90,717)	6.4%

The increase in working capital deficit was primarily attributable to a decrease in current assets of $1,076 offset by an increase in current liabilities of $89,641.

Cash Flow

A summary of cash flow activities is summarized as follows:

	Nine Months Ended December 31,	
	2020	**2019**
Net cash used in operating activities	$ (59,421)	$ (19,625)
Net cash provided by financing activities	46,000	20,000
Net increase (decrease) in cash	$ (13,421)	$ 375

Net cash used in operating activities:

Net cash used in operating activities was $59,421 and $19,625 for the nine months ended December 31, 2020 and 2019, respectively, and increase of $39,796 or 203%.

- Net cash used in operating activities for the nine months ended December 31, 2020 primarily reflected our net loss of $116,717 adjusted for the changes in operating assets and liabilities consisting of an increase in prepaid of $12,345, an increase in accrued liabilities of $96,296 offset by a decrease in accounts payable of $26,655.

- Net cash used in operating activities for the nine months ended December 31, 2019 primarily reflected our net loss of $113,624 adjusted for the changes in operating assets and liabilities consisting of an increase in prepaid and other current assets of $700, an increase in accrued liabilities of $96,874 offset by a decrease in accounts payable of $2,175.

Cash provided by financing activities:

Net cash provided by financing activities was $46,000 and $20,000 for the nine months ended December 31, 2020 and 2019, respectively, an increase of $26,000, or 130%.

- Net cash provided by financing activities for the nine months ended December 31, 2020 consisted of $46,000 of net proceeds from loans payable.

- Net cash provided by financing activities for the nine months ended December 31, 2019 consisted of $20,000 of net proceeds from a loan payable.

Cash Requirements

Our management does not believe that our current capital resources will be adequate to continue operating our company and maintaining our business strategy for more than 12 months from the date of this report. Accordingly, we will have to raise additional capital in the near future to meet our working capital requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to scale down or perhaps even cease the operation of our business.

Going Concern

The unaudited financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in our accompanying unaudited financial statements, the Company had net loss and net cash used in operating activities of $116,717 and $59,421, respectively, for the nine months ended December 31, 2020. The Company had accumulated deficit, stockholders' deficit and working capital deficit of $10,829,711, $1,584,565 and $1,513,565, respectively, on December 31, 2020. The Company had no revenues for the nine months ended December 31, 2020. The Company's loans payable in aggregate amount of $143,924 and $480,740 of convertible notes are currently in default. Management believes that these matters raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report.

Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management believes that our capital resources are not currently adequate to continue operating and maintaining its business strategy for a period of twelve months from the issuance date of this report. The Company will seek to raise capital through additional debt and/or equity financings to fund its operations in the future.

Although the Company has historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail or cease operations. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Future Financings

We will require additional financing to fund our planned operations. We currently do not have committed sources of additional financing and may not be able to obtain additional financing particularly, if the volatile conditions of the stock and financial markets persist.

There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to further delay or further scale down some or all of our activities or perhaps even cease the operations of the business.

Since inception we have funded our operations primarily through equity and debt financings and we expect that we will continue to fund our operations through the equity and debt financing. If we are able to raise additional financing by issuing equity securities, our existing stockholders' ownership will be diluted. Obtaining commercial or other loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There is no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his, her, or its investment in our common stock. Further, we may continue to be unprofitable.

Critical Accounting Policies

We have identified the following policies as critical to our business and results of operations. Our reported results are impacted by the application of the following accounting policies, certain of which require management to make subjective or complex judgments. These judgments involve making estimates about the effect of matters that are inherently uncertain and may significantly impact quarterly or annual results of operations. For all of these policies, management cautions that future events rarely develop exactly as expected, and the best estimates routinely require adjustment. Specific risks associated with these critical accounting policies are described in the following paragraphs.

Fair Value of Financial Instruments and Fair Value Measurements

FASB ASC 820 - Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on December 31, 2020. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments. FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2—Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3—Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash, due from and to related parties, prepaid expenses, accounts payable and accrued liabilities approximate their fair market value based on the short-term maturity of these instruments.

In August 2018, the FASB issued ASU 2018-13—*Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement*, to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted ASU 2018-13 during the period ended June 30, 2020 and its adoption did not have a material impact on the Company's financial statements.

Revenue Recognition

In May 2014, FASB issued an update Accounting Standards Update, ASU 2014-09, establishing ASC 606 - Revenue from Contracts with Customers. ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. The Company adopted ASU 2014-09 during the three months ended June 30, 2018. The adoption of ASU 2014-09 did not have any material impact on the Company's financial statements. The Company did not have revenues from operations for the three and nine months ended December 31, 2020.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force) (ASU 2014-12). The guidance applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. For all entities, the amendments in this Update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities. The Company early adopted ASU 2014-12 during the three months ended June 30, 2016. The adoption of ASU 2014-12 did not have any material impact on the Company's financial statements.

Pursuant to ASC 505-50 - Equity-Based Payments to Non-Employees, all share-based payments to non-employees, including grants of stock options, were recognized in the financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusts the expense recognized in the financial statements accordingly. In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The Company early adopted ASU No. 2018-07 during the three months ended March 31, 2018. The adoption ASU No. 2018-07 did not have a material impact on the Company's financial statements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or 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 is material to our stockholders.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as that term is defined in Rule 13a-15(e), promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive officer and principal financial officer, evaluated our disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that as of December 31, 2020, our disclosure controls and procedures were not effective.

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2020. Our management's evaluation of our internal control over financial reporting was based on the framework in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that as of December 31, 2020, our internal control over financial reporting was not effective.

The ineffectiveness of our internal control over financial reporting was due to the following material weaknesses which we identified in our internal control over financial reporting:

(1) the lack of multiples levels of management review on complex accounting and financial reporting issues, and business transactions,

(2) a lack of adequate segregation of duties and necessary corporate accounting resources in our financial reporting process and accounting function as a result of our limited financial resources to support hiring of personnel and implementation of accounting systems, and

We expect to be materially dependent upon third parties to provide us with accounting consulting services related to accounting services for the foreseeable future. We believe this will be sufficient to remediate the material weaknesses related to our accounting discussed above. Until such time as we have a chief financial officer with the requisite expertise in U.S. GAAP, there are no assurances that the material weaknesses and significant deficiencies in our disclosure controls and procedures will not result in errors in our financial statements which could lead to a restatement of those financial statements.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Changes in Internal Control Over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) during the quarter ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Except for provided below, all unregistered sales of our securities during the quarter ended December 31, 2020, were previously disclosed in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K.

During the three months ended December 31, 2020, there were no unregistered sales of our securities.

The shares of common stock, notes and warrants referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, ("Securities Act").

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Loans Payable

Between July 2015 through March 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $132,769. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

Between April 2016 through May 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $11,155. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

As of December 31, 2020, these loans had outstanding principal and accrued interest of $143,924 and $72,090, respectively.

Fiscal 2015 Financing

In October and November 2014, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2015 Agreements") for the sale of the Company's convertible notes. Pursuant to the Fiscal 2015 Agreements, the Company issued to these purchasers, convertible promissory notes (the "Fiscal 2015 Convertible Notes") for an aggregate principal amount of $400,000 with the Company receiving proceeds equal to the principal amount. The Fiscal 2015 Convertible Notes bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through October and November 2017. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2015 Convertible Notes, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.02 During the fiscal year 2016, the conversion price was ratcheted down to $0.01. During the fiscal year 2016, the purchasers converted $130,510 and $10,792 of outstanding principal and accrued interest, respectively, into 7,065,084 shares of the Company's common stock. As of March 31, 2020, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $149,565, respectively. As of December 31, 2020, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $170,151, respectively.

Fiscal 2016 Financing

In May and June 2015, the Company entered into a subscription agreement with various purchasers (the “Fiscal 2016 Agreements I”) for the sale of the Company’s convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements I, the Company issued to the purchasers for an aggregate subscription amount of $115,000: (i) convertible promissory notes in the aggregate principal amount of $115,000 (the “Fiscal 2016 Notes I”) and (ii) five-year warrants to purchase an aggregate of 2,300,000 (twenty warrants for each dollar of the principal amount) shares Company’s common stock at an exercise price of $0.07 (the “Fiscal 2016 Warrants I”). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes I bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through May and June 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes I, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company’s common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes I shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the fiscal year 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $56,744, respectively. As of December 31, 2020, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $65,529, respectively.

During August through October 2015, the Company entered into a subscription agreement with various purchasers (the “Fiscal 2016 Agreements II”) for the sale of the Company’s convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements II, the Company issued to the purchasers for an aggregate subscription amount of $96,250: (i) convertible promissory notes in the aggregate principal amount of $96,250 (the “Fiscal 2016 Notes II”) and (ii) five-year warrants to purchase an aggregate of 1,925,000 (twenty warrants for each dollar of the principal amount) shares Company’s common stock at an exercise price of $0.07 (the “Fiscal 2016 Warrants II”). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes II bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through August through September 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes II, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company’s common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes II shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the fiscal year 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $44,264, respectively. As of December 31, 2020, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $51,617, respectively.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
31.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

SIGNATURES

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

LegacyXchange, Inc.

Date: February 25, 2021

By: */s/ William Bollander*
William Bollander
Chief Executive Officer, Chief Financial Officer and President (Principal Executive, Financial and Accounting Officer)

NT 10-K 1 extf10k2016_legacyexchange htm FORM 10-Q EXTENSION

OMB APPROVAL

OMB Number: 3235-0058

Expires: October 31, 2018

Estimated average burden hours per response……………………….. 2.50

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

FORM 12b-25

NOTIFICATION OF LATE FILING

SEC FILE NUMBER
333-148925

CUSIP NUMBER

(Check one): ☒ Form 10-K ☐ Form 20-F ☐ Form 11-K ☐ Form 10-Q ☐ Form 10-D ☐ Form N-SAR ☐ Form N-CSR

For Period Ended: March 31, 2016

☐ Transition Report on Form 10-K

☐ Transition Report on Form 20-F

☐ Transition Report on Form 11 K

☐ Transition Report on Form 10-Q

☐ Transition Report on Form N-SAR

For the Transition Period Ended:

Read Instruction (on back page) Before Preparing Form. Please Print or Type.
Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I — REGISTRANT INFORMATION

LEGACYXCHANGE, INC.
Full Name of Registrant

Former Name if Applicable

301 Yamato Road, Suite 1240
Address of Principal Executive Office *(Street and Number)*

Boca Raton, FL 33431
City, State and Zip Code

OS Received 04/29/2021

PART II — RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

☒

(a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;

(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report of transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III — NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report portion thereof, could not be filed within the prescribed time period.

The Company is in the process of preparing and reviewing the financial and other information for its Form 10-K report for the year ended March 31, 2016, and does not expect the report will be finalized for filing by the prescribed due date without unreasonable effort or expense. The Company needs additional time to complete its financial statements, as well as to have the report reviewed by its accountants and attorneys. The Company undertakes the responsibility to file such report no later than fifteen days following the prescribed due date.

SEC 1344 (04-09) **Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

(Attach extra Sheets if Needed)

PART IV — OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

William Bollander	**(800)**	**630-4190**
(Name)	(Area Code)	(Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

Yes ☒ No ☐

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes ☐ No ☒

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

LEGACYXCHANGE, INC.
(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date:	June 30, 2016	By:	*/s/ William Bollander*
			William Bollander
			CEO

10-K 1 f10k2020_legacyxchange.htm ANNUAL REPORT

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

FORM 10-K

(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: March 31, 2020

or

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

For the transition period from _________ to _________

COMMISSION FILE NO. 333-201811

LegacyXchange, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**46-1515670**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification Number)
301 Yamato Rd., Suite 1240, Boca Raton, FL 33431	**(800) 630-4190**
(Address of principal executive offices and zip code)	(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each Exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, par value $0.001 per share**

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

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 ☒

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 ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☐ No ☒

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

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
☐	☐	☒	☒	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of September 30, 2019, the last business day of the registrant's last completed second quarter, based upon the closing price of the common stock of $0.0019 on such date is $90,384.

As of January 25, 2021, there were 62,570,659 shares of the issuer's common stock, par value $0.001, issued and outstanding.

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PART I

Item 1. Business

Business Development

LegacyXchange, Inc., formerly known as True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company shifted its focus to the beauty industry and later amended its Articles of Incorporation and changed its name to True 2 Beauty, Inc., to better reflect its new business focus.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXchange, Inc. ("LegacyXchange") in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. LegacyXchange operates an online e-commerce platform focused on delivering users a wide array of sports and entertainment related products that can be won in an action-packed environment of a live auction. The Company is currently inactive and management is seeking other business opportunities.

The Company's articles authorize the Company to issue 190,000,000 shares of common stock and 10,000,000 shares of preferred stock, both at a par value of $0.001 per share.

Item 1A. Risk Factors.

N/A

Item 1B. Unresolved Staff Comments.

N/A

Item 2. Properties.

The Company has no property as of the date of this report.

Item 3. Legal Proceedings.

None.

Item 4. Submission of matters to a vote of Security holders.

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our shares of common stock are quoted on OTC Pink operated by the OTC Markets Group, under the symbol "LEGX". The following table sets forth the range of reported high and low closing bid quotations for our common stock for the fiscal quarters indicated. These quotations reflect inter-dealer prices, without retail markup, markdown or commission, and may not represent actual transactions. Consequently, the information provided below may not be indicative of our common stock price under different conditions.

	High	Low
Fiscal Year 2020		
First Quarter ended June 30, 2019	$ 0.03	$ 0.001
Second Quarter ended September 30, 2019	$ 0.03	$ 0.001
Third Quarter ended December 31, 2019	$ 0.05	$ 0.001
Fourth Quarter Ended March 31, 2020	$ 0.04	$ 0.002
Fiscal Year 2019		
First Quarter ended June 30, 2018	$ 0.02	$ 0.001
Second Quarter ended September 30, 2018	$ 0.02	$ 0.002
Third Quarter ended December 31, 2018	$ 0.02	$ 0.001
Fourth Quarter Ended March 31, 2019	$ 0.02	$ 0.001

Holders of Common Stock

As of January 22, 2021, there were approximately 80 record holders of our common stock. The number of record holders does not include beneficial owners of common stock whose shares are held in the names of banks, brokers, nominees or other fiduciaries.

Cash Dividends

We have not paid any cash dividends on our common stock and have no intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

Recent Sales of Unregistered Securities

Except for provided below, all unregistered sales of our securities during the quarter ended March 31, 2020, were previously disclosed in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K.

During the three months ended March 31, 2020, there were no unregistered sales of our securities.

The shares of common stock, notes and warrants referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, ("Securities Act").

Securities Authorized for Issuance under Equity Compensation Plans

None.

Repurchases of Equity Securities by our Company and Affiliated Purchasers

None.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

LegacyXchange, Inc., formerly known as True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company shifted its focus to the beauty industry and later amended its Articles of Incorporation and changed its name to True 2 Beauty, Inc., to better reflect its new business focus.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXchange, Inc. ("LegacyXchange") in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. LegacyXchange operates an online e-commerce platform focused on delivering users a wide array of sports and entertainment related products that can be won in an action-packed environment of a live auction. The Company has ceased all operations related to LegacyXchange. Currently, management is seeking other business opportunities.

The Company's articles authorize the Company to issue 190,000,000 shares of common stock and 10,000,000 shares of preferred stock, both at a par value of $0.001 per share.

The following table summarizes the results of operations for the years ended March 31, 2020 and 2019 and is based primarily on the comparative audited financial statements, footnotes and related information for the periods identified and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this annual report.

	For the Years Ended March 31, 2020	For the Years Ended March 31, 2019
Loss from operations	$ (88,287)	$ (63,425)
Other expense, net	(64,049)	(79,285)
Net loss	$ (152,336)	$ (142,710)

Revenue:

We did not generate any revenues from operations during the years ended March 31, 2020 and 2019.

Operating expenses:

For the years ended March 31, 2020 and 2019, operating expenses amounted to $88,287 and $63,425, respectively, an increase of $24,862 or 39%. For the years ended March 31, 2020 and 2019, operating expenses consisted of the following:

	For the Years Ended March 31, 2020	For the Years Ended March 31, 2019
Executive compensation	$ 58,964	$ 60,000
Professional and consulting fees	28,400	2,550
Other selling, general and administrative	923	875
Total	$ 88,287	$ 63,425

- Executive compensation:

  For the years ended March 31, 2020 and 2019, executive compensation amounted to $58,964 and $60,000, respectively, a decrease of $1,036 or 1.7%.

- Professional and consulting fees:

  For the years ended March 31, 2020 and 2019, professional and consulting fees amounted to $28,400 and $2,550 respectively, an increase of $25,850 or 1,014%. The increase was primarily attributable to an increase in accounting fee of $20,000 and increase in legal fee of $7,500 in 2020.

- Other selling, general and administrative:

  For the years ended March 31, 2020 and 2019, other selling, general and administrative expenses amounted to $923 and $875 respectively, an increase of $48 or 5%.

Loss from operations:

For the years ended March 31, 2020 and 2019, loss from operations amounted to $88,287 and $63,425, respectively, an increase of $24,862 or 39%. The increase was a result of the changes in operating expenses as discussed above.

Other income (expense):

Other income (expense) includes interest expense, gain from the change in fair value of derivative liabilities and gain from extinguishment of account payable.

For the year ended March 31, 2020, total other expense, net, amounted to $64,049 as compared to $79,285 for the year ended March 31, 2019, a decrease of $15,236 or 19%. The decrease in other expense, net, was attributable to a decrease in interest expense of $20,934, or 25% offset by a decrease in gain from change in fair value of derivative liabilities of $3,148 or 100% and a decrease from gain from extinguishment of debt of $2,550 or 100%.

Net loss:

For the year ended March 31, 2020, net loss amounted to $152,336, or per common share loss of $(0.00) (basic and diluted) as compared to $142,710 net loss, or per common share loss of $(0.00) (basic and diluted) for the year ended March 31, 2019, an increase of $9,626, or 7%. The increase was a result of the changes in operating expenses and other income (expense) as discussed above.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had a working capital deficit of $1,422,848 and $21,152 of cash as of March 31, 2020 and working capital deficit of $1,317,838 and $0 of cash as of March 31, 2019.

	March 31, 2020	March 31, 2019	Change	Percentage Change
Working capital deficit:				
Total current assets	$ 21,152	$ —	$ 21,152	100%
Total current liabilities	(1,444,000)	(1,317,838)	(126,162)	10%
Working capital deficit:	$ (1,422,848)	$ (1,317,838)	$ (105,010)	8%

The increase in working capital deficit was primarily attributable to an increase in current assets of $21,152 offset by an increase in current liabilities of $126,162.

Cash Flow

A summary of cash flow activities is summarized as follows:

	For the Years Ended March 31, 2020	2019
Cash used in operating activities	$ (23,848)	$ —
Cash provided by financing activities	45,000	—
Net increase in cash	$ 21,152	$ —

Net cash used in operating activities:

Net cash flow used in operating activities was $23,848 and $0 for the year ended March 31, 2020 and 2019, respectively.

- Net cash flow used in operating activities for the year ended March 31, 2020 primarily reflected our net loss of $152,336 adjusted for the changes in operating assets and liabilities primarily consisting of an increase in accounts payable of $5,475 and an increase in accrued liabilities of $123,013.

- Net cash flow used in operating activities for the year ended March 31, 2019 primarily reflected our net loss of $142,710 adjusted for the add-back on non-cash items such amortization of debt discount of $21,649, gain from change in fair value of derivative liabilities of $3,148, gain from extinguishment of debt of $2,550 and the changes in operating assets and liabilities primarily consisting of an increase in accounts payable of $3,425 and an increase in accrued liabilities of $123,334.

Cash provided by financing activities:

Net cash provided by financing activities was $45,000 for the year ended March 31, 2020 as compared to $0 for the year ended March 31, 2019, an increase of $45,000 or 100%.

- Net cash provided by financing activities for the year ended March 31, 2020 consisted of $45,000 of net proceeds from investor loans.

Cash Requirements

Our management does not believe that our current capital resources will be adequate to continue operating our company and maintaining our business strategy for more than 12 months from the date of this report. Accordingly, we will have to raise additional capital in the near future to meet our working capital requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to scale down or perhaps even cease the operation of our business.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in our accompanying financial statements, the Company had net loss of $152,336 for the year ended March 31, 2020. The Company had accumulated deficit, stockholders' deficit and working capital deficit of $10,712,994, $1,467,848 and $1,422,848, respectively, at March 31, 2020. The Company had no revenues for the year ended March 31, 2020. The Company's loans payable in the aggregate amount of $143,924 and $480,470 convertible notes are currently in default. Management believes that these matters raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report.

Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that our capital resources are not currently adequate to continue operating and maintaining its business strategy for a period of twelve months from the issuance date of this report. The Company will seek to raise capital through additional debt and/or equity financings to fund its operations in the future.

Although the Company has historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail or cease operations. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Future Financings

We will require additional financing to fund our planned operations. We currently do not have committed sources of additional financing and may not be able to obtain additional financing particularly, if the volatile conditions of the stock and financial markets persist.

There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to further delay or further scale down some or all of our activities or perhaps even cease the operations of the business.

Since inception we have funded our operations primarily through equity and debt financings and we expect that we will continue to fund our operations through the equity and debt financing. If we are able to raise additional financing by issuing equity securities, our existing stockholders' ownership will be diluted. Obtaining commercial or other loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There is no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his, her, or its investment in our common stock. Further, we may continue to be unprofitable.

Critical Accounting Policies

We have identified the following policies as critical to our business and results of operations. Our reported results are impacted by the application of the following accounting policies, certain of which require management to make subjective or complex judgments. These judgments involve making estimates about the effect of matters that are inherently uncertain and may significantly impact quarterly or annual results of operations. For all of these policies, management cautions that future events rarely develop exactly as expected, and the best estimates routinely require adjustment. Specific risks associated with these critical accounting policies are described in the following paragraphs.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates during the years ended March 31, 2020 and 2019 include assumptions used in estimation of deferred tax valuation allowances and the valuation of derivative liabilities.

Fair Value of Financial Instruments and Fair Value Measurements

FASB ASC 820 - Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on March 31, 2020. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments. FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2—Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3—Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash, due from and to related parties, prepaid expenses, accounts payable and accrued liabilities approximate their fair market value based on the short-term maturity of these instruments.

Derivative Liabilities

The Company has certain financial instruments that are embedded derivatives associated with capital raises and certain warrants. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 815-10 – *Derivative and Hedging – Contract in Entity's Own Equity*. This accounting treatment requires that the carrying amount of any derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either other income or expense. Upon conversion, exercise or repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date and then the related fair value amount is reclassified to other income or expense as part of gain or loss on debt extinguishment.

In July 2017, FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. These amendments simplify the accounting for certain financial instruments with down-round features. The amendments require companies to disregard the down-round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The guidance was adopted as of April 1, 2019 and the Company elected to record the effect of this adoption retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the balance sheet as of June 30, 2019, the period which the amendment is effective. The Company adopted ASU No. 2017-11 in the period ended June 30, 2019, and the adoption resulted in a cumulative-effect adjustment of $2,326 on its financial statements and at March 31, 2020, there was no derivative liability.

Revenue Recognition

In May 2014, FASB issued an update Accounting Standards Update, ASU 2014-09, establishing ASC 606 - Revenue from Contracts with Customers. ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. The Company adopted ASU 2014-09 during the three months ended March 31, 2018. The adoption of ASU 2014-09 did not have any material impact on the Company's financial statements. The Company did not have revenues for the years ended March 31, 2020 and 2019.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force) (ASU 2014-12). The guidance applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. For all entities, the amendments in this Update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities. The Company early adopted ASU 2014-12 during the three months ended June 30, 2016. The adoption of ASU 2014-12 did not have any material impact on the Company's financial statements.

Pursuant to ASC 505-50 - Equity-Based Payments to Non-Employees, all share-based payments to non-employees, including grants of stock options, were recognized in the financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusts the expense recognized in the financial statements accordingly. In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The Company early adopted ASU No. 2018-07 during the three months ended March 31, 2018. The adoption ASU No. 2018-07 did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements

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

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or 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 is material to our stockholders.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data.

See Index to Financial Statements and Financial Statement Schedules of this annual report on Form 10-K.

Item 9. Changes and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as that term is defined in Rule 13a-15(e), promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company’s reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive officer and principal financial officer, evaluated our company’s disclosure controls and procedures as of the end of the period covered by this annual report on Form 10-K. Based on this evaluation, our principal executive officer and principal financial officer concluded that as of March 31, 2020, our disclosure controls and procedures were not effective. The ineffectiveness of our disclosure controls and procedures was due to material weaknesses, which we identified, in our report on internal control over financial reporting.

Internal Control Over Financial Reporting

Management’s Annual Report on Internal Control over Financial Reporting

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting as of March 31, 2020. Our management’s evaluation of our internal control over financial reporting was based on the framework in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that as of March 31, 2020, our internal control over financial reporting was not effective.

The ineffectiveness of our internal control over financial reporting was due to the following material weaknesses which we identified in our internal control over financial reporting:

(1) the lack of multiples levels of management review on complex accounting and financial reporting issues, and business transactions,

(2) a lack of adequate segregation of duties and necessary corporate accounting resources in our financial reporting process and accounting function as a result of our limited financial resources to support hiring of personnel and implementation of accounting systems, and

We expect to be materially dependent upon third parties to provide us with accounting consulting services related to accounting services for the foreseeable future. We believe this will be sufficient to remediate the material weaknesses related to our accounting discussed above. Until such time as we have a chief financial officer with the requisite expertise in U.S. GAAP, there are no assurances that the material weaknesses and significant deficiencies in our disclosure controls and procedures will not result in errors in our financial statements which could lead to a restatement of those financial statements.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Limitations on Effectiveness of Controls

Our principal executive officer and principal financial officer do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additional controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to SEC rules that permit us to provide only management's report on internal control over financial reporting in this annual report on Form 10-K.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors and Executive Officers

The following table sets forth the names, positions and ages of our directors and executive officers as of the date of this report.

Name	Age	Position
William Bollander	50	Chief Executive Officer/President/Director/Secretary/Treasurer

Biographical information concerning the executive officer and director listed above is set forth below. The information presented includes information each individual has given us about all positions they hold and their principal occupation and business experience for the past five years. In addition to the information presented below regarding each director's specific experience, qualifications, attributes and skills that led our board to conclude that he should serve as a director, we also believe that all of our directors have a reputation for integrity, honesty and adherence to high ethical standards. Each has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our company and our board of directors.

William Bollander. Mr. Bollander has served as our President/Chief Executive Officer/Chief Financial Officer/Chief Accountancy Officer/Director/Secretary/Treasurer since January 17, 2012. From November 2008 to March 2011, he was an independent financial consultant for vFinance, a registered securities broker dealer located in located in Boca Raton FL. From March 2011 to November 2011, William Bollander was our business consultant. William Bollander received a Bachelor's Degree in Accounting & Information Systems from Queens College/City University of New York in February 1992.

Board of Directors

Directors are elected at our annual meeting of shareholders and serve for one year until the next annual meeting of shareholders or until their successors are elected and qualified. We reimburse all directors for their expenses in connection with their activities as our directors.

Family Relationships

No family relationships exist between any of our current or former directors or executive officers.

Involvement in Certain Legal Proceedings

There are no material proceedings to which any director or executive officer or any associate of any such director or officer is a party adverse to our company or has a material interest adverse to our company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings.

Code of Ethics

We have not yet adopted a formal, written Code of Business Conduct and Ethics.

Corporate Governance

Board Leadership Structure and Role in Risk Oversight

Although we have not adopted a formal policy on whether the Chairman and Chief Executive Officer positions should be separate or combined, we have determined that it is in our best interests and its shareholders to combine these roles. Due to the small size and our early development stage, we believe it is currently most effective to have the Chairman and Chief Executive Officer positions combined.

Our board of directors is primarily responsible for overseeing our risk management processes. The board of directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our assessment of risks. The board of directors focuses on the most significant risks facing us and our general risk management strategy, and also ensures that risks undertaken by us are consistent with the board's appetite for risk. While the board oversees our risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing us and that our board leadership structure supports this approach.

We have had no meetings of our Board of Directors. Our Board of Directors have approved corporate actions by Board resolution.

We do not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. We do not currently have any specific or minimum criteria for the election of nominees to our board of directors and we do not have any specific process or procedure for evaluating such nominees. Our board of directors assesses all candidates, whether submitted by management or shareholders, and makes recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request to the address appearing on the first page of this annual report.

Terms of Office

Our directors are appointed for one-year terms to hold office until the next annual general meeting of the holders of our Common Stock or until removed from office in accordance with our by-laws. Our officers are appointed by our board of directors and hold office until removed by our Board of Directors or terminated pursuant to their employment agreements.

Committees of the Board of Directors

We presently do not have an audit committee, compensation committee, nominating committee, corporate governance committee or any other committee of our board of directors. Our entire Board of Directors meets to undertake the responsibilities that would otherwise be delegated to a committee of our board of directors.

Audit Committee and Audit Committee Financial Expert

We do not have a standing audit committee at the present time. Our board of directors has determined that we do not have a board member that qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K.

We believe that our board of directors is capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. The board of directors of our Company does not believe that it is necessary to have an audit committee because we believe that the functions of an audit committee can be adequately performed by the board of directors. In addition, we believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development.

Item 11. Executive Compensation

Summary Compensation

The following table sets forth information regarding executive compensation earned in or with respect to our fiscal year 2020 and 2019 by:

- each person who served as our CEO; and
- each person who served as our CFO; and
- each person who served as our President.

SUMMARY COMPENSATION TABLE
FOR OUR NAMED EXECUTIVE OFFICERS

Name and Position	Year	Compensation ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
William Bollander Chief Executive Officer, President and Director(1)	2020	60,000(1)						60,000
	2019	60,000(1)	—	—	—	—	—	60,000

(1) William Bollander serves as our Chief Executive Officer, Chief Financial Officer, President and sole Director. Mr. Bollander has no employment agreement with the Company and his annual compensation was reduced from $120,000 to $60,000 effective July 2017. As of March 31, 2020, Mr. Bollander had $332,173 of his compensation accrued and payable of which $60,000 were for fiscal year 2020 and $272,173 are for prior fiscal years.

Compensation of Management

We have no contractual arrangements with any executives or directors.

Outstanding Equity Awards at 2020 Fiscal Year-End for Named Executive Officers

The following table sets forth certain information concerning the outstanding equity awards as of March 31, 2020, for each named executive officer.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested
William Bollander									

Compensation of Directors

The following table sets forth certain information regarding the compensation paid to our directors during the fiscal years ended March 31, 2020 and 2019

Name	Year	Fees Earned or Paid	Stock Awards ($)	Option Awards Vested ($)	Option Awards Unvested ($)	Non Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation	All Other Compensation ($)	Total ($)

		in Cash ($)					Earnings ($)		
William	2020	—	—	—	—	—	—	—	—
Bollander[(1)]	2019	—	—	—	—	—	—	—	—

(1) William Bollander is the sole member of the Board of Directors director of the Company and did not receive cash compensation for such position.

There are no contractual arrangements with any member of the Board of Directors.

Long-Term Incentive Plans, Retirement or Similar Benefit Plans

There are currently no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers.

Our directors, executive officers and employees may receive common stock at the discretion of our board of directors.

Resignation, Retirement, Other Termination, or Change in Control Arrangements

We do not have arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding beneficial ownership of our common stock, as of January 25, 2021, by (i) each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, (ii) each director and each of our Named Executive Officers and (iii) all executive officers and directors as a group.

The number of shares of common stock beneficially owned by each person is determined under the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which such person has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days after the date hereof, through the exercise of any stock option, warrant or other right. Unless otherwise indicated, each person has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. The inclusion herein of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

This table is based upon information derived from our stock records. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, each of the shareholders named in this table has sole or shared voting and investment power with respect to the shares indicated as beneficially owned. Except as set forth above, applicable percentages are based upon 62,570,659 shares of common stock outstanding as of the date of this annual report.

Name and Address of Beneficial Owner	Common Stock Beneficial Ownership	Percent of Outstanding Shares (%)
Five Percent Stockholders:		
William Bollander(1)	15,000,000	24.0%
Ascendant Partners LLC(2)	15,410,667	24.6%
Red Clover Capital LLC(3)	5,005,556	8.0%
Named Executive Officers and Directors:		
William Bollander(1)	15,000,000	24.0%

1. Represents the 15,000,000 shares of commons stock held by Mr. Bollander.
2. Ascendant Partners LLC ("Ascendant") and Ascendant's managing member Richard Galierio may be deemed to beneficially own shares of common stock beneficially owned by Ascendant, including shares issuable to Ascendant upon conversion of a series of convertible notes. The address of the principal business office of Ascendant is 112 Serpentine Dr, Morganville, NJ 07751. Voting and dispositive power with respect to the shares owned by Ascendant is exercised by Mr. Galierio. Ascendant disclaims beneficial ownership or control of any of the securities listed above as control may be deemed to be held by the other members of Ascendant. However, by reason of the provisions of Rule 13d-3 of the Exchange Act, as amended, Ascendant and Mr. Galierio may be deemed to beneficially own or control the shares owned by Ascendant. Includes an estimated of 13,610,667 shares of common stock issuable upon conversion of outstanding convertible note balance as of the date of this report.
3. Red Clover Capital LLC ("Red Clover") and Red Clover's managing member Roger Ralston may be deemed to beneficially shares of common stock beneficially owned by Red Clover, including shares issuable to Red Clover upon conversion of a series of convertible notes. The address of the principal business office of Red Clover is 40 Wall St., 62nd Floor, New York, NY 10005.

Voting and dispositive power with respect to the shares owned by Red Clover is exercised by Mr. Ralston. Red Clover disclaims beneficial ownership or control of any of the securities listed above as control may be deemed to be held by the other members of Red Clover. However, by reason of the provisions of Rule 13d-3 of the Exchange Act, as amended, Red Clover and Mr. Ralston may be deemed to beneficially own or control the shares owned by Red Clover. Includes an estimated of 5,005,556 shares of common stock issuable upon conversion of outstanding convertible note balance as of the date of this report.

Item 13. Certain Relationships and Related Transaction, and Director Independence

Transactions with Related Persons

There were no transactions, or currently proposed transactions, in which we were or are to be a participant and the amount involved exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years, and in which any of the following persons had or will have a direct or indirect material interest:

(i) Any director or executive officer of our company;

(ii) Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;

(iii) Any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the foregoing persons, and any person (other than a tenant or employee) sharing the household of any of the foregoing persons.

Director Independence

Because the Company's Common Stock is not currently listed on a national securities exchange, the Company has used the definition of "independence" of the NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the Company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Based on this review, we have no independent directors pursuant to the requirements of the NASDAQ Stock Market.

Item 14. Principal Accounting Fees and Services

The following table sets forth the fees billed to our company for the years ended March 31, 2020 and 2019 for professional services rendered by our independent registered public accounting firm, Salberg and Company, P.A.:

	Years Ended March 31,	
Fees	**2020**	**2019**
Audit Fees	$ 3,800	$ 3,800
Audit Related Fees	—	—
Tax Fees	—	—
All other fees	—	—
Total	$ 3,800	$ 3,800

Audit Fees

Audit fees were for professional services rendered for the audits of our annual financial statements and for review of our quarterly financial statements during the fiscal years ended March 31, 2020 and 2019.

Audit-Related Fees

This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees".

Tax Fees

As our independent registered public accountants did not provide any services to us for tax compliance, tax advice and tax planning during the fiscal years ended March 31, 2020 and 2019, no tax fees were billed or paid during those fiscal years.

All Other Fees

Our independent registered public accountants did not provide any products and services not disclosed in the table above during the 2020 and 2019 fiscal years. As a result, there were no other fees billed or paid during those fiscal years.

Pre-Approval Policies and Procedures

Our entire board of directors, which acts as our audit committee, pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by our board of directors before the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent registered public accounting firm and believe that the provision of services for activities unrelated to the audit is compatible with maintaining their respective independence.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

The financial statements and Report of Independent Registered Public Accounting Firm are listed in the "Index to Financial Statements and Schedules" on page F-1 and included on pages F-2 through F-14.

2. Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission (the "Commission") are either not required under the related instructions, are not applicable (and therefore have been omitted), or the required disclosures are contained in the financial statements included herein.

3. Exhibits (including those incorporated by reference).

Exhibit No.	Description
3.1	Articles of Incorporation*
3.5	Bylaws*
31.1	Certification pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as amended, filed herewith (Chief Executive Officer and Chief Financial Officer) **
32.1	Certification furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer) **
101.INS	XBRL INSTANCE DOCUMENT
101.SCH	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Previously filed as exhibit to Form S-1 Registration Statement filed on March 20, 2015.
** Filed herein

ITEM 16. FORM 10-K SUMMARY

Not Applicable.

SIGNATURES

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

LegacyXchange, Inc.

Date: January 28, 2021

By: */s/ William Bollander*
William Bollander
Chief Executive Officer, Chief Financial Officer and President (Principal Executive, Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William Bollander William Bollander	Chief Executive Officer, Chief Financial Officer, President and Director (Principal Executive, Financial and Accounting Officer)	January 28, 2021

LEGACYXCHANGE, INC

INDEX TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

CONTENTS

SALBERG & COMPANY, P.A.
Certified Public Accountants and Consultants

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of:
LegacyXChange, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of LegacyXChange, Inc. (the "Company") as of March 31, 2020 and 2019, the related statements of operations, changes in stockholders' deficit and cash flows for each of the two years in the period ended March 31, 2020 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 March 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, to the financial statements, the Company had net loss of $152,336 for the year ended March 31, 2020. The Company had an accumulated deficit, stockholders' deficit and working capital deficit of $10,712,994, $1,467,848 and $1,422,848, respectively, at March 31, 2020. The Company had no revenue for the year ended March 31, 2020 and has defaulted on certain loans and convertible notes. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's Plan regarding these matters is also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 audits 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 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.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.

We have served as the Company's auditor since 2013
Boca Raton, Florida
January 28, 2021

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LEGACYXCHANGE, INC.
BALANCE SHEETS

	March 31, 2020	March 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash	$ 21,152	$ -
Total Current Assets	21,152	-
TOTAL ASSETS	$ 21,152	$ -
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 143,628	$ 138,153
Accrued liabilities	675,708	552,695
Loans payable - current portion	143,924	143,924
Convertible notes	480,740	480,740
Derivative liabilities	-	2,326
Total Current Liabilities	1,444,000	1,317,838
Loans payable - long term	45,000	-
TOTAL LIABILITIES	1,489,000	1,317,838
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Preferred stock: $0.001 par value; 10,000,000 shares authorized; No shares issued or outstanding at March 31, 2020 and 2019	-	-
Common stock: $0.001 par value; 190,000,000 shares authorized; 62,570,659 shares issued and outstanding at March 31, 2020 and 2019	62,571	62,571
Additional paid-in capital	9,182,575	9,182,575
Accumulated deficit	(10,712,994)	(10,562,984)
TOTAL STOCKHOLDERS' DEFICIT	(1,467,848)	(1,317,838)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 21,152	$ -

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

LEGACYXCHANGE, INC.
STATEMENTS OF OPERATIONS

	For the Years Ended March 31, 2020	2019
REVENUE, NET	$ -	$ -
OPERATING EXPENSES		
Executive compensation	58,964	60,000
Professional and consulting fees	28,400	2,550
Other selling, general and administrative	923	875
TOTAL OPERATING EXPENSES	88,287	63,425
LOSS FROM OPERATIONS	(88,287)	(63,425)
OTHER INCOME (EXPENSE)		
Interest expense	(64,049)	(84,983)
Gain from extinguishment of debt	-	2,550
Gain from change in fair value of derivative liabilities	-	3,148
TOTAL OTHER EXPENSE, NET	(64,049)	(79,285)
NET LOSS	$ (152,336)	$ (142,710)
NET LOSS PER COMMON SHARE		
Basic and diluted	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:		
Basic and diluted	62,570,659	62,570,659

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

LEGACYXCHANGE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
For the Years Ended March 31, 2020 and 2019

	Preferred Stock		Common Stock		Additional		Total
	Number of Shares	Amount	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at March 31, 2018	-	-	62,570,659	$ 62,571	$9,182,575	$ (10,420,274)	(1,175,128)
Net loss	-	-	-	-	-	(142,710)	(142,710)
Balance at March 31, 2019	-	-	62,570,659	62,571	9,182,575	(10,562,984)	(1,317,838)
Cumulative effect adjustment of derivative liability related to adoption of ASU 2017-11	-	-	-	-	-	2,326	2,326
Net loss	-	-	-	-	-	(152,336)	(152,336)
Balance at March 31, 2020	-	-	62,570,659	$ 62,571	$9,182,575	$ (10,712,994)	$ (1,467,848)

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

LEGACYXCHANGE, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended March 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (152,336)	$ (142,710)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	-	21,649
Gain from change in fair value of derivative liabilities	-	(3,148)
Gain from extinguishment of debt	-	(2,550)
Changes in operating assets and liabilities:		
Accounts payable	5,475	3,425
Accrued liabilities	123,013	123,334
Net cash used in operating activities	(23,848)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from investor loans	45,000	-
Net cash provided by financing activities	45,000	-
Net increase in cash	21,152	-
Cash - Beginning of year	-	-
Cash - End of the year	$ 21,152	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Cumulative effect adjustment of derivative liability related to adoption of ASU 2017-11	$ -	$ 2,326

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

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

LegacyXchange, Inc., formerly known as True 2 Beauty, Inc. (the "Company") was originally incorporated as Burrow Mining, Inc., a Nevada corporation, on December 11, 2006. In February 2010, the Company shifted its focus to the beauty industry and later amended its Articles of Incorporation and changed its name to True 2 Beauty, Inc., to better reflect its new business focus.

On July 10, 2012, the Company formed a new wholly owned subsidiary True2Bid, Inc. ("True2Bid") which was incorporated in the state of Nevada. This subsidiary's name was changed to LegacyXchange, Inc. ("LegacyXchange") in December 2014. The Company continued to sell existing inventory of beauty products through May 2013 when the final inventory was sold. LegacyXchange operates an online e-commerce platform focused on delivering users a wide array of sports and entertainment related products that can be won in an action-packed environment of a live auction.

On July 2, 2015, pursuant to a Certificate of Dissolution filing with the Nevada Secretary of State, the Company dissolved LegacyXchange (formerly True2Bid, Inc.) to allow for the change in name of its parent company, True 2 Beauty, Inc., to LegacyXchange, Inc.

The Company is currently inactive due to lack of working capital to fund its operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the "U.S. GAAP").

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in our accompanying financial statements, the Company had net loss of $152,336 for the year ended March 31, 2020. The Company had accumulated deficit, stockholders' deficit and working capital deficit of $10,712,994, $1,467,848 and $1,422,848, respectively, at March 31, 2020. The Company had no revenues for the year ended March 31, 2020. The Company's loans payable in the aggregate amount of $143,924 and $480,470 of convertible notes are currently in default. Management believes that these matters raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report.

Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that our capital resources are not currently adequate to continue operating and maintaining its business strategy for a period of twelve months from the issuance date of this report. The Company will seek to raise capital through additional debt and/or equity financings to fund its operations in the future.

Although the Company has historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail or cease operations. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates during the years ended March 31, 2020 and 2019 include assumptions used in assessing estimates of deferred tax valuation allowances and the valuation of derivative liabilities.

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

Fair Value of Financial Instruments and Fair Value Measurements

FASB ASC 820 - Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on March 31, 2020. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments. FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2—Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3—Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash, due from and to related parties, prepaid expenses, accounts payable and accrued liabilities approximate their fair market value based on the short-term maturity of these instruments.

Assets or liabilities measured at fair value on a recurring basis included conversion options in convertible notes and warrants with their exercise price containing a down-round provision (see Note 5) were as follows at March 31, 2020 and 2019:

	At March 31, 2020			At March 31, 2019		
Description	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative liabilities	—	—	$ —	—	—	$ 2,326

A roll forward of the level 3 valuation financial instruments is as follows:

	For the Year Ended March 31,	
	2020	**2019**
Balance at beginning of year	$ 2,326	$ 5,474
Gain from change in fair value of derivative liabilities	—	(3,148)
Cumulative effect adjustment of derivative liability related to adoption of ASU 2017-11	(2,326)	—
Balance at end of year	$ —	$ 2,326

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding financial instruments.

Cash

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. There were no balances in excess of FDIC insured levels as of March 31, 2020 and 2019. The Company has not experienced any losses in such accounts through March 31, 2020.

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

Derivative Liabilities

The Company has certain financial instruments that are embedded derivatives associated with capital raises and certain warrants. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 815-10 – *Derivative and Hedging – Contract in Entity's Own Equity*. This accounting treatment requires that the carrying amount of any derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either other income or expense. Upon conversion, exercise or repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date and then the related fair value amount is reclassified to other income or expense as part of gain or loss on debt extinguishment.

In July 2017, FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. These amendments simplify the accounting for certain financial instruments with down-round features. The amendments require companies to disregard the down-round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The guidance was adopted as of April 1, 2019 and the Company elected to record the effect of this adoption retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the balance sheet as of June 30, 2019, the period which the amendment is effective. The Company adopted ASU No. 2017-11 in the period ended June 30, 2019, and the adoption resulted in a cumulative-effect adjustment of $2,326 on its financial statements and at March 31, 2020, there was no derivative liability.

Revenue Recognition

In May 2014, FASB issued an update Accounting Standards Update, ASU 2014-09, establishing ASC 606 - Revenue from Contracts with Customers. ASU 2014-09, as amended by subsequent ASUs on the topic, establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard, which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2017, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. The Company adopted ASU 2014-09 during the three months ended March 31 2018. The adoption of ASU 2014-09 did not have any material impact on the Company's financial statements. The Company did not have revenues for the years ended March 31, 2020 and 2019.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force) (ASU 2014-12). The guidance applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. For all entities, the amendments in this Update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities. The Company early adopted ASU 2014-12 during the three months ended June 30, 2016. The adoption of ASU 2014-12 did not have any material impact on the Company's financial statements.

Pursuant to ASC 505-50 - Equity-Based Payments to Non-Employees, all share-based payments to non-employees, including grants of stock options, were recognized in the financial statements as compensation expense over the service period of the consulting arrangement or until performance conditions are expected to be met. Using a Black Scholes valuation model, the Company periodically reassessed the fair value of non-employee options until service conditions are met, which generally aligns with the vesting period of the options, and the Company adjusts the expense recognized in the financial statements accordingly. In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The Company early adopted ASU No. 2018-07 during the three months ended March 31, 2018. The adoption ASU No. 2018-07 did not have a material impact on the Company's financial statements.

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

Income Taxes

The Company accounts for income tax using the liability method prescribed by ASC 740 - Income Taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset net deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of ASC 740 *"Income Taxes"*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of March 31, 2020, and 2019, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest and penalties related to uncertain income tax positions in other expense. However, no such interest and penalties were recorded as of March 31, 2020.

Basic and Diluted Loss Per Share

Pursuant to ASC 260-10-45, basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the periods presented. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period. Potentially dilutive common shares consist of common stock issuable for stock options and warrants (using the treasury stock method), convertible notes and common stock issuable. These common stock equivalents may be dilutive in the future. The following potentially dilutive equity securities outstanding as of March 31, 2020 and 2019 were not included in the computation of dilutive loss per common share because the effect would have been anti-dilutive:

	March 31,	
	2020	**2019**
Stock warrants	4,225,000	4 539,706
Convertible notes	73,131,346	68,243,823
Total	77,356,346	72,783,529

Related Parties

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Recent Accounting Pronouncements

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

NOTE 3 – ACCRUED LIABILITIES

At March 31, 2020 and 2019, accrued liabilities consisted of the following:

	March 31,	
	2020	**2019**
Accrued interest	$ 312 210	$ 248,161

OS Received 04/29/2021

Accrued professional fees	2,634	2,634
Accrued payroll taxes	28,691	29,727
Accrued executive and director compensation	332,173	272,173
Total	$ 675,708	$ 552,695

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

NOTE 4 – LOANS PAYABLE

	March 31, 2020	March 31, 2019
Current loans payable	$ 143,924	$ 143,924
Long-term loans payable	45,000	—
Total	$ 188,924	$ 143,924

Between July 2015 through March 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $132,769. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

Between April 2016 through May 2016, the Company entered into individual loan agreements with various investors in the aggregate principal amount of $11,155. These loans bear an interest rate of 10% and were due and payable on the first anniversary of the date of issuance of the loans.

In November 2019 through March 2020, the Company entered into loan agreements with an investor in the principal amount of $45,000. This loan bears an interest rate of 6% and were due and payable on the second anniversary of the date of issuance of the loan.

As of March 31, 2020, these loans had outstanding principal and accrued interest of $188,924 and $61,637, respectively and $143,924 of the loans were on default. As of March 31, 2019, these loans were in default and had outstanding principal and accrued interest of $143,924 and $46,463, respectively.

During the years ended March 31, 2020 and 2019, the Company recorded interest expense of $15,174 and $14,592, respectively, on these loans.

NOTE 5 – CONVERTIBLE NOTES PAYABLE

At March 31, 2020 and 2019, convertible notes consisted of the following:

	March 31, 2020	March 31, 2019
Principal amount	$ 480,740	$ 480,740
Convertible notes payable	$ 480,740	$ 480,740

Fiscal 2015 Financing

In October and November 2014, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2015 Agreements") for the sale of the Company's convertible notes. Pursuant to the Fiscal 2015 Agreements, the Company issued to these purchasers, convertible promissory notes (the "Fiscal 2015 Convertible Notes") for an aggregate principal amount of $400,000 with the Company receiving proceeds equal to the principal amount. The Fiscal 2015 Convertible Notes bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through October and November 2017. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2015 Convertible Notes, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.02 During the year ended March 31, 2016, the conversion price was ratcheted down to $0.01. During the year ended March 31, 2016, the purchasers converted $130,510 and $10,792 of outstanding principal and accrued interest, respectively, into 7,065,084 shares of the Company's common stock. As of March 31, 2019, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $122,167, respectively. As of March 31, 2020, the Fiscal 2015 Convertible Notes were in default and had outstanding principal and accrued interest of $269,490 and $149,565, respectively.

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NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

Fiscal 2016 Financing

In May and June 2015, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2016 Agreements I") for the sale of the Company's convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements I, the Company issued to the purchasers for an aggregate subscription amount of $115,000: (i) convertible promissory notes in the aggregate principal amount of $115,000 (the "Fiscal 2016 Notes I") and (ii) five-year warrants to purchase an aggregate of 2,300,000 (twenty warrants for each dollar of the principal amount) shares Company's common stock at an exercise price of $0.07 (the "Fiscal 2016 Warrants I"). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes I bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through May and June 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes I, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes I shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the year ended March 31, 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2019, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $45,053, respectively. As of March 31, 2020, the Fiscal 2016 Notes I were in default and had outstanding principal and accrued interest of $115,000 and $56,744, respectively.

During August through September 2015, the Company entered into a subscription agreement with various purchasers (the "Fiscal 2016 Agreements II") for the sale of the Company's convertible notes and warrants. Pursuant to the Fiscal 2016 Agreements II, the Company issued to the purchasers for an aggregate subscription amount of $96,250: (i) convertible promissory notes in the aggregate principal amount of $96,250 (the "Fiscal 2016 Notes II") and (ii) five-year warrants to purchase an aggregate of 1,925,000 (twenty warrants for each dollar of the principal amount) shares Company's common stock at an exercise price of $0.07 (the "Fiscal 2016 Warrants II"). The Company received proceeds equal to the principal amount. The Fiscal 2016 Notes II bear an interest rate of 10% per year and were due and payable on the third anniversary of the date of issuance through August through September 2018. The purchasers are entitled, at their option, at any time after the issuance of the Fiscal 2016 Notes II, to convert all or any lesser portion of the outstanding principal amount and accrued and unpaid interest into the Company's common stock at a conversion price of $0.05. The conversion price of the Fiscal 2016 Notes II shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price. During the year ended March 31, 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2019, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $34,478, respectively. As of March 31, 2020, the Fiscal 2016 Notes II were in default and had outstanding principal and accrued interest of $96,250 and $44,264, respectively.

During the year ended March 31, 2020 and 2019, the Company recorded interest expense of $64,049 and $63,334, respectively, on these convertible notes.

Derivative Liabilities Pursuant to Notes and Warrants

In connection with the issuance of the Notes and Warrants, the Company determined that the terms of the Notes and Warrants contain terms that included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception and included various other terms such as default provisions that caused derivative treatment. Accordingly, under the provisions of ASC 815-40 –*Derivatives and Hedging – Contracts in an Entity's Own Stock*, the embedded conversion option contained in the convertible instruments and the Warrants were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through earnings at each reporting date. The fair value of the embedded conversion option derivatives and warrant derivatives were determined using the Binomial valuation model. At the end of each period, on the date that debt was converted into common shares, and on the date of a cashless exercise of warrants, the Company revalued the embedded conversion option and warrants derivative liabilities.

In July 2017, FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. These amendments simplify the accounting for certain financial instruments with down-round features. The amendments require companies to disregard the down-round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The guidance was adopted as of April 1, 2019 and the Company elected to record the effect of this adoption retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the balance sheet as of June 30, 2019, the period which the amendment is effective. The Company adopted ASU No. 2017-11 in the period ended June 30, 2019, and the adoption resulted in a cumulative-effect adjustment of $2,326 on its financial statements and at March 31, 2020, there was no derivative liability recorded.

At March 31, 2019, the Company revalued the conversion option and warrant derivative liabilities. In connection with this revaluation, the Company recorded gain from change on fair value of derivative liabilities of $3,148 for the year ended March 31, 2019.

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March 31, 2020 and 2019

At March 31, 2019, the fair value of the derivative liabilities was estimated using the Binomial option-pricing model with the following assumptions:

	2019
Dividend rate	—%
Term (in years)	0.1 to 1.5 years
Volatility	159% to 219%
Risk—free interest rate	2.40%

For the years ended March 31, 2020 and 2019, amortization of debt discounts related to the convertible notes amounted to $0 and $21,649, respectively, which has been included in interest expense on the accompanying statements of operations.

NOTE 6 – STOCKHOLDERS' DEFICIT

Authorized shares

The Company is authorized to issue 200,000,000 consisting of 190,000,000 shares of common stock at $0.001 per share par value, and 10,000,000 shares of preferred stock at $0.001 per share par value.

Preferred Stock

As of March 31, 2020 and 2019, the Company did not have any preferred stock issued and outstanding.

Common Stock

As of March 31, 2020 and 2019, the Company had 62,570,659 shares of common stock issued and outstanding.

Warrants

Warrants issued pursuant to equity subscription agreements

During fiscal years 2013 to 2015, in connection with the sale of common stock, the Company issued an aggregate of 1,048,315 five-year warrants to purchase common shares for an exercise price of $0.40 per common share to investors pursuant to unit subscription agreements. These warrants were accounted for as equity. As of March 31, 2019, 314,706 warrants were issued and outstanding. During the year ended March 31, 2020, all of the 314,706 warrants expired. As of March 31, 2020, there were no warrants issued and outstanding.

Warrants issued in connection with the Fiscal 2016 Financing

During fiscal years 2016, pursuant to the convertible note agreements under the fiscal 2016 financing discussed in Note 5, the Company issued five-year warrants to purchase an aggregate of 4,225,000 (twenty warrants for each dollar of the principal amount) shares of the Company's common stock at an exercise price of $0.07. The exercise price of these warrants shall be subject to adjustment for issuances of common stock at a purchase price of less than the then-effective conversion price and were accounted for as derivative liabilities. During the year ended March 31, 2016, the conversion price was ratcheted down to $0.01. As of March 31, 2020 and 2019, 4,225,000 warrants were issued and outstanding.

Warrant activity for the years ended March 31, 2020 and 2019 are summarized as follows

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value

Balance Outstanding at March 31, 2018	4,554,707	$	0.04	2.2	$	—
Expired	(15,001)	$	0.40	—	$	—
Balance Outstanding at March 31, 2019	4,539,706	$	0.04	1.2	$	—
Expired	(314,706)	$	0.40	—	$	—
Balance Outstanding at March 31, 2020	4,225,000	$	0.01	0.3	$	—
Exercisable at March 31, 2020	4,225,000	$	0.01	0.3	$	—

LEGACYXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019

NOTE 7 – INCOME TAXES

The Company maintains deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The deferred tax assets at March 31, 2020 and 2019 consist of net operating loss carryforwards. The net deferred tax asset has been fully offset by a valuation allowance because of the uncertainty of the attainment of future taxable income.

The items accounting for the difference between income taxes at the effective statutory rate and the provision for income taxes for the years ended March 31, 2020 and 2019 were as follows:

	Years Ended March 31,	
	2020	2019
Income tax benefit at U.S. statutory rate of 21%	$ (31,991)	$ (29,969)
Income tax benefit - State	(7,617)	(7,136)
Non-deductible expenses	605	4,147
Change in valuation allowance	39,003	32,958
Total provision for income tax	$ —	$ —

The Company's approximate net deferred tax asset at March 31, 2020 and 2019 was as follows:

	Years Ended March 31,	
Deferred Tax Asset:	2020	2019
Net operating losses	$ 1,076,355	$ 1,037,352
Valuation allowance	(1,076,355)	(1,037,352)
Net deferred tax asset	$ —	$ —

The net operating loss carryforward was $4,139,824 and $3,989,814 at March 31, 2020 and 2019, respectively. The Company provided a valuation allowance equal to the deferred income tax asset for the years ended March 31, 2020 and 2019 because it was not known whether future taxable income will be sufficient to utilize the loss carryforward. The change in the allowance was $39,003 and $32,958 for the years ended March 31, 2020 and 2019, respectively.

These net operating loss carryforwards may be available to reduce future years' taxable income. The potential tax benefit arising from the loss carryforward of $967,537 will expire through 2037. The potential tax benefit arising from the net operating loss carryforward of $108,818 from the period following to the Act's effective date can be carried forward indefinitely within the annual usage limitations.

Additionally, the future utilization of the net operating loss carryforward to offset future taxable income may be subject to an annual limitation as a result of ownership changes that could occur in the future. If necessary, the deferred tax assets will be reduced by any carryforward that expires prior to utilization as a result of such limitations, with a corresponding reduction of the valuation allowance.

The Company does not have any uncertain tax positions or events leading to uncertainty in a tax position. The Company's Corporate Income Tax Returns from 2017 through 2020 are subject to Internal Revenue Service examination.

NOTE 8 – SUBSEQUENT EVENTS

In June 2020, the Company entered into loan agreements with an investor in the aggregate principal amount of $46,000. The loans bear interest rate of 6% and were due and payable two-years from the date of issuances.

8-K 1 ea125355-8k_legacyxchange.htm CURRENT REPORT

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 2, 2020

LEGACYXCHANGE, INC.

(Exact name of registrant as specified in its charter)

Nevada	333-148925	20-8628868
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

301 Yamato Road Suite 1240 Boca Raton, Florida 33431
(Address of principal executive offices)

Registrant's telephone number, including area code **(800) 630-4190**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

OS Received 04/29/2021

Section 8 – Other Events

Item 8.01 Other Events

On July 2,2020 the Board of Directors (the "Board") of LEGACYXCHANGE, INC., (the "Company" or "Registrant") approved to engage Salberg & Company, P.A. as the Registrants independent auditor (the "Auditor). The Company disclosed to the Auditor the need to bring the Company current with financial reporting including filings with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		LEGACYXCHANGE, INC.
		(Registrant)
Date August 7, 2020	By:	*/s/ William Bollander*
	Name:	William Bollander
	Title:	Chief Executive Officer

EDGAR Entity Landing Page

Form type	Form description	Filing date	Reporting date
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-02-25	2020-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-02-25	2020-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-02-25	2020-06-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2021-01-28	2020-03-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-28	2019-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-28	2019-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-28	2019-06-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2021-01-19	2019-03-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-14	2018-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-14	2018-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2021-01-14	2018-06-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2021-01-07	2018-03-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-31	2017-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-31	2017-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-31	2017-06-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2020-12-23	2017-03-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-16	2016-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-16	2016-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2020-12-16	2016-06-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2020-12-04	2016-03-31
8-K	Current report	2020-08-11	2020-07-02
NT 10-K	Notification of inability to timely file Form 10-K 405, 10-K, 10-KSB 405, 10-KSB, 10-KT, or 10-KT405	2016-06-30	2016-03-31
8-K	Current report	2016-04-15	2016-03-22
3	Initial statement of beneficial ownership of securities	2016-04-15	2016-04-14
3	Initial statement of beneficial ownership of securities	2016-04-15	2016-04-14
8-A12G	Registration of securities [Section 12(g)]	2016-04-13	
8-K	Current report	2016-02-23	2016-02-23
10-Q	Quarterly report [Sections 13 or 15(d)]	2016-02-22	2015-12-31
NT 10-Q	Notification of inability to timely file Form 10-Q or 10-QSB	2016-02-12	2015-12-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2015-11-16	2015-09-30
10-Q	Quarterly report [Sections 13 or 15(d)]	2015-08-05	2015-06-30
8-K	Current report	2015-07-10	2015-07-06
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2015-06-15	2015-03-31
EFFECT	Notice of Effectiveness	2015-04-22	
CORRESP	Correspondence	2015-04-20	
S-1/A	General form for registration of securities under the Securities Act of 1933 - amendment	2015-04-14	
CORRESP	Correspondence	2015-04-14	
UPLOAD	SEC-generated letter	2015-04-14	
S-1/A	General form for registration of securities under the Securities Act of 1933 - amendment	2015-04-07	
CORRESP	Correspondence	2015-04-06	
UPLOAD	SEC-generated letter	2015-04-03	
CORRESP	Correspondence	2015-03-20	
S-1/A	General form for registration of securities under the Securities Act of 1933 - amendment	2015-03-20	
UPLOAD	SEC-generated letter	2015-03-02	
S-1/A	General form for registration of securities under the Securities Act of 1933 - amendment	2015-02-06	
S-1	General form for registration of securities under the Securities Act of 1933	2015-02-02	
SC 13G/A	Statement of acquisition of beneficial ownership by individuals - amendment	2013-02-14	
D	Notice of Exempt Offering of Securities	2012-04-24	
SC 13G	Statement of acquisition of beneficial ownership by individuals	2011-06-15	
15-15D	Suspension of duty to report [Section 13 and 15(d)]	2010-09-27	
10-Q	Quarterly report [Sections 13 or 15(d)]	2010-09-08	2010-07-31
10-Q	Quarterly report [Sections 13 or 15(d)]	2010-07-30	2010-04-30

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Form type	Form description	Filing date	Reporting date
NT 10-Q	Notification of inability to timely file Form 10-Q or 10-QSB	2010-06-14	2010-04-30
8-K	Current report	2010-05-25	2010-05-10
10-Q	Quarterly report [Sections 13 or 15(d)]	2010-03-31	2010-01-31
8-K	Current report	2010-03-26	2010-03-25
NT 10-Q	Notification of inability to timely file Form 10-Q or 10-QSB	2010-03-15	2010-01-31
10-K/A	Annual report [Section 13 and 15(d), not S-K Item 405] - amendment	2010-02-25	2009-10-31
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2010-02-01	2009-10-31
8-K	Current report	2010-01-29	2010-01-25
10-Q	Quarterly report [Sections 13 or 15(d)]	2009-09-16	2009-09-15
10-Q	Quarterly report [Sections 13 or 15(d)]	2009-07-15	2009-07-14
EFFECT	Notice of Effectiveness	2009-05-14	
POS AM	Post-Effective amendments for registration statement	2009-05-13	
10-Q	Quarterly report [Sections 13 or 15(d)]	2009-03-17	2009-03-17
10-K/A	Annual report [Section 13 and 15(d), not S-K Item 405] - amendment	2009-01-30	2009-01-30
10-K	Annual report [Section 13 and 15(d), not S-K Item 405]	2009-01-29	2009-01-29
10QSB	Optional form for quarterly and transition reports of small business issuers	2008-09-12	2008-09-11
10QSB/A	Optional form for quarterly and transition reports of small business issuers - amendment	2008-07-11	2008-07-11
10QSB/A	Optional form for quarterly and transition reports of small business issuers - amendment	2008-07-11	2008-07-11
10QSB	Optional form for quarterly and transition reports of small business issuers	2008-06-17	2008-06-17
10-Q	Quarterly report [Sections 13 or 15(d)]	2008-03-19	2008-01-31
424B3	Prospectus [Rule 424(b)(3)]	2008-02-19	
EFFECT	Notice of Effectiveness	2008-02-14	
SB-2	Optional form for registration of securities to be sold to the public by small business issuers	2008-01-29	