ePunk, Inc.
Form 10-Q
August 19, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

For the quarterly period ended June 30, 2011

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

Nevada	333-147394	26-1395403
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employee Identification No.)

34105 Pacific Coast Highway
Dana Point, CA 92629
(Address of Principal Executive Offices)

(714) 968-9230
(Issuer Telephone number)

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

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

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

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x

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

There were 25,808,585 shares of common stock outstanding as of August 18, 2011. The shares of common stock outstanding reflect the 100:1 reverse split affected by a majority of the shareholders on June 20, 2011 and subsequent issuance of 24,750,000 shares on July 8, 2011. The registrant's common stock is listed under the symbol "PUNK.PK".

EXPLANATORY NOTE

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 9,000,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company's assets were transferred and the Company kept certain notes payable totaling approximately $359,000.

On June 30, 2011, the Company closed a share exchange transaction (the "Share Exchange") pursuant to which it (i) became the 100% parent of Punk Industries, Inc., a Nevada corporation ("Punk"), and (ii) assumed the operations of Punk. The Company reported the closing of the Share Exchange in the Current Report on Form 8-K filed with the Securities and Exchange Commission on July 21, 2011. This Quarterly Report on Form 10-Q contains information regarding the Company and Punk, as indicated herein. The Merger was accounted for as a "reverse merger," as the stockholders of Punk Industries, Inc. owned a majority of the outstanding shares of ePunk, Inc. common stock immediately following the Merger. Punk Industries, Inc. was deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations of Punk Industries, Inc. prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of Punk Industries, Inc. Our consolidated financial statements after completion of the Merger include the assets and liabilities of both ePunk, Inc. and Punk Industries, Inc., historical operations of Punk Industries, Inc. and our ePunk, Inc operations from the Effective Date of the Merger.

ePunk, Inc.

(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
FORM 10-Q
TABLE OF CONTENTS

Item 1. Financial Statements.

ePunk, Inc.
(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
Balance Sheets

	June 30, 2011	September 30, 2010
ASSETS	(Unaudited)	
Current assets:		
Cash	$19,716	$—
Accounts receivable (Note B)	4,409	—
Total current assets	24,125	—
Property, plant and equipment	2,500	—
Intangible assets net of $595 of amortization (Note C)	11,905	—
Total assets	$38,530	$—
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	7,055	—
Accrued interest (Note D)	20,261	—
Convertible notes payable (Note D)	357,340	—
Total current liabilities	384,656	—
Convertible notes payable (Note D)	—	—
Total liabilities	384,656	—
Commitments and contingencies		
Stockholders' deficit (Note E):		
Common stock, $0.0001 par value; 100,000,000 shares authorized; issued and outstanding 25,058,585 and 308,534 at June 30, 2011 and September 30, 2010, respectively.	2,506	—
Additional paid-in capital	(349,922)	—
Accumulated earnings	1,290	—
Total stockholders' deficit	(346,126)	—
Total liabilities and stockholder's deficit	$38,530	$—

The accompanying notes are an integral part of these financial statements

ePunk, Inc.
(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
Statements of Operations (Unaudited)
For the Three and Nine Months Ended June 30, 2011 and 2010

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Net sales	$180,467	$—	$206,217	$—
Cost of sales	161,483	—	186,464	—
Gross margin	18,984	—	19,753	—
Operating expenses				
General and administrative	14,377	—	16,577	—
Sales and marketing	1,106	—	1,106	—
Depreciation and amortization	595	—	595	—
	16,078	—	18,278	—
Operating income	2,906	—	1,475	—
Non-operating (expense):				
Interest expense	(118)	—	(185)	—
	(118)	—	(185)	—
Income before income taxes	2,788	—	1,290	—
Income tax provision (benefit)	—	—	—	—
Net Income	$2,788	$—	$1,290	$—
Net income per common share:				
Basic:	$0.01	$—	$0.00	$—
Weighted average common shares outstanding basic	308,540	—	308,536	—

The accompanying notes are an integral part of these financial statements

e Punk, Inc.
(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
Statement of Stockholder's Deficit
For the Nine Months Ended June 30, 2011 (Unaudited)

	Common stock		Additional paid-in	Total Accumulated	Stockholders'
	Shares	Amount	Capital	Earnings	Deficit
Balance, September 30, 2010	—	$—	$—	$ —	$ —
Founders shares issued	12,250,000	1,225	(1,225)		—
Shares issued for website properties	12,500,000	1,250	11,250		12,500
Accounting acquiror shares issued in merger	308,585	31	(359,947)		(359,916)
Net loss				1,290	1,290
Balance, June 30, 2011	25,058,585	$2,506	$(349,922)	$ 1,290	$ (346,126)

The accompanying notes are an integral part of these financial statements

3

ePunk, Inc.
(formerly Truesport Alliances & Entertainment, Ltd.)
(formerly Sewell Ventures, Inc.)
Statements of Cash Flows (Unaudited)
For the Nine Months Ended June 30, 2011 and 2010

	Nine Months Ended June 30, 2011	Nine Months Ended June 30, 2010
Cash flows from operating activities:		
Net income	$1,290	$—
Reconciliation to net cash provided by (used in) continuing operations:		
Depreciation and amortization	595	—
Changes in certain assets and liabilities:		
Accounts receivable	(4,409)	—
Accounts payable	7,055	—
Accrued interest	185	—
Net cash provided (used) by operating activities	4,716	—
Cash flows from investing activities:		
Capital expenditures, net	(2,500)	—
Net cash provided (used) by investing activities	(2,500)	—
Net cash provided by financing activities:		
Borrowings on convertible notes payable	17,500	—
Net cash provided (used) by financing activities	17,500	—
Net increase in cash	19,716	—
Cash - beginning of period	—	—
Cash - end of period	$19,716	$—
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION CASH PAID DURING THE YEAR FOR:		
Income taxes	$—	$—
Interest	$—	$—

The accompanying notes are an integral part of these financial statements

4

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND
ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

Note A-Organization and Summary Of Significant Accounting Policies

Organization
ePunk, Inc. (the “Company”)(formerly Truesport Alliances & Entertainment, Ltd.) (formerly Sewell Ventures, Inc.) was incorporated under the laws of the State of Delaware on April 27, 2007 to search for investment opportunities.

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, d.b.a. “7Base” a privately owned Nevada limited liability company (“7Base”), pursuant to an Acquisition Agreement (the “Exchange”). 7Base was organized under the laws of the State of Nevada on October 17, 2008. 7Base is a diversified company engaged in the business of designing, manufacturing, selling, distributing, and licensing to others the right to resell high quality, branded apparel, sporting goods, fitness equipment, merchandise, training centers and events under their own brand image. In addition, 7Base generates additional revenues through the sale of consulting, media, and entertainment services related to the mixed martial arts industry. Upon consummation of the Exchange, the Registrant adopted the business plan of 7Base.

Pursuant to the terms of the Exchange, the Company acquired 7Base in exchange for an aggregate of 20,000,000 newly issued shares (the “Exchange Shares”) of the Company’s common stock, par value $0.0001 per share (the “Common Stock”), resulting in an aggregate of 29,200,000 shares of the Company common stock issued and outstanding. As a result of the Exchange, 7Base became a wholly-owned subsidiary of the Company. The Company shares were issued to the members of 7Base on a pro rata basis, on the basis of the membership interests of 7Base held by such 7Base members at the time of the Exchange.

As a result of the ownership interests of the former shareholders of 7Base, for financial statement reporting purposes, the merger between the Company and 7Base was treated as a reverse acquisition with 7Base deemed the accounting acquirer and the Company deemed the accounting acquiree under the purchase method of accounting in accordance with paragraph 805-40-05-2 of the FASB Accounting Standards Codification. The reverse merger was deemed a capital transaction and the net assets of 7Base (the accounting acquirer) were carried forward to the Company (the legal acquirer and the reporting entity) at their carrying value before the combination. The acquisition process utilizes the capital structure of the Company and the assets and liabilities of 7Base which are recorded at historical cost. The equity of the Company was the historical equity of 7Base retroactively restated to reflect the number of shares issued by the Company in the transaction.

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

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 9,000,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company’s assets were transferred and the Company kept certain notes payable totaling approximately $359,000. Pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic 205-20, Discontinued Operations, our fiscal year 2010 financial statement amounts have been reclassified to reflect the impact of the discontinued operations of our 7Base business activities, which was the sole focus of the Company during 2010. Unless otherwise noted, the information provided within our MD&A reflects only the continued operations of our business.

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

Note A-Organization and Summary Of Significant Accounting Policies (Continued)

Organization (Continued)

On June 15, 2011, Excelsior Management, LLC, ("Seller") as agent for the beneficial owners of a total of twenty million two hundred and eighty five thousand one hundred sixty seven (20,285,167) shares of common stock (the "Common Shares"), of Truesport Alliances & Entertainment, Ltd. (now known as ePunk, Inc.), (the "Company"), entered into a stock purchase agreement (the "Stock Purchase Agreement") with Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler (collectively referred to as the "Purchaser") for the sale and purchase of the Common Shares. As a result of the execution of the Stock Purchase Agreement, the Seller sold, 65.75% of the issued and outstanding shares of common stock of the Company to the Purchaser in exchange for $23,451.97. Concurrently with the closing of the Stock Purchase Agreement, Scott Ence, resigned from his positions as the Company's President, Chief Executive Officer, Treasurer, Secretary, and Chairman of the Board of Directors and Brent Stuchlik resigned from his position as a Director of the Company. On June 20, 2011 a majority of the shareholders of the Company approved the appointment of Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler to the Board of Directors. In addition, at such time, Richard Jesse Gonzales was appointed the Company's President and Chief Executive Officer, Justin Matthew Dornan as Treasurer, and Frank J. Drechsler as Secretary. None of the appointed directors or officers entered into an employment agreement with the Company, nor will any be compensated for their services as officers or directors of the Company.

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

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

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

Subsequent to June 15, 2011, the Board was presented with verbal notification that the signature provided on Mr. Ence's resignation from his aforementioned positions which the Company filed as exhibit 10.2 to the Form 8-K on June 15, 2011 may not be authentic. Therefore, on August 16, 2011 a majority of the shareholders of the Company approved the termination of Scott Ence from his position as the Chairman of the Board of Directors. In addition, at such time, the Company's Board of Directors unanimously approved the termination of Scott Ence from his positions as President, Chief Executive Officer, and Secretary of the Company.

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NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

Note A-Organization and Summary Of Significant Accounting Policies (Continued)

Going Concern
The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. The Company has negative working capital of $346,126 at June 30, 2011. The Company will continue to use capital to market its products and may not be profitable for the foreseeable future. These factors raise doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of their common stock. There is no assurance that the Company will be successful in raising this additional capital or in maintaining profitable operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.

Accounting estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents
For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents may at times exceed federally insured limits. To minimize this risk, the Company places its cash and cash equivalents with high credit quality institutions.

Accounts Receivable
Accounts receivable are reported at the customers' outstanding balances. The Company does not have a history of significant bad debt and has not recorded any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable. The Company evaluates receivables on a regular basis for potential reserve.

Fixed assets
Fixed assets are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. At the time fixed assets are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation of fixed assets is provided on the straight-line method over the estimated useful lives of the assets. The estimated useful lives used are 3 years for computer equipment, office equipment and software. Accelerated methods of depreciation of fixed assets are used for income tax purposes.

Revenue recognition policy
Revenue for our services is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectibility is reasonably assured; and (iv) services have been performed.

Deferred Revenue: Revenue is deferred for any undelivered elements and is recognized upon product delivery or when the service has been performed.

Sales and marketing costs

Sales and marketing expenses include advertising expenses, seminar expenses, commissions and personnel expenses for sales and marketing. Marketing and advertising costs to promote the Company's products and services are expensed in the period incurred.

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(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

Note A-Organization and Summary Of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments
The Company's financial instruments include cash and accounts receivable. The carrying amount of these financial instruments has been estimated by management to approximate fair value.

"Disclosures about Fair Value of Financial Instruments," requires disclosures of information regarding the fair value of certain financial instruments for which it is practicable to estimate the value. For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale of liquidation.

The company accounts for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. We categorize each of our fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1—inputs are based upon unadjusted quoted prices for identical instruments traded in active markets. We have no Level 1 instruments as of the period covered by this report.

Level 2—inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques (e.g. the Black-Scholes model) for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies and commodities. We have no Level 2 instruments as of the period covered by this report.

Level 3—inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. We have no Level 3 instruments as of the period covered by this report.

Earnings (Loss) per common share
The Company reports both basic and diluted earnings (loss) per share. Basic loss per share is calculated using the weighted average number of common shares outstanding in the period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using the "treasury stock" method and convertible securities using the "if-converted" method.

Stock-Based Compensation

The Company accounts for all compensation related to stock, options or warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. We use the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. In calculating this fair value, there are certain assumptions that we use consisting of the expected life of the option, risk-free interest rate, dividend yield, volatility and forfeiture rate. The use of a different estimate for any one of these components could have a material impact on the amount of calculated compensation expense.

We periodically issue common stock as compensation. Pursuant to ASC 505-50-30-6 issuances are valued using the market price of the stock or value of the services rendered on the date of the related agreement, whichever is more readily determinable. To date, common stock granted and issued for services has been issued free of obligation to the recipient and for no consideration. The shares are valued at the price non-employees are willing to accept as payment in lieu of cash, which, historically, has been the price per share of recent sales of unregistered securities or value of debt converted to common stock.

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(FORMERLY TRUESPORT ALLIANCES AND ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

Note A-Organization and Summary Of Significant Accounting Policies (Continued)

Research and Development
Expenses related to present and future products are expensed as incurred.

Impairment of Long-Lived Assets
Accounting for the Impairment or Disposal of Long-Lived Assets requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost-carrying value of an asset may not be recovered. The Company assesses recoverability of the carrying value of an asset by estimating the fair value of the asset. If the fair value is less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. The Company has never recognized an impairment charge.

Income Taxes
The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. A valuation allowance is established against deferred tax assets that do not meet the criteria for recognition. In the event the Company were to determine that it would be able to realize deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company follows the accounting guidance which provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax provisions must meet a more-likely-than-not recognition threshold at the effective date to be recognized initially and in subsequent periods. Also included is guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

NOTE B – ACCOUNTS RECEIVABLE

The accounts receivable balance of $4,409 as of June 30, 2011 is reported at gross. To date the Company has not experienced any bad debts. However, we will continue to monitor our receivables on a regular basis for indications of impairment to collectability and will write of receivables if and when they are deemed uncollectible.

NOTE C – INTANGIBLE ASSETS

On February 25, 2011, the Company purchased from its founder Jesse Gonzales the following, fully functional and running websites: www.CountyImports.com, www.CountyImportParts.com and www.CountyCrusiers.com for 12,500,000 shares of common stock valued at par or $12,500. The websites require periodic maintenance and updating in order to maintain their competitiveness. These costs can be significant relative to their carrying costs and are expensed as incurred. The Company is amortizing these assets using the straight-line method over seven years. In addition, the Company performs an annual assessment to determine if the carrying value of these assets has been impaired. For the nine months ended June 30, 2011, amortization expense was $595.

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(FORMERLY TRUESPORT ALLIANCES AND ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

NOTE D – CONVERTIBLE NOTES PAYABLE

As of June 30, 2011, the Company had the following convertible notes payable:

	Amount	Interest Rate	Date of: Funding	Maturity	Accrued Interest	Total Due
	$ 10,000	5.00%	02/14/10	12/31/11	$ 688	$ 10,688
	51,000	5.00%	03/18/10	12/31/11	3,284	54,284
Rico Italia Investments Inc						
	8,000	5.00%	06/09/10	09/10/10	423	8,423
	10,000	5.00%	06/28/10	09/30/10	503	10,503
Total	$ 79,000				$ 4,897	$ 83,897
	$ 10,000	5.00%	02/14/10	12/31/11	$ 688	$ 10,688
	15,000	5.00%	02/26/10	12/31/11	1,007	16,007
Excelsior Management LLC						
	59,000	5.00%	05/27/10	08/27/10	3,225	62,225
	28,000	5.00%	06/02/10	09/01/10	1,507	29,507
Total	$ 112,000				$ 6,427	$ 118,427
	$ 54,340	5.00%	01/30/10	12/31/10	$ 3,856	$ 58,196
	30,000	5.00%	02/14/10	12/31/11	2,067	32,067
Palatine Capital Investment Group LLC	25,000	5.00%	02/26/10	12/31/11	1,681	26,681
	14,500	5.00%	09/09/10	12/31/11	421	14,921
	25,000	5.00%	09/17/10	12/31/11	726	25,726
Total	$ 148,840				$ 8,752	$ 157,592
	$ 5,000	8.00%	01/28/11	07/28/11	$ 167	$ 5,167
Amalfi Coast Capital	2,500	8.00%	06/21/11	01/21/11	6	2,506
	10,000	8.00%	06/24/11	01/24/12	13	10,013
Total	$ 17,500				$ 186	$ 17,686
Grand Total	$ 357,340				$ 20,261	$ 377,602
Current	357,340				20,261	377,602

On June 16, 2011, the promissory notes that remained obligations of the Company after the divestiture of our prior business operations under TrueSport Alliances & Entertainment, Ltd. (i.e., the above notes due to: Rico Italia Investments, Inc., Excelsior Management, LLC and Palatine Capital Investment Group, LLC) and totaling approximately $359,000 of principle and interest were purchased by three separate parties for a total purchase price of

$99,196. Then, on June 24, 2011 the Company and holders of the notes entered into an amendment to the convertible promissory notes changing the original conversion price from 50 percent below the average trading price for the five day period prior to the date of conversion, with a minimum conversion price of $0.50 per share and a maximum conversion price of $1.50 per share to a stated conversion price of $0.01 per share. Per ASC 470-20-25-12, no portion of the proceeds from these notes are attributable to the modification of the conversion feature as the conversion can be made at the option of the holder at a specified price, the conversion price does not decrease, the debt was originally sold at the face amount, the interest rate is lower than the Company would pay for non-convertible debt and the conversion price was greater than the perceived market value of the stock due to the divestiture of the Company's only business. In addition, the Company had experienced significant operating losses and shareholder dilution, in the event of a conversion an attempt to sell converted shares would most likely result in a lower stock price due to the lack and expected thin trading volume of the Company's stock on the secondary markets. Due to the foregoing, the perceived market value of the stock was less than the conversion price leaving significant uncertainty about the future trading price of the stock and the ability to recover the face amount of the debt.

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND
ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

NOTE D – CONVERTIBLE NOTES PAYABLE (Continued)

The Notes due to Amalfi totaling $17,500 as of June 30, 2011 bear interest at 8% per annum, and generally mature in 6 months and contain a conversion feature that may only be exercised upon default and at $0.10 per share.

Due to the reverse merger and related accounting methodology, interest expense associated with the Rico Italia Investments, Inc., Excelsior Management, LLC and Palatine Capital Investment Group, LLC notes for the three and nine months ended June 30, 2011 is disregarded in these financial statements. Thus, during the three and nine months ended June 30, 2011, interest expense related to the Amalfi notes above totaled $118 and $185, respectively.

As of June 30, 2011, accrued interest payable on the convertible notes payable totaled $20,261.

NOTE E – STOCKHOLDERS EQUITY

Preferred Stock
The Company has authorized 25,000,000 shares of $0.0001 par value preferred stock available for issuance. No shares of preferred stock have been issued as of June 30, 2011.

Common Stock
The Company has authorized 100,000,000 shares of no par value common stock available for issuance. 25,058,585 shares have been issued as of June 30, 2011.

On June 15, 2011, Excelsior Management, LLC, (“Seller”) as agent for the beneficial owners of a total of twenty million two hundred and eighty five thousand one hundred sixty seven (20,285,167) shares of common stock (the “Common Shares”), of Truesport Alliances & Entertainment, Ltd. (now known as ePunk, Inc.), (the “Company”), entered into a stock purchase agreement (the “Stock Purchase Agreement”) with Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler (collectively referred to as the “Purchaser”) for the sale and purchase of the Common Shares. As a result of the execution of the Stock Purchase Agreement, the Seller sold, 65.75% of the issued and outstanding shares of common stock of the Company to the Purchaser in exchange for $23,451.97.

Stock Issued for Cash
No stock was issued for cash during the nine months ended June 30, 2011.

Between March 31, 2010 and May 1, 2010, the Company issued 11,534 (1,153,400 pre 100:1 reverse split on 7/5/11) shares of common stock through a private placement memorandum at $0.25 to $0.30 per share for total proceeds of $301,020.

Stock Issued for liabilities
No stock was issued for liabilities during the nine months ended June 30, 2011.

On June 30, 2010, the Company issued Scott Ence, former CEO, 500,000 shares of common stock valued at $0.25 per share (5,000 shares at $25 per share post 100:1 reverse split on June 20, 2011) and used the issuance to repay certain liabilities totaling $74,371 and record $50,629 of stock compensation expense.

NOTE F - COMMITMENTS

The Company has no commitments as of June 30, 2011.

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND
ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

NOTE G – DISCONTINUED OPERATIONS

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 9,000,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company's assets were transferred and the Company kept certain notes payable totaling approximately $359,000 as of the date above. Pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic 205-20, Discontinued Operations, our fiscal year 2010 financial statement amounts have been adjusted to reflect the impact of the discontinued operations of our 7Base business activities, which has been the sole focus of the Company.

NOTE H – MERGER

We entered into a Share Exchange Agreement, dated June 30, 2011 (the "Share Exchange Agreement") by and among ePunk, Inc. ("we," "ePunk" or the "Company"), Punk Industries, Inc. ("Punk Industries") and the shareholders of Punk Industries, Inc. (the "Punk Industries Shareholders") pursuant to which we acquired all of the shares of Punk Industries (the "Merger") which is an importer and wholesaler of small on and off-road vehicles and accessories. The closing of the transaction (the "Closing") took place on June 30, 2011 (the "Closing Date"). On the Closing Date, we acquired 100% of the outstanding shares of common stock of Punk Industries (the "Punk Industries Stock") from the Punk Industries Shareholders. In exchange for the Punk Industries Stock, we issued 24,750,000 shares of our common stock, which represents approximately 98.77% of our issued and outstanding common stock to the Punk Shareholders.

The Merger was accounted for as a "reverse merger," as the stockholders of Punk Industries, Inc. owned a majority of the outstanding shares of ePunk, Inc. common stock immediately following the Merger. Punk Industries, Inc. was deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations of Punk Industries, Inc. prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of Punk Industries, Inc. Our consolidated financial statements after completion of the Merger include the assets and liabilities of both ePunk, Inc. and Punk Industries, Inc., historical operations of Punk Industries, Inc. and our ePunk, Inc operations from the Effective Date of the Merger.

We accounted for the merger under recapitalization accounting whereby the retained earnings (deficit) of the Acquired Enterprise (Punk Industries, Inc.) is presented as the equity of the combined enterprise and the capital stock related accounts of the Acquiring Enterprise (ePunk, Inc.) are adjusted to reflect the par value of the outstanding stock of the Legal Acquirer (ePunk, Inc.) after giving effect to the number of shares issued in the business combination. Shares retained by the Legal Acquirer are reflected as an issuance as of the reverse merger date (June 30, 2011) for the historical amount of the net assets of the accounting acquire (ePunk, Inc.) which in this case is a net liability of $359,916 and represents the net deficit of ePunk, Inc. on the date of merger.

12

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED
JUNE 30, 2011 AND 2010

NOTE H – MERGER (Continued)

ePunk, Inc.
Unaudited Pro Forma Consolidated Balance Sheet
As of June 30, 2011

	ePunk, Inc. Actual	Punk Industries, Inc. Actual	Merger Adjustments	Pro Forma
ASSETS				
Current assets:				
Cash	$—	$19,716	$ —	$19,716
Accounts receivable	—	4,409	—	4,409
Total current assets	—	24,125	—	24,125
Property, plant and equipment	—	2,500	—	2,500
Intangible assets, net	—	11,905	—	11,905
Total assets	$—	$38,530	$ —	$38,530
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	—	7,055	—	7,055
Accrued interest	20,076	185	—	20,261
Convertible notes payable	339,840	17,500	—	357,340
Total current liabilities	359,916	24,740	—	384,656
Total liabilities	359,916	24,740	—	384,656
Commitments and contingencies				
Stockholders' deficit:				
Common stock, $0.0001 par value; 100,000,000 shares	31	24,750	(22,275 1)	2,506
Additional paid-in capital	1,325,945	(12,250)	(1,663,617 2)	(349,922)
Accumulated deficit	(1,685,892)	1,290	1,685,892	1,290
Total stockholders' deficit	(359,916)	13,790	—	(346,126)
Total liabilities and stockholder's deficit	$—	$38,530	$ —	$38,530

1) $22,275 adjustment reflects the reduction in Punk Industries stock of $24,750 and the increase of $2,475 for the24,750,000 shares issued.

2) $1,663,617 adjustment to reduce accounting acquiree's additional paid-in capital ("APIC")($1,325,945), reflect the historical net assets or in this case liability of the accounting acquiree ($359,916), $24,750 transfer of par value from common stock to APIC offset by the par value of 24.75 million shares issued in the merger.

ePUNK, INC.
(FORMERLY TRUESPORT ALLIANCES AND ENTERTAINMENT, LTD.)
(FORMERLY SEWELL VENTURES, INC.)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2011 AND 2010

NOTE H – MERGER (Continued)

ePunk, Inc.
Unaudited Pro Forma Consolidated Statements of Operations
For the Nine Months Ended June 30, 2011 and the Year Ended September 30, 2010

	Nine Months Ended June 30, 2011			Year Ended September 30, 2010		
	ePunk, Inc. Actual	Punk Industries, Inc. (1) Actual	Pro Forma	ePunk, Inc. Actual	Punk Industries, Inc. (1) Actual	Pro Forma
Net sales	$206,217	$206,217	$412,434	$—	$—	
Cost of sales	186,464	186,464	372,928	—	—	
Gross margin	19,753	19,753	39,506	—	—	—
Operating expenses						
General and administrative	11,552	16,577	28,129	20,877	20,877	
Sales and marketing	—	1,106	1,106	—		
Depreciation and amortization	595	595	1,190	—	—	
	12,147	18,278	30,425	20,877	—	20,877
Operating (loss)	7,606	1,475	9,081	(20,877)	—	—
Non-operating (expense) income:						
Amortization of beneficial conversion feature	—	—	—	(149,354)	—	(149,354)
Interest expense	(12,379)	(185)	(12,564)	(7,696)	—	(7,696)
	(12,379)	(185)	(12,564)	(157,050)	—	(157,050)
Loss from continuing operations before income taxes	(4,773)	1,290	(3,483)	(177,927)	—	(157,050)
Income tax provision (benefit)	—	—	—	—	—	—
Loss from continuing operations	(4,773)	1,290	(3,483)	(177,927)	—	(157,050)
Loss from discontinued operations	(234,470)	—	(234,470)	(875,265)	(875,265)	
Net Loss	$(239,243)	$1,290	$(237,953)	$(1,053,192)	$—	$(1,032,315)
Net income (loss) per common share:						

Basic:				
Income (loss) from continuing operations	$(0.02)	$(0.00)	$(0.64)	$(0.01)
Income (loss) from discontinued operations	(0.76)	(0.01)	(3.13)	(0.03)
Net income (loss) per share	$(0.78)	$(0.01)	$(3.77)	$(0.04)
Weighted average shares outstanding-basic	308,536		279,417	
Shares issued for acquisition		24,750,000		24,750,000
Total weighted average shares outstanding		25,058,536		25,029,417

NOTE I – SUBSEQUENT EVENTS

Pursuant to FASB Accounting Standards Codification 855, Subsequent Events, Including ASC 855-10-S99-2, the Company evaluated subsequent events through August 24, 2011.

On July 18, 2011, the Company issued 3,750,000 shares in exchange for the conversion of 37,500 of convertible notes payable.
[

14

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-Q which address activities, events or developments which the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof); finding suitable merger or acquisition candidates; expansion and growth of the Company's business and operations; and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. However, whether actual results or developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market and business conditions; the business opportunities (or lack thereof) that may be presented to and pursued by the Company; changes in laws or regulation; and other factors, most of which are beyond the control of the Company.

These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this Filing and include statements regarding the intent, belief or current expectations of the Company, and its directors or its officers with respect to, among other things: (i) trends affecting the Company's financial condition or results of operations for its limited history; (ii) the Company's business and growth strategies; and, (iii) the Company's financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Such factors that could adversely affect actual results and performance include, but are not limited to, the Company's limited operating history, potential fluctuations in quarterly operating results and expenses, government regulation, technological change and competition.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

Recent Events

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

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, d.b.a. "7Base" a privately owned Nevada limited liability company ("7Base"), pursuant to an Acquisition Agreement (the "Exchange"). 7Base was organized under the laws of the State of Nevada on October 17, 2008. 7Base is a diversified company engaged in the business of designing, manufacturing, selling, distributing, and licensing to others the right to resell high quality, branded apparel, sporting goods, fitness equipment, merchandise, training centers and events under their own brand image. In addition, 7Base generates additional revenues through the sale of consulting, media, and entertainment services related to the mixed martial arts industry. Upon consummation of the Exchange, the Registrant adopted the business plan of 7Base.

Pursuant to the terms of the Exchange, the Company acquired 7Base in exchange for an aggregate of 20,000,000 newly issued shares (the “Exchange Shares”) of the Company’s common stock, par value $0.0001 per share (the “Common Stock”), resulting in an aggregate of 29,200,000 shares of the Company common stock issued and outstanding. As a result of the Exchange, 7Base became a wholly-owned subsidiary of the Company. The Company shares were issued to the members of 7Base on a pro rata basis, on the basis of the membership interests of 7Base held by such 7Base members at the time of the Exchange.

As a result of the ownership interests of the former shareholders of 7Base, for financial statement reporting purposes, the merger between the Company and 7Base was treated as a reverse acquisition with 7Base deemed the accounting acquirer and the Company deemed the accounting acquiree under the purchase method of accounting in accordance with paragraph 805-40-05-2 of the FASB Accounting Standards Codification. The reverse merger was deemed a capital transaction and the net assets of 7Base (the accounting acquirer) were carried forward to the Company (the legal acquirer and the reporting entity) at their carrying value before the combination. The acquisition process utilizes the capital structure of the Company and the assets and liabilities of 7Base which are recorded at historical cost. The equity of the Company is the historical equity of 7Base retroactively restated to reflect the number of shares issued by the Company in the transaction.

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

On April 22, 2011, the Company and Seven Base Consulting, LLC entered into an Agreement and Plan of Reorganization whereby the Company divested all Seven Base Consulting, LLC business related assets, liabilities and rights to the operation of the Seven Base Consulting, LLC business to Seven Base Consulting, LLC in exchange for the return of 9,000,000 shares of Truesport Alliances & Entertainment, Ltd. Common stock held by Seven Base Consulting, LLC members. As a result of this transaction all the Company’s assets were transferred and the Company kept certain notes payable totaling approximately $359,000. Pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 205-20, Discontinued Operations, our fiscal year 2010 financial statement amounts have been reclassified to reflect the impact of the discontinued operations of our 7Base business activities, which was the sole focus of the Company during 2010. Unless otherwise noted, the information provided within our MD&A reflects only the continued operations of our business.

On June 15, 2011, Excelsior Management, LLC, (“Seller”) as agent for the beneficial owners of a total of twenty million two hundred and eighty five thousand one hundred sixty seven (20,285,167) shares of common stock (the “Common Shares”), of Truesport Alliances & Entertainment, Ltd. (now known as ePunk, Inc.), (the “Company”), entered into a stock purchase agreement (the “Stock Purchase Agreement”) with Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler (collectively referred to as the “Purchaser”) for the sale and purchase of the Common Shares. As a result of the execution of the Stock Purchase Agreement, the Seller sold, 65.75% of the issued and outstanding shares of common stock of the Company to the Purchaser in exchange for $23,451.97. Concurrently with the closing of the Stock Purchase Agreement, Scott Ence, resigned from his positions as the Company’s President, Chief Executive Officer, Treasurer, Secretary, and Chairman of the Board of Directors and Brent Stuchlik resigned from his position as a Director of the Company. On June 20, 2011 a majority of the shareholders of the Company approved the appointment of Richard Jesse Gonzales, Justin Matthew Dornan, and Frank J. Drechsler to the Board of Directors. In addition, at such time, Richard Jesse Gonzales was appointed the Company’s President and Chief Executive Officer, Justin Matthew Dornan as Treasurer, and Frank J. Drechsler as Secretary. None of the appointed directors or officers entered into an employment agreement with the Company, nor will any be compensated for their services as officers or directors of the Company.

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

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

16

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

Subsequent to June 15, 2011, the Board was presented with verbal notification that the signature provided on Mr. Ence's resignation from his aforementioned positions which the Company filed as exhibit 10.2 to the Form 8-K on June 15, 2011 may not be authentic. Therefore, on August 16, 2011 a majority of the shareholders of the Company approved the termination of Scott Ence from his position as the Chairman of the Board of Directors. In addition, at such time, the Company's Board of Directors unanimously approved the termination of Scott Ence from his positions as President, Chief Executive Officer, and Secretary of the Company.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions and estimates that affect the amounts reported. Note A of Notes to Financial Statements describes the significant accounting policies used in the preparation of the financial statements. Certain of these significant accounting policies are considered to be critical accounting policies, as defined below.

A critical accounting policy is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on our financial condition and results of operations. Specifically, critical accounting estimates have the following attributes:

- We are required to make assumptions about matters that are highly uncertain at the time of the estimate; and
- Different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on our financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and present a meaningful presentation of our financial condition and results of operations.

In preparing our financial statements to conform to accounting principles generally accepted in the United States, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. These estimates include useful lives for fixed assets for depreciation calculations and assumptions for valuing options and warrants. Actual results could differ from these estimates.

Revenue Recognition

The Company applies paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned less estimated future doubtful accounts. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Stock-Based Compensation

The Company accounts for all compensation related to stock, options and warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. When issued, we use the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees.

In calculating this fair value, there are certain assumptions that we use consisting of:

1) The expected life of the option. No incentive stock options have been granted to date. In the event the Company issues employee options, we will base our determination of expected life on the guidance in ASC 718-10-55-29 to 34. The Company utilizes the contract term of each non qualified option except in the event that the option is not transferrable in which case we apply the aforementioned guidance in determining the expected term.
2) Risk-free interest rate. We use the treasury bill rate that most closely aligns with the duration of the derivative.
3) Dividend yield. Until a dividend is offered this input will always be zero.
4) Volatility. We use the Dow Jones Internet Composite Index (Ticker: FDN) from inception of the index to the date of grant.
5) Forfeiture rate. To date this rate has been zero.
6) Stock price (see discussion below).

The use of a different estimate for any one of these components could have a material impact on the amount of calculated compensation expense.

We may periodically issue common stock as compensation. Pursuant to ASC 505-50-30-6 issuances are valued using the market price of the stock or value of the services rendered on the date of the related agreement, whichever is more readily determinable. To date, common stock granted and issued for services has been issued free of obligation to the recipient and for no consideration. The shares are valued at the price non-employees are willing to accept as payment in lieu of cash, which, historically, has been the price per share of recent sales of unregistered securities or value of debt converted to common stock.

Long-lived Assets

Long-lived assets, comprised of equipment, and identifiable intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that may cause an impairment review include significant changes in technology that make current computer-related assets that we use in our operations obsolete or less useful and significant changes in the way we use these assets in our operations. When evaluating long-lived assets for potential impairment, we first compare the carrying value of the asset to the asset's estimated future cash flows (undiscounted and without interest charges). If the estimated future cash flows are less than the carrying value of the asset, we calculate an impairment loss. The impairment loss calculation compares the carrying value of the asset to the asset's estimated fair value, which may be based on estimated future cash flows (discounted and with interest charges). We recognize an impairment loss if the amount of the asset's carrying value exceeds the asset's estimated fair value. If we recognize an impairment loss, the adjusted carrying amount of the asset becomes its new cost basis. The new cost basis will be depreciated (amortized) over the remaining useful life of that asset. Using the impairment evaluation methodology described herein, there have been no long-lived asset impairment charges for each of the last two years.

Our impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

We have not made any material changes in our impairment loss assessment methodology during the past two fiscal years. We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we use to calculate long-lived asset impairment losses. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to losses that could be material.

Intangible Assets

Goodwill and other intangible assets with indefinite useful lives are no longer amortized, but are evaluated for impairment annually, or immediately if conditions indicate that impairment could exist. The evaluation requires a two-step impairment test to identify potential goodwill impairment and measure the amount of a goodwill impairment loss. The first step of the test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of the impairment loss. Both steps of the goodwill impairment testing involve significant estimates.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current period and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled.

When accounting for Uncertainty in Income Taxes, first, the tax position is evaluated to determine the likelihood that it will be sustained upon external examination. If the tax position is deemed “more-likely-than-not” to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50 percent likelihood of being realized upon ultimate settlement. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company underwent a change of control for income tax purposes on October 8, 2003 according to Section 381 of the Internal Revenue Code. The Company’s utilization of U.S. Federal net operating losses will be limited in accordance to Section 381 rules. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

RESULTS OF OPERATIONS

Results of Operations

Three and Nine Months Ended June 30, 2011 Compared With the Three and Nine Months Ended June 30, 2010

On June 30, 2010, the Company entered into a “reverse merger” with Punk Industries, Inc. As such, the assets and liabilities and the historical operations of Punk Industries, Inc. prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of Punk Industries, Inc. Our consolidated financial statements after completion of the Merger include the assets and liabilities of both ePunk, Inc. and Punk Industries, Inc., historical operations of Punk Industries, Inc. and our ePunk, Inc operations from the Effective Date of the Merger. Thus, the discussion that follows relates to the operations of punk Industries, Inc. Punk Industries, Inc. was incorporated in February 2011, therefore, there are no prior year comparative financials.

Revenue and Gross Margin

Revenues totaled $180,467 and 206,217 for the three and nine months ended June 30, 2011. Our sales-to-date were made through our on-line property, www.Countyimports.com and consists of sales of scooters, ATV's, UTV's, motorcycles and parts and accessories. Our cost of sales for the three and nine months ended June 30, 2011 totaled $161,483 and $186,464, respectively resulting in a three and nine month gross margin of $18,984 or 10.5% of revenue and $19,753, or 9.6% of revenue, respectively. We expect our gross margin as a percent of revenue to increase as our sales increase. However, due to our short operating history we cannot provide assurances that the gross margin will be consistent from period-to-period.

Operating Expenses

Total operating expenses for the three and nine months ended June 30, 2011 were $16,078 and $18,278, respectively. Operating expenses consist primarily of sales commissions and business start-up costs.

Non-operating Expense

Non-operating expense of $118 and $185 for the three and nine months ended June 30, 2011, respectively, relates to our notes payable.

Net Income

As a result of the foregoing, our net income for the three and nine months ended June 30, 2011 was $2,788 and $1,290, respectively.

Liquidity and Capital Resources

The Company had cash of $19,716 and current assets of $24,125 as of June 30, 2011. On the same date, current liabilities totaled $384,656. Over the next twelve months, we intend to build our business plan which includes increasing our on-line and penny auction sales, in addition to establishing over 100 additional dealerships. There can be no assurance that the Company will generate sufficient capital from operations to fund planned operations or that any additional funds will be available to the Company when needed, or if available, will be available on favorable terms in the amounts required by the Company. In this regard, management is planning to raise necessary additional funds through loans and additional sales of its common stock. There is no assurance that the Company will be successful in raising additional capital. The Company hopes to raise $250,000 from sales of its equity in 2011, which will be used to help fund operations and provide working capital. Should the Company be unable to raise this amount of capital its operating plans will be limited to the amount of capital that it can access.

Net cash provided by operating activities was $4,716 for the nine months ended June 30, 2011.

Net cash used by investing activities was $2,500 for the nine months ended June 30, 2011.

Net cash provided by financing activities was $17,500 for the nine months ended June 30, 2011.

Off-Balance Sheet Arrangements

We have no off-balance sheet transactions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4.Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of June 30, 2011, under the direction of the Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a — 15(e) under the Securities Exchange Act of 1934, as amended. Based on the evaluation of these controls and procedures required by paragraph (b) of Sec. 240.13a-15 or 240.15d-15 the disclosure controls and procedures have been found to be ineffective.

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by us in our reports filed under the securities Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that this information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of Internal Control Over Financial Reporting

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2011. In making this assessment, management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. In management's assessment of the effectiveness of internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) as required by Exchange Act Rule 13a-15(c), our management concluded as of the end of the fiscal quarter covered by this report on Form 10-Q that our internal control over financial reporting has not been effective.

As defined by Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Related Independence Rule and Conforming Amendments," established by the Public Company Accounting Oversight Board ("PCAOB"), a material weakness is a deficiency or combination of deficiencies that results more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, management identified the following control deficiencies that represent material weaknesses as of the date of this report:

i) Lack of segregation of duties. At this time, our resources and size prevent us from being able to employ sufficient resources to enable us to have adequate segregation of duties within our internal control system. Management will periodically reevaluate this situation.

ii) Lack of an independent audit committee. Although we have an audit committee it is not comprised solely of independent directors. We may establish an audit committee comprised solely of independent directors when we have sufficient capital resources and working capital to attract qualified independent directors and to maintain such a committee.

iii) Insufficient number of independent directors. At the present time, our Board of Directors does not consist of a majority of independent directors, a factor that is counter to corporate governance practices as set forth by the rules of various stock exchanges.

Our management determined that these deficiencies constituted material weaknesses. Due to a lack of financial resources, we are not able to, and do not intend to, immediately take any action to remediate these material weaknesses. We will not be able to do so until we acquire sufficient financing to do so. We will implement further controls as circumstances, cash flow, and working capital permit. Notwithstanding the assessment that our ICFR was not effective and that there were material weaknesses as identified in this report, we believe that our consolidated financial statements contained in this quarterly report on form 10-Q fairly present our financial position, results of operations and cash flows for the periods covered thereby in all material respects.

This 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 our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this prospectus.

Changes in Internal Controls

Management of the Company has evaluated, with the participation of the Chief Executive Officer of the Company, any change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report. There was no change in the Company's internal control over financial reporting identified in that evaluation that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, other than what has been reported above.

Limitations on the Effectiveness of Controls and Other Matters

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. 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 the 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 simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

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, a control 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.

Risk Factor Related to Controls and Procedures

The Company lacks an independent audit committee, has an insufficient number of independent directors and has limited segregation of duties amongst its employees with respect to the Company's preparation and review of the Company's financial statements due to the limited number of employees. The above represents a material weakness in internal controls, and if the Company fails to maintain an effective system of internal controls, it may not be able to accurately report its financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in the Company's financial reporting which could harm the trading price of the Company's stock.

Management has found it necessary to limit the Company's staffing in order to conserve cash until the Company's level of business activity increases. As a result, there is limited segregation of duties amongst the employees. The

Company and its independent public accounting firm have identified this as a material weakness in the Company's internal controls. The Company intends to remedy this material weakness by hiring additional employees and reallocating duties, including responsibilities for financial reporting, among the employees as soon as there are sufficient resources available. However, until such time, this material weakness will continue to exist.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

Not applicable.

Item 1a. Risk Factors.

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Removed and Reserved.

None

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit	Description of Exhibit
31.1	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Director, President and Chief Financial Officer Certification of Periodic Financial Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Director, President and Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed Herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	ePunk, Inc. (Registrant)	
Dated: August 19, 2011	By:	/s/ Richard Gonzales Richard Gonzales, Chief Executive Officer
	By:	/s/ Justin Dornan Justin Dornan, Chief Financial Officer