

LOT78, INC.
Form 10-K/A
April 05, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 2

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **July 31, 2012**

Commission File Number: 000-54816

BOLD ENERGY INC.

Nevada

(state or other jurisdiction of incorporation or organization)

26-2940624

(I.R.S. Employer I.D. No.)

112 North Curry Street

Carson City, Nevada 89703

(775) 333-1198

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **None**

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer Non-accelerated filer **Smaller reporting company**

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

Aggregate market value of the voting and non-voting stock of the registrant held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter: \$0.00.

As of October 18, 2012, there were 57,053,138 shares of the registrant's Common Stock issued and outstanding.

EXPLANATORY NOTE

The purpose of this Amendment No. 2 to the Annual Report of Bold Energy Inc. (the “Company”) on Form 10-K for the annual period ended July 31, 2012, filed with the Securities and Exchange Commission on November 13, 2012 and amended on November 16, 2012 (the “Form 10-K”), is to respond to certain comments received from the Staff of the Securities and Exchange Commission. For convenience and ease of reference, the Company is filing this Form 10-K/A in its entirety with all applicable changes and unless otherwise stated, all information contained in this amendment is as of November 13, 2012, the original filing date of the Form 10-K. Except as stated herein, this Form 10-K/A does not reflect events or transactions occurring after such filing date or modify or update those disclosures in the original Form 10-K that may have been affected by events or transactions occurring subsequent to such filing date.

BOLD ENERGY INC.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Bold Energy Inc. (“Bold Energy”, “we”, the “Company”) was incorporated in the State of Nevada as a for-profit company on June 27, 2008 and established a fiscal year end of July 31. We are a development stage company that intends to develop a wide range loyalty program based on “Global Club points” awarded for all purchases made in associated establishments. These points will be exchangeable for products, trips or discounts. We intend to partner with various retailers, so that the cardholders will be able to collect points on their everyday expenses, such as in grocery shops, gas stations, restaurants, electronic stores, travel agencies, etc.

Our strategy is to recruit a large number of retail outlets as participating Global Club partners. We plan to do this by having our sales representatives negotiate membership deals with many large retail outlets and chains across North America. We also plan to advertise Global Club to retail outlets in various trade magazines as part of our sales campaign. Our planned website will also play a central role in recruiting customers.

General Overview

Global Club is a new concept of a traditional loyalty program. The concept is simple: on every purchase it will be awarded points to be printed on a card. These points can be exchanged for products, such as video-games, gift cards, trips, etc., according to the number of points on the card: more points, better prize. We intend to have a wide variety of partners so that the cardholders will be able to collect points on their everyday expenses from a broad selection of retailers, such as grocery shops, gas stations, restaurants, electronic stores, travel agencies, etc.

We intend to begin initial operations by purchasing a limited number of samples of the RW Terminal and PET cards in order to develop and test our system. Once we obtain these samples, we plan to hire hi-tech consultants to develop the software to run the systems. Once our system is operational, we expect to start our marketing efforts. We will then develop our website, www.globalclubloyalty.com, and contact possible partners.

PET Card

An important part of the program will be a recyclable PET card that is similar in size to a debit/credit PVC card, but thinner (0.22mm). The card will be color printed by applying special UV (ultra-violet) inks in thin (less than 0.04 mm) coats with our logo and a serial number on the face and product information on the obverse side. The obverse side of the card will also contain a magnetic layer upon which the information (data) about the customer, including his accumulated points will be recorded by a specialized device, called the "Readwriter Terminal." The points will be printed thermally in a way that the magnetic reader head of the terminal will read the information recorded on it. In addition, we could also use face side of card for advertising and product promotions.

The estimated cost price is US\$0.80 per unit.

Read Writer Terminal – RWT

We intend to import this equipment from a specialized company from Japan. We expect that this company will be able to manufacture this equipment according to our design specifications. We expect to install terminals in each venue that is a part of the Global Club. The terminal is the technology that we expect to use as a means to recognize each card and print the points on it after each of the cardholder's transactions.

At the present time, we have not made any arrangements to raise additional cash. We will need additional cash, but if we are unable to raise the necessary level of funding, we will either have to suspend marketing operations until we do raise the cash necessary to continue our business plan or we will have to cease operations entirely.

If we are unable to complete any phase of our business plan or marketing efforts because we do not have enough funding, we will cease our development and/or marketing activities until we raise enough funds to continue. If we fail in any phase of our business plan, it would become more difficult to raise capital because such failures discourage additional investment. As a consequence, if we cannot secure additional funding, we will have to cease operations and our current investors may lose their entire investment.

Plan of Operation

We plan to begin initial operations by purchasing a limited number of samples of the RW Terminal from a Japanese company that specializes in the manufacture of this product. We also plan to obtain a limited number of PET cards as well. Once we are able to secure samples of the RW Terminal and the PET cards, we expect to be able to begin developing and testing our system. We expect to complete this stage after we are able to raise enough capital to implement our plan of operations.

After acquiring the RW Terminals and PET cards, we plan to hire hi-tech consultants to develop the software to run the systems. We intend to use the terminals and cards acquired prior to this stage to test the system and make any necessary adjustments to the software so that it runs to our specifications.

Once our system is operational, we expect to begin our marketing efforts. We will develop our website, www.globalclubloyalty.com, and contact malls, grocery stores, gas stations and other retailers to be our partners. We intend to be fully operational once we are able to raise enough capital to implement our plan of operations.

We plan on charging a monthly rental fee that will include the maintenance of the equipment. The Company also plans to generate revenue by charging approximately US\$0.01 for each issued point and by selling advertisement space on the cards. The consumer will not pay bear any additional costs for the points because these costs will be already included in the final price of the product. In addition, we may also sell specially designed PET cards as collector's items.

Management does not plan to hire additional employees at this time. Our President will be responsible for the initial product sourcing. Initially, we intend to hire sales representatives on a commission-only basis to in order to minimize administrative and labor costs overhead .. We plan to use third party web designers to build and maintain our website.

We do not expect to be purchasing or selling plant or any significant equipment during the next twelve months.

Research and Development

We have not spent any money on research and development activities during the year ended July 31, 2012. We anticipate that we will not incur any expenses on research and development over the next 12 months. Our planned expenditures on our operations or business combination are summarized under the section of this annual report entitled "Management's Discussion and Analysis of Financial Position and Results of Operations."

Recent Developments

The Company has evaluated its developments over the fiscal year and has determined that there are no events to disclose because we have not had any significant business developments since the date of our last annual report.

Employees and Employment Agreements

At present, we do not have any employees other than our officer and director, Eden Clark and our Secretary, Patrick De Blois. Ms. Clark currently devotes approximately 10 to 15 hours a week to our business. Mr. DeBlois currently devotes approximately 5 hours a week to our business. We presently do not have pension, health, annuity, insurance, stock options, profit sharing or similar benefit plans; however, we may adopt such plans in the future. There are presently no personal benefits available to any officers, directors or employees.

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 2. Description of Property

We do not own any real estate or other properties. The Company's office is located at 112 North Curry Street, Carson City, Nevada, 89703.

Item 3. Legal Proceedings

We are currently unaware of any legal matters pending or threatened against us.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities

Market Information

There is a limited public market for our common shares. Our common shares are quoted on the OTC Bulletin Board under the symbol "BOLD.OB". Trading in stocks quoted on the OTC Bulletin Board is often thin and is characterized by wide fluctuations in trading prices due to many factors that may be unrelated to a company's operations or business prospects. We cannot assure you that there will be a market in the future for our common stock.

OTC Bulletin Board securities are not listed or traded on the floor of an organized national or regional stock exchange. Instead, OTC Bulletin Board securities transactions are conducted through a telephone and computer network connecting dealers in stocks. OTC Bulletin Board issuers are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

The following table sets forth the high and low closing prices quoted on the Over the Counter Bulletin Board for the last two fiscal years, without retail mark-up, mark-down or commission and may not be reflective of actual transactions:

Fiscal Year Ending July 31, 2012

Quarter Ended	High \$	Low \$
July 31, 2012	.15	.13
April 30, 2012	.55	.13
January 31, 2012	.61	.52
October 31, 2011	.55	.31

Fiscal Year Ending July 31, 2011

Quarter Ended	High \$	Low \$
July 31, 2011	30.00	0.31
April 30, 2011	30.00	1.20
January 31, 2011	1.95	1.95
October 31, 2010	1.95	1.95

Number of Holders

As of October 18, 2012, 57,053,138 issued and outstanding shares of common stock were held by a total of 171 shareholders of record.

Dividends

No cash dividends were paid on our shares of common stock during the fiscal years ended July 31, 2012 and 2011. We have not paid any cash dividends since our inception and do not foresee declaring any cash dividends on our common stock in the foreseeable future. We issued a share dividend of 149 shares for every share owned as of March 23, 2010

Recent Sales of Unregistered Securities

None.

Purchase of our Equity Securities by Officers and Directors

None.

Other Stockholder Matters

None.

Item 6. Selected Financial Data

Not applicable to smaller reporting companies.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this report.

This report contains forward looking statements relating to our Company's future economic performance, plans and objectives of management for future operations, projections of revenue mix and other financial items that are based on the beliefs of, as well as assumptions made by and information currently known to, our management. The words "expects", "intends", "believes", "anticipates", "may", "could", "should" and similar expressions and variations thereof are intended to identify forward-looking statements. The cautionary statements set forth in this section are intended to emphasize that actual results may differ materially from those contained in any forward looking statement.

Our auditor's report on our July 31, 2012 financial statements expresses an opinion that substantial doubt exists as to whether we can continue as an ongoing business. Since our officer and director may be unwilling or unable to loan or advance the Company additional capital, we believe that if we do not raise additional capital over the next 12 months, we may be required to suspend or cease the implementation of our business plans. See "July 31, 2012 Audited Financial Statements – Report of Independent Registered Public Accounting Firm."

Management believes that the amount of cash on hand and in the bank on behalf of Bold Energy will not satisfy our cash requirements for the next twelve months or until such time that additional proceeds are raised. We plan to satisfy our future cash requirements - primarily the working capital required for the development of our course guides and marketing campaign and to offset legal and accounting fees - by obtaining additional equity financing. This will likely be in the form of private placements of common stock.

Management believes that if subsequent private placements are successful, we will be able to generate sales revenue within the following twelve months thereof. However, additional equity financing may not be available to us on acceptable terms or at all, and thus we could fail to satisfy our future cash requirements.

If Bold Energy is unsuccessful in raising additional funding through a private placement offering, it will then have to seek additional funds through debt financing, which would be highly difficult for a new development stage company to secure. Therefore, the Company is highly dependent upon the success of the anticipated private placement offering and failure thereof would result in Bold Energy having to seek capital from other sources, such as debt financing, which may not even be available to the company. However, if we were able to obtain such financing, we would likely have to pay additional costs associated with high risk loans and be subject to an above market interest rate because we are a development stage company with no operations to date. At such time these funds are required, management would evaluate the terms of such debt financing and determine whether the business could sustain operations and growth as well as manage its debt. If Bold Energy cannot raise additional proceeds via a private placement of its common stock or secure debt financing, it would be required to cease business operations. As a result, investors in Bold Energy common stock would lose all of their investment.

The development and marketing of our products will start over the next 12 months. Bold Energy does not anticipate obtaining any additional products or services.

Results of Operations

We did not generate any revenues for the fiscal year ended July 31, 2012 nor did we generate any revenues for the fiscal year ended July 31, 2011. We incurred operating expenses of \$3,941,359 and \$47,486, respectively, for the fiscal years ended July 31, 2012 and July 31, 2011.

Our comprehensive net loss for the fiscal year ended July 31, 2012 was \$3,941,613 compared to \$7,771,913 for the fiscal year ended July 31, 2011. Since the date of inception, we have incurred a comprehensive net loss of \$11,767,719. We do not currently have sufficient capital to fund our estimated expenditures for the fiscal year and we intend to fund the expenditures through equity and/or debt financing. There can be no assurance that financing will be available to the Company on acceptable terms, if at all.

Liquidity and Capital Resources

At July 31, 2012, we had \$293 in cash in the bank.

Our accounts payable at July 31, 2012 was \$11,518 and loan payable at July 31, 2012 was \$72,037.

Our stockholders' deficit was (82,181) at July 31, 2012, as compared to (\$40,568) at July 31, 2011.

In the next 12 months, we do not intend to expend any substantial funds on research and development and do not intend to purchase any major equipment.

We do not anticipate any material commitments for capital expenditures in the near term. While we continue to work towards 100% capacity, we feel that current cash on hand is insufficient to satisfy our cash requirements. If we are unable to continue to develop and implement a profitable business plan, we will be required to seek additional avenues to obtain the funds necessary to sustain operations, including equity and/or debt financing. There can be no assurance that financing will be available to the Company on acceptable terms, if at all.

Given that we have not achieved significant profitable operations to date, our cash requirements are subject to numerous contingencies and risk factors beyond our control, including operational and development risks, competition

from well-funded competitors and our ability to manage growth. We are not able to offer any assurances that we will be able to generate cash flow sufficient to achieve profitable operations or that our expenses will not exceed our projections. If our expenses exceed estimates, we will require additional funds during the next twelve months.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

Management's discussion and analysis of our financial condition and results of operations are based on the financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of such financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, Management will evaluate its estimates and will base its estimates on historical experience, as well as on various other assumptions in light of the circumstances surrounding the estimate. The results of this evaluation will form the basis of our judgments about the carrying values of our assets and liabilities, which are not readily apparent from other sources. It should be noted, however, that actual results could materially differ from the amount derived from Management's estimates under different assumptions or conditions.

Loss per share is computed using the weighted average number of common stock outstanding during the period. Diluted loss per share is computed using the weighted average number of common and potentially dilutive common stock outstanding during the period reported. Our Management does not believe that any recently issued, but not yet effective accounting standards if currently adopted, would have a material effect on our current financial statements.

Because we are a small, development stage company with only one director, we have not yet appointed an audit committee or any other committee of our Board of Directors.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

Not applicable to smaller reporting companies.

ITEM 8. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders

Bold Energy Inc.

We have audited the accompanying balance sheets of Bold Energy Inc.(A Development Stage Company) (the “Company”) as of July 31, 2012 and 2011 and the related statements of operations, stockholders’ deficit and cash flows for each of the years then ended and for the period from inception (June 27, 2008) through July 31, 2012. Bold Energy Inc’s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bold Energy Inc. (A Development Stage Company) as of July 31, 2012 and 2011 and the results of its operations and its cash flows for each of the years then ended and for the period from inception (June 27, 2008) through July 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered losses from operations, which raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ De Joya Griffith, LLC

Henderson, Nevada

November 13, 2012

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BOLD ENERGY INC.

(fka: Global Club, Inc.)

(A Development Stage Company)

Audited

July 31, 2012 and 2011

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Bold Energy, Inc.
(fka: Global Club, Inc.)
(A Development Stage Company)

BALANCE SHEETS

Audited

July 31, 2012

July 31, 2011

ASSETS

**CURRENT
ASSETS**

Cash \$ 293 \$ 4,413

**TOTAL
CURRENT
ASSETS** 4,413

**OTHER
ASSETS**

Web
design, 1,081 1,877
net

**TOTAL
OTHER** 1,081 1,877

ASSETS
TOTAL \$ 1,374 \$ 6,290
ASSETS

**LIABILITIES
AND
STOCKHOLDERS'
EQUITY
(DEFICIT)**

**CURRENT
LIABILITIES**

Accounts
payable
and \$ 11,518 \$ 7,491
accrued

liabilities
Loans 5,000 -
Due

to 67,037 34,367
related
party

83,555 41,858

**TOTAL
CURRENT
LIABILITIES**

**LONG
TERM
LIABILITIES**

Loans - 5,000

TOTAL 83,555
LIABILITIES 46,858

**STOCKHOLDERS'
EQUITY
(DEFICIT)**

Common
Stock,
\$0.001
par
value

Authorized
75,000,000 shares of common stock,

\$0.001 par value,

Issued

and
outstanding

57,053,138

shares

of
common

stock \$ 57,052 \$

(27,053,138

at

July

31,

2011)