SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[x] Quarterly Report Pursuant to Section 13 or 15(d) Securities Exchange Act of 1934 for Quarterly Period Ended March 31, 2017
-OR-
[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transaction period from _________ to________

Commission File Number 000-1425203

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

Nevada	98-0557091
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification)

2951 SE Waaler Street, Stuart, FL 34997
(Address of principal executive offices, including zip code)

722-236-8494
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerate filer, or a small reporting company (as defined by Rule 12b-2 of the Exchange Act):

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

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

The number of outstanding shares of the registrant's common stock as of May 12, 2017: 82,938,960

CPSM, INC.
FORM 10-Q
For the Three Months Ended March 31, 2017

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PART I – FINANCIAL INFORMATION

CPSM, INC.
Index to the Financial Statements

CPSM, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	March 31, 2017 (unaudited)	December 31, 2016
Assets		
Cash	$ 609,099	$ 430,064
Accounts Receivable, net of allowance for doubtful accounts of $16,181 at March 31, 2017 and December 31, 2016	190,524	129,515
Due from Related Party	6,189	2,864
Inventory	85,483	93,975
Prepaids	3,564	3,564
Deposits	2,348	2,348
Total Current Assets	897,207	662,330
Property and Equipment, net	1,008,690	962,946
Intangible Assets, net	146,420	158,736
Total Assets	$ 2,052,317	$ 1,784,012
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 236,345	$ 135,226
Stockholder Advance Payable	54,981	54,981
Bank Line of Credit	21,750	25,892
Notes Payable - Current	63,664	69,491
Customer Deposits	101,386	75,008
Total Current Liabilities	478,126	360,598
Long Term Liabilities		
Notes Payable - Long Term	651,727	622,191
Deferred Tax Liability	14,020	14,020
Promissory Note - Stockholder	89,378	89,378
Total Liabilities	1,233,251	1,086,187
Commitments and Contingencies (Note 14)		

CPSM, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Continued from previous page)

Stockholders' Equity		
Series A Convertible Preferred Stock, $0.0001 par value, 50,000,000 Shares Authorized, 1,562,500 shares Issued and Outstanding at March 31, 2017 and December 31, 2016	156	156
Common Stock, $0.001 par value, 250,000,000 Shares Authorized, 82,938,960 shares Issued and Outstanding at March 31, 2017 and December 31, 2016	82,939	82,939
Additional Paid-in Capital:		
Preferred Stock	124,844	124,844
Common Stock	221,163	218,331
Retained Earnings	389,964	271,555
Total Stockholders' Equity	819,066	697,825
Total Liabilities and Stockholders' Equity	$ 2,052,317	$ 1,784,012

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue	$ 1,343,239	$ 1,273,850
Costs and Expenses:		
Cost of Services and Products Sold:		
Purchases	355,001	410,945
Service Costs	578,866	573,612
Sales and Marketing	6,736	14,340
General and Administrative	177,757	144,843
Depreciation and Amortization	35,742	32,321
Total Costs and Expenses	1,154,102	1,176,061
Income from Operations	189,137	97,789
Other Expense -		
Interest Expense	11,357	9,620
Income Before Income Tax	177,780	88,169
Income Tax		
Current	56,871	18,673
Deferred	-	-
Total Income Tax	56,871	18,673
Net Income	$ 120,909	$ 69,496
Less: Preferred Stock Dividends	2,500	2,500
Net Income Available to Common Stockholders	$ 118,409	$ 66,996
Net Earnings per Common Share:		
Basic	$ 0.00	$ 0.00
Diluted	$ 0.00	$ 0.00
Weighted Average Number of Common Shares Outstanding - Basic	82,938,960	83,355,960
Weighted Average Number of Common Shares Outstanding - Diluted	85,028,872	85,368,338

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiary
Condensed Consolidated Statements of Stockholders' Equity
For the Three Months Ended March 31, 2017
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid - In Capital	Additional Paid - In Capital	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Preferred	Common	Earnings	Equity
Balance at December 31, 2016	1,562,500	$ 156	82,938,960	$ 82,939	$ 124,844	$ 218,331	$271,555	$ 697,825
Preferred Stock Dividend (Unaudited)							(2,500)	(2,500)
Stock Option Expense (Unaudited)						2,832		2,832
Net Income (Unaudited)							120,909	120,909
Balance at March 31, 2017	1,562,500	$ 156	82,938,960	$ 82,939	$ 124,844	$ 221,163	$389,964	$ 819,066

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flow
(Unaudited)

	For the Three Months Ended March 31,	
	2017	**2016**
Cash Flow from Operating Activities:		
Net Income	$ 120,909	$ 69,496
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation and Amortization	28,352	32,321
Non-cash Stock Option Compensation	2,832	1,325
Increase (Decrease) in Cash from change in:		
Accounts Receivable	(61,009)	(49,237)
Due from Related Party	(3,325)	(1,152)
Inventory	8,492	(10,490)
Prepaids	-	(40,439)
Accounts Payable and Accrued Expenses	101,119	119,800
Customer Deposits	26,378	(19,155)
Net Cash Provided By Operating Activities	223,748	102,469
Cash Flow from Investing Activities:		
Purchase of Property and Equipment	(7,198)	(7,001)
Additional Deposit for Acquisition	-	(25,000)
Sale of Purchased Assets	-	17,500
Purchase Price Refund	-	15,000
Net Cash (Used In) Provided By Investing Activities	(7,198)	499
Cash Flow from Financing Activities:		
Preferred Stock Dividend	(2,500)	(2,500)
Issuance of Preferred Stock	-	125,000
(Payment on) Proceeds from Bank Line of Credit	(4,142)	6,891
Payment on Notes Payable	(30,873)	(11,816)
Repayment on Stockholder Advance Payable	-	(115,000)
Payment on SBA Loan	-	(14,810)
Net Cash Used In Financing Activities	(37,515)	(12,235)

CPSM, Inc. and Subsidiaries
Consolidated Statements of Cash Flow
(Continued from previous page)

Net Increase in Cash	$	179,035	$	90,733
Cash at the Beginning of the Period	$	430,064	$	427,978
Cash at the End of the Period	$	609,099	$	518,711
Supplemental Disclosures of Cash Flow Information:				
Cash Paid During the Year for:				
Interest	$	11,058	$	8,732
Taxes	$	-	$	30,000
Supplemental Disclosures of Non-Cash Information:				
Property and Equipment Acquired through Issuance of Notes Payable	$	54,582	$	28,904
Intangible Asset Acquired in Exchange for Deposit - Business Acquisition	$	-	$	133,000

The accompanying Notes are an integral part of the consolidated financial statements

NOTE 1 – NATURE OF OPERATIONS

CPSM, Inc. ("CPSM") and its wholly-owned subsidiaries, Custom Pool and Spa Mechanics, Inc. ("Custom Pool"), and Custom Pool Plastering, Inc. ("CPP") collectively (the "Company") are primarily engaged in the provision of full line pool and spa services, specializing in pool maintenance and service, repairs, leak detection, renovations, decking and remodeling. The primary market area includes Martin, Palm Beach, St Lucie, Indian River and Brevard counties, Florida.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

Basis of Presentation

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

Cash

All highly liquid investments with original maturities of three months or less or money market accounts held at financial institutions are considered to be cash. Substantially all of the cash is placed with one financial institution. From time to time during the year the cash accounts are exposed to credit loss for amounts in excess of insured limits of $250,000 in the event of non-performance by the institution, however, it is not anticipated that there will be non-performance.

Allowance for uncollectible receivables

Management evaluates credit quality by evaluating the exposure to individual counterparties, and, where warranted, management also considers the credit rating or financial position, operating results and/or payment history of the counterparty. Management establishes an allowance for amounts for which collection is considered doubtful. Adjustments to previous assessments are recognized in income in the period in which they are determined. At March 31, 2017 and December 31, 2016, the allowance for uncollected receivables was $16,181.

Inventory

Inventory consists principally of pool chemicals and resurfacing materials. Inventory has a short turnover cycle. It is valued at the lower of cost or market using the First-in, First-out method.

Property and Equipment

Land is stated at cost. Property and equipment are carried at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Land and building represent the newly acquired building in Stuart, Florida, which is the primary office of the Company. The equipment is largely comprised of computers and motor vehicles used in the pool service business.

Intangible Assets

Intangible assets consist primarily of customer lists and other purchased assets with a definite life, and these are amortized using the straight-line method over those estimated useful lives.

Amortization expense for the next five years and thereafter is as follows:

Intangible Asset	2017	2018	2019	2020	2021	Thereafter
Client List – Prior Acquisitions	$ 3,328	-	-	-	-	-
Capitalized Costs	1,185	1,185	1,185	1,185	1,185	11,530
Client List - Sundook	8,583	8,583	8,583	8,583	8,583	82,722
Total	$13,096	$ 9,768	$9,768	$9,768	$9,768	$ 94,252

Customer Deposits

The Company collects initial deposits from customers for pool resurfacing and remediation work and recognizes the revenue when the work is completed.

Revenue Recognition

Revenue is recognized when the pool service is completed and the collectability is reasonably assured. For pool resurfacing and remediation work, revenue is recognized at the time of completion of the job.

Stock-Based Compensation

The Company accounts for stock-based compensation under the fair value recognition provisions of GAAP which requires the measurement and recognition of compensation for all stock-based awards made to employees and directors including stock options and restricted stock issuances based on estimated fair values.

In accordance with GAAP, the fair value of stock-based awards is generally recognized as compensation expense over the requisite service period, which is defined as the period during which an employee is required to provide service in exchange for an award. The Company uses a straight-line attribution method for all grants that include only a service condition. Compensation expense related to all awards is included in income.

Income Taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of asset and liabilities. Deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax asset and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertainties in income tax law under a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns as prescribed by GAAP. Under GAAP, the tax effects of a position are recognized only if it is “more-likely-than-not” to be sustained by the taxing authority as of the reporting date. If the tax position is not considered “more-likely-than-not” to be sustained, then no benefits of the position are recognized. Management believes there are no unrecognized tax benefits or uncertain tax positions as of March 31, 2017 and December 31, 2016.

The Company recognizes interest and penalties on income taxes as a component of income tax expense, should such an expense be realized.

Basic and Diluted Net Earnings per Share

The Company computes earnings per share in accordance with "ASC-260", "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the consolidated statements of income. Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted earnings per share gives effect to all dilutive potential common shares outstanding during the year, computed using the treasury stock method for outstanding stock options and the if converted method for preferred stock. Dilutive earnings per share excludes all potential common shares if their effect is anti-dilutive.

For the three months ended March 31, 2017 and 2016, the basic and diluted earnings per share was computed as follows:

	For the Three Months Ended March 31,	
	2017	2016
Net Income Available to Common Stockholders	$ 118,409	$ 66,996
Preferred Stock Dividends	2,500	2,500
Income Available to Common Stockholders and Assumed Conversions	$ 120,909	$ 69,496
Weighted Average Shares - Basic	82,938,960	83,355,960
Effective Dilutive Securities – Stock Options	527,412	449,878
Shares Issuable Upon Conversion of Preferred Stock	1,562,500	1,562,500
Weighted Average Shares - Diluted	85,028,872	85,368,338
Net Earnings Per Common Share:		
Basic	$ 0.00	$ 0.00
Diluted	$ 0.00	$ 0.00

Fair Value Measurement

Generally accepted accounting principles establishes a hierarchy to prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest ranking to the fair values determined by using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company has determined the appropriate level of the hierarchy and applied it to its financial assets and liabilities. At March 31, 2017 and December 31, 2016 there were no assets or liabilities carried or measured at fair value.

Use of Estimates and Assumptions

The preparation of consolidated financial statements 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.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board, ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers. ASU 2014-09 will eliminate transaction- and industry-specific revenue recognition guidance under current GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. ASU 2014-09 also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016, and early adoption is not permitted. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The impact the adoption of ASU 2014-09 on the Company's consolidated financial statement presentation and disclosures is not considered material.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The ASU requires equity investments to be measured at fair value with changes in fair values recognized in net earnings, simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment and eliminates the requirement to disclose fair values, the methods and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. The ASU also clarifies that the Company should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with the Company's other deferred tax assets. These amendments are effective for the Company beginning January 1, 2018. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-2, Leases (Topic 842) which will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with term of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The new ASU will require both types of leases to be recognized on the balance sheet. The ASU also will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years. The Company is in the process of determining the effect of the ASU on its consolidated balance sheets and consolidated statements of income. Early application will be permitted for all organizations.

In March 2016, the FASB issued ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments in this update change existing guidance related to accounting for employee share-based payments affecting the income tax consequences of awards, classification of awards as equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of this standard.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash with high-credit quality financial institutions. At March 31, 2017 and December 31, 2016, the Company had cash balances in excess of federally insured limits in the amount of approximately $359,099 and $180,064, respectively.

Accounts receivable are financial instruments that potentially expose the Company to concentration of credit risk. However, accounts receivable of $190,524 and $129,515 at March 31, 2017 and December 31, 2016, respectively are comprised of many pool service customer accounts, none of which are individually significant in size. The Company historically has collected substantially all of its receivables.

NOTE 5 – FAIR VALUE ESTIMATES

The Company measures financial instruments at fair value in accordance with ASC 820, which specifies a valuation hierarchy based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s own assumptions.

Management believes the carrying amounts of the Company's cash, accounts receivable, accounts payable and accrued liabilities as of March 31, 2017 and December 31, 2016 approximate their respective fair values because of the short-term nature of these instruments. The Company measures its line of credit, notes payable and loans in accordance with the hierarchy of fair value based on whether the inputs to those valuation techniques are observable or unobservable. The hierarchy is:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The estimated fair value of the cash, line of credit, notes payable, and loans at March 31, 2017 and December 31, 2016, were as follows:

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
At March 31, 2017:				
Assets				
Cash	$ 609,099			$ 609,099
Liabilities				
Bank Line of Credit		$ 21,750		$ 21,750
Notes Payable		$715,391		$ 715,391
Promissory Note – Stockholder			$ 75,798	$ 89,378
Stockholder Advance Payable			$ 54,981	$ 54,981
At December 31, 2016:				
Assets				
Cash	$ 430,064			$ 430,064
Liabilities				
Bank Line of Credit		$ 25,892		$ 25,892
Notes Payable		$691,682		$ 691,682
Promissory Note - Stockholder			$ 75,798	$ 89,378
Stockholder Advance Payable			$ 54,981	$ 54,981

NOTE 6 – ACQUISITION OF SUNDOOK POOL SERVICES, LLC

On December 30, 2015, the Company made a deposit of $165,000 to acquire a pool servicing company, Sundook Advanced Pool Services LLC (“Sundook”), in Stuart, FL. Additionally, the Company issued 417,000 shares of restricted stock, valued at $25,000. The transaction closed on January 5, 2016. The primary asset acquired consisted of customer list intangible assets valued at $154,500 as well as a retail store valued at $17,500. The fair value of the intangible assets acquired was determined using Level 3 inputs.

An additional $25,000 was escrowed pending an audit of customer account retentions after thirty days. The acquisition expands the Company’s business presence in its primary market of Martin, St Lucie and Indian River counties, Florida. Sundook’s pool service routes are synergistic with the Company’s pool service routes and provide for more efficiency and better operating margins.

On March 18, 2016, the Company negotiated the final settlement for the acquisition of Sundook. Due to Sundook underperforming certain terms and warranties under the asset purchase agreement, the Company paid $10,000 of the escrowed funds, and Sundook surrendered the 417,000 shares of the Company’s stock.

Separately, also on March 18, 2016, the Company sold the retail store acquired in the Sundook transaction for $17,500.

The acquisition is not significant as defined by ASC 805, “Business Combinations”, and therefore no pro forma financial information is presented.

NOTE 7 – SALE OF PALM CITY, FL. BUILDING

In May 2016, the Company moved into its new office headquarter building in Stuart, FL. and made available for sale or lease, its old office building in Palm City, FL. The sale of the building was completed on September 12, 2016 for $300,000 less settlement costs of $22,884, resulting in a gain of $60,292. The remaining proceeds were used to pay off the SBA Loan and to pay down the Promissory Note – Stockholders (See Note 11 “Long Term Loans”).

NOTE 8 – STOCKHOLDER ADVANCE PAYABLE

At March 31, 2017 and December 31, 2016, the Company had an advance payable of $54,981 from the Calarco Trust, beneficially owned by Lawrence Calarco, an officer and director of the Company and Loreen Calarco an officer and director of the Company. The advance payable was used for expenditures on behalf of Custom Pool. The terms of the advance payable are non-interest bearing and it is due on demand.

NOTE 9 – BANK LINE OF CREDIT

The Company maintains a $50,000 revolving line of credit with a regional bank. The line of credit has a ten-year maturity, but is due upon demand by the bank. The interest rate is currently 6.00%, and it is a floating rate, 2.0% over the Wall Street Journal Prime Rate Index.

The outstanding balance as of March 31, 2017 and December 31, 2016, respectively is $21,750 and $25,892. The Company is currently in compliance with the terms of the line of credit.

NOTE 10 – NOTES PAYABLE

At March 31, 2017 and December 31, 2016, the Company has $715,391 and $691,682 and respectively, in notes payable secured against a building in 2015 and motor vehicles used in the pool services and pool plastering business. The outstanding balance of $41,975 for the loan against the pool plastering pump truck is the largest of the motor vehicle loans. The interest rates range from 2.99% to 5.75% and the maturities range from three to six years. The Company is currently in compliance with the terms of the loans.

The note for the acquisition of the building in Stuart, FL. has an outstanding balance of $380,561 at March 31, 2017. The note carries an interest rate of 3.99% and matures in October 2025. The Company is current with all payments and terms of the note.

NOTE 11 – LONG TERM LOANS

Until September 12, 2016 the Company had a long-term loan from Wells Fargo Bank which was guaranteed in case of default by the Company, by the Small Business Administration. The terms of the loan have a floating interest rate of 2.00% over the Wall Street Journal Prime Rate Index. The loan was secured by all of the assets of Custom Pool and by personal guaranties of Lawrence and Loreen Calarco. The Company paid off the loan on September 12, 2016 with the part of the proceeds from the sale of the prior headquarters office building in Palm City, Fl. (See Note 7 “Sale of Palm City, Fl. Building”).

At March 31, 2017 and December 31, 2016, the Company has a Promissory Note from a stockholder for $89,378 which was incurred with the acquisition of the common stock of CPSM, Inc. The term of the Promissory Note is 5 years and the note has an interest rate set at the 5 Year Treasury Note rate, currently set at 1.34% and which resets annually on June 3. The principal is due on the final maturity of June 3, 2019. The Company has accrued interest expense of $8,443 and $8,145 as of March 31, 2017 and December 31, 2016, respectively. The Company repaid a portion of the principal of the Note with part of the proceeds from the sale of the prior headquarters office building in Palm City, Fl. (See Note 7, "Sale of the Palm City, Fl. Building"). The Company is in compliance with the provisions of this Note.

NOTE 12 – PREFERRED STOCK

In December 2015, the Company authorized 50,000,000 shares of Series A Preferred Stock, with a $0.0001 par value. The Series A Preferred has an 8% dividend paid quarterly, and is convertible into common stock at $0.08 per common share. The Series A Preferred is senior to the common stock as to dividends, and any liquidation, dissolution or winding up of the Company. The Series A Preferred also has certain voting and registration rights.

In January 2016, the Company issued 1,562,500 shares of the Series A Preferred Stock to Lawrence and Loreen Calarco, officers and directors of the Company for $125,000 in consideration. At the time of the issuance of the Series A Preferred, the closing stock price of the Company's common stock was $0.07 per share and so there is not a beneficial conversion feature. The Series A Preferred is callable after six months at the option of the Company at the issue price. The Company has accrued $12,500 in dividends on the Series A Preferred through March 31, 2017.

NOTE 13 – 2014 STOCK AWARDS PLAN

In November 2014, the board of directors of the Company approved the adoptions of a Stock Awards Plan. The purpose is to provide a means through which the Company may attract, retain and motivate employees, directors and persons affiliated with the Company, including, but not limited to, non-employee consultants, and to provide a means whereby such persons can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company. A further purpose of the Plan is to provide such participants with additional incentive and reward opportunities designed to enhance the profitable growth and increase stockholder value of the Company. A total of 7,000,000 shares was authorized to be issued under the plan. For incentive stock options, at the grant date the stock options exercise price is required to be at least 110% of the fair value of the Company's common stock. The Plan permits the grants of common stock or options to purchase common stock. As plan administrator, the Board of Directors has sole discretion to set the price of the options. Further, the Board of Directors may amend or terminate the plan.

On May 27, 2015, the Board of Directors granted two individuals 500,000 options each. Additionally, on August 23, 2016, the Board of Directors granted four individuals 2,250,000 options in aggregate. The May 27, 2015 stock option grants have a five-year maturity, vesting ratably over that period. The August 23, 2016 stock option grants had 50% of the options vesting immediately, with the balance vesting ratably over three years. There are 3,750,000 shares available for issuance at March 31, 2017.

The August 23, 2016 and May 27, 2015 stock options were granted with the fair value estimated on the date of grant using the assumptions in the table below and the Black Scholes options pricing model:

	2016	2015
Dividend Yield	-	-
Expected Volatility	64.88%	113.19%
Risk Free Interest Rate	0.90%	1.57%
Expected Life	3 Years	5 Years
Per Share Grant Date Fair Value of Options Issued	$ 0.0163	$ 0.0265

The assumptions were based on the following: the Company's stock does not pay a dividend, expected volatility is a function of the historical daily changes in price of the Company's stock, the risk-free interest rate is the constant maturity of the 3 Year and 5 Year Treasury Note, respectively and the expected life is the maturity of the stock options since no options have been exercised or forfeited to date.

A summary of the stock option activity over the three months ended March 31, 2017 and 2016 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at Dec. 31, 2015	1,000,000	$ 0.035	4.4 Years	
Outstanding at March 31, 2016	1,000,000	$ 0.035	4.2 Years	-
Exercisable at March 31, 2016	169,315	$ 0.035	4.2 Years	-
Outstanding at Dec. 31, 2016	3,250,000	$0.0367	4.26 Years	$ 54,429
Outstanding at March 31, 2017	3,250,000	$0.0367	4.02 Years	$ 23,125
Exercisable at March 31, 2017	1,946,168	$0.037	4.16 Years	$ 11,836

The Company expensed $2,832 and $1,325 of stock option compensation for the three months ended March 31, 2017 and 2016 respectively. Unrecognized compensation expense was $32,687 and $22,010 at March 31, 2017 and 2016.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Company does not have any significant or long term commitments. The Company is not currently subject to any litigation.

NOTE 15 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the consolidated balance sheet date through May 12, 2017 (the financial statement issuance date) determining that no events required additional disclosure in these consolidated financial statements.

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

Overview

The Company is a full-service pool maintenance, resurfacing and repair company whose main service area is the Martin, Palm Beach, St. Lucie, Indian River and Brevard counties of Florida. The Company earns revenue by charging service fees in the pool service business and by payments under contracts in the pool resurfacing business. The Company manages its operating margins of the businesses by controlling personnel costs, chemical and material purchases and other service costs such as motor vehicle and insurance costs. Personnel are critical to the business since customers choose those companies who have the most experience and perform the service in a timely and professional manner.

The Company competes in its markets on the basis of price and the quality of the service. There are many pool service companies in the market and throughout Florida. However, this also presents an opportunity for the Company since many of its competitors are smaller and lack the infrastructure and depth of the Company. This allows the Company to compete through offering a larger range of services with a lower cost structure and to pursue growth opportunities either through internal growth or through opportunistic acquisitions. Most recently, the Company became a licensee for an additional supplier of pool resurfacing products which target a higher price segment of the resurfacing market and for which the Company expects to augment its sales and presence in its markets.

Custom Pool & Spa Mechanics, Inc. has had pool resurfacing as part of its service offerings. The resurfacing work had been subcontracted to other pool resurfacing companies. In March 2015, the Company formed Custom Pool Plastering Inc. ("CPP") to provide its own pool resurfacing services. CPP has grown since its inception and after a small operating loss in 2015, it turned profitable in 2016.

Plan of Operations

Management will expand the business as adequate working capital is provided through revenues. Our ability to maintain sufficient liquidity is dependent on our ability to maintain profitable operations or to raise additional capital. We have no anticipated timeline for obtaining additional financing or the expansion of our business. We will continue to keep our expenses as low as possible and keep our operations in line with available working capital.

Results of Operations

The Three Months Ended March 31, 2017 compared to The Three Months Ended March 31, 2016

For the three months ended March 31, 2017 and 2016, we had revenues of $1,343,239 and $1,273,850 respectively, an increase of $69,389 or 5%. The increase is due to an increase in new pool service customers, as well as an increase in new pool plastering and resurfacing contracts. Pool service contract pricing and pool resurfacing contract pricing has remained at the same level from year to year. The increase in revenues is due to the Company's further penetration into the existing South Florida pool market.

Purchases and service costs were $933,867 and $984,557 respectively, for the three months ended March 31, 2017 and 2016, a decrease of $50,690 or 5%. The decrease is due to more cost-efficient purchases with higher volumes of product used in plastering and pool servicing. Further, labor costs remained stable and the Sundook Pools acquisition has been integrated with no further costs incurred.

Revenues less purchases and service costs was $409,372 and $289,293 for the three months ended March 31, 2017 and 2016, respectively and produced a margin of 30% and 23%, respectively. The increase in margin is largely due to increased sales and more cost-efficient purchasing of products used in plastering and pool servicing. As well, the Sundook Pools acquisition has been integrated with no further costs incurred.

For the three months ended March 31, 2017 and 2016, we had sales and marketing expenses of $6,736 and $14,340, respectively. This was a decrease of $7,604 or 53% and is due largely to the increased spending in 2016 for advertising and other marketing to support the move from the Palm City location to the Stuart location and for the grand opening of the new headquarters. Depending on the market and the Company's expansion plans, marketing expenses most likely will increase in the future.

General and administrative expenses for the three months ended March 31, 2017 and 2016 were $177,757 and $144,843 respectively, an increase of $32,914 or 23%. This is consistent with the overall increase in revenues and is largely composed of increases in salaries and other compensation expenses and increases in legal, accounting and professional expenses.

Depreciation and amortization expense was $35,742 and $32,321 respectively, for the three months ended March 31, 2017 and 2016, an increase of $3,421 or 11%. This is due to the purchase of additional motor vehicles, and replacing older vehicles, as business in both the pools service and resurfacing business has expanded.

We had interest expense of $11,357 and $9,620 for the three months ended March 31, 2017 and 2016, respectively, an increase of $1,737 or 18%. This is due to the additional loans incurred for the new motor vehicles, offset somewhat by the repayment of the SBA loan and pay down of the Promissory Note – Stockholder.

Income tax expense for the three months ended March 31, 2017 was $56,871, an effective tax rate of 32.0% versus income tax expense for the three months ended March 31, 2016 of $18,673, an effective tax rate of 21.1%. The increase in income tax expense is mainly due to an in pre-tax income of 89,611, and the increased tax from the federal graduated tax rates.

We had a net income available to common stockholders of $118,409 and $66,996 for the three months ended March 31, 2017 and 2016, respectively. The increase in net income is due to increased sales and reduced purchase and service cost margins offset somewhat by increases in G&A compensation costs, legal, accounting and professional expenses and depreciation and amortization.

Capital Resources and Liquidity

We are currently profitable and finance our business through operations and our line of credit. Equity and debt financing were used to start the business, for purchases of motor vehicles and a commercial building that is our new headquarters, as well as for the acquisitions of a pool service company and pool service routes. Currently, we are not in any negotiations to acquire other businesses.

Over the next twelve months, as we continue to grow the business, our cash requirement for operations is expected to be in excess of $5,000,000. This requirement is expected to be funded through cash generated from operations, our line of credit and debt financings used for motor vehicles and other capital equipment purchases.

We have existing bank relationships and have had discussions with potential equity investors, however, there can be no assurance that we will be able to raise capital, if at all, upon terms acceptable to us.

We maintain a $50,000 revolving line of credit with a regional bank. The line of credit has a ten-year maturity, but is due upon demand by the bank. The interest rate is currently 6.00%, and it is a floating rate, 2.0% over the Wall Street Journal Prime Rate Index. The outstanding balance as of March 31, 2017 and December 31, 2016, respectively, is $21,750 and $25,892. We are currently in compliance with the terms of the line of credit.

Until September 12, 2016, we had a long-term loan from Wells Fargo Bank which was guaranteed, in case of default by the Company, by the Small Business Administration. The terms of the loan have a floating interest rate of 2.00% over the Wall Street Journal Prime Rate Index. The loan was secured by all of the assets of Custom Pool & Spa Mechanics, Inc. and by personal guaranties of Lawrence and Loreen Calarco, officers and directors of the Company. The Company paid off the loan on September 12, 2016 with the part of the proceeds from the sale of the prior headquarters office building in Palm City, Fl.

At March 31, 2017 and December 31, 2016, we have a promissory note from a stockholder for $89,378 which was incurred with the acquisition of the common shares of CPSM, Inc. The term of the promissory note is five years and the promissory note has an interest rate set at the 5 Year Treasury Note rate, currently set at 1.34% and which resets annually. The principal is due on the final maturity of June 3, 2019. We have accrued interest expense of $8,443 and $8,145 as of March 31, 2017 and December 31, 2016, respectively. The Company repaid a portion of the principal of the Note with part of the proceeds from the sale of the prior headquarters office building in Palm City, Fl. We are in compliance with the provisions of this promissory note.

In December 2015, the Company authorized 50,000,000 shares of Series A Preferred Stock, with a $0.0001 par value. The Series A Preferred has an 8% dividend paid quarterly, and is convertible into common stock at $0.08 per common share. The Series A Preferred is senior to the common stock as to dividends, and any liquidation, dissolution or winding up of the Company. The Series A Preferred also has certain voting and registration rights.

In January 2016, the Company issued 1,562,500 shares of the Series A Preferred Stock to Lawrence and Loreen Calarco, officers and directors of the Company for $125,000 in consideration. The Company has accrued $12,500 and $2,500 in dividends on the Series A Preferred at March 31, 2017 and December 31, 2016, respectively.

For the Three Months Ended March 31, 2017 compared to the Three Months Ended March 31, 2016

For the three months ended March 31, 2017, we had a net income of $120,909. We had the following adjustments to reconcile net income to cash flows from operating activities: an increase of $28,352 due to depreciation and amortization and an increase of $2,832 in stock option compensation.

We had the following changes in operating assets and liabilities: an increase of $61,009 in accounts receivable, an increase of $3,325 in amounts due from related party, a decrease of $8,492 due to inventory, an increase of $101,119 in accounts payable and accrued expenses and an increase in customer deposits of $26,378.

As a result, we had net cash provided by operating activities of $223,748 for the three months ended March 31, 2017 consistent with the increase in pool servicing and pool plastering and resurfacing business.

For the three months ended March 31, 2016, we had a net income of $69,496. We had the following adjustments to reconcile net income to cash flows from operating activities: an increase of $32,321 due to depreciation and amortization and an increase of $1,325 due to stock option compensation

We had the following changes in operating assets and liabilities: an increase of $49,237 in accounts receivable, an increase of $1,152 in amounts due from related party, an increase of $10,490 due to inventory, an increase of $40,439 in prepaids, an increase of $119,800 in accounts payable and accrued expenses and a decrease in customer deposits of $19,155.

As a result, we had net cash provided by operating activities of $102,469 for the three months ended March 31, 2016 consistent with the increase in pool servicing and pool plastering and resurfacing business.

For the three months ended March 31, 2017, we purchased $7,198 of property and equipment. As a result, we had net cash used in investing activities of $7,198. The company also purchased motor vehicles through issuing $54,582 of notes payable.

For the three months ended March 31, 2016, we purchased $7,001 of property and equipment, made an additional $25,000 deposit for the acquisition of Sundook Pools, sold a retail store acquired in the Sundook Pools acquisition for $17,500 and received a purchase price refund of $15,000 from the Sundook Pools acquisition, resulting in net cash provided by investing activities of $499. The company also purchased motor vehicles through issuing $28,904 of notes payable.

For the three months ended March 31, 2017, we paid a preferred stock dividend of $2,500, made payments on the bank line of credit of $4,142 and we made payments on notes payable of $30,873. As a result, we had net cash used in financing activities of $37,515 for the three months ended March 31, 2017.

For the three months ended March 31, 2016, we paid a preferred stock dividend of $2,500 and received $125,000 in proceeds from the issuance of the Series A Preferred Stock. Additionally, we received proceeds from the bank line of credit of $6,891, we made payments on notes payable of $11,816, made payments on the stockholder advance payable of $115,000, and made payments on SBA loan of $14,810. As a result, we had net used in financing activities of $12,235 for the three months ended March 31, 2016.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of its Financial Condition and Results of Operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on- going basis, we evaluate our estimates, including those related to the reported amounts of revenues and expenses and the valuation of our assets and contingencies. We believe our estimates and assumptions to be reasonable under the circumstances. However, actual results could differ from those estimates under different assumptions or conditions. Our financial statements are based on the assumption that we will continue as a going concern. If we are unable to continue as a going concern, we would experience additional losses from the write-down of assets.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, the ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers. ASU 2014-09 will eliminate transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. ASU 2014-09 also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016, and early adoption is not permitted. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. We are currently evaluating the impact the adoption of ASU 2014-09 on our consolidated financial statement presentation and disclosures.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The ASU requires equity investments to be measured at fair value with changes in fair values recognized in net earnings, simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment and eliminates the requirement to disclose fair values, the methods and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. The ASU also clarifies that the Company should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with the Company's other deferred tax assets. These amendments are effective for the Company beginning January 1, 2018. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-2, Leases (Topic 842) which will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with term of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The new ASU will require both types of leases to be recognized on the balance sheet. The ASU also will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years. The Company is in the process of determining the effect of the ASU on its consolidated balance sheets and consolidated statements of income. Early application will be permitted for all organizations.

In March 2016, the FASB issued ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments in this update change existing guidance related to accounting for employee share-based payments affecting the income tax consequences of awards, classification of awards as equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of this standard.

Off - Balance Sheet Arrangements

We had no material off-balance sheet arrangements as of March 31, 2017.

Contractual Obligations

The registrant has no material contractual obligations

The long term debt repayments are as follows:

	2017	2018	2019	2020	2021	Thereafter	**Total**
Notes Payable:	$69,491	$81,180	$74,392	$57,457	$42,314	$390,557	$715,391
Promissory Note - Stockholder	-	-	89,378	-	-	-	89,378
Total Repayments	$69,491	$81,180	$163,770	$57,457	$42,314	$390,557	$804,769

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures

During the three months ended March 31, 2017, there were no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of March 31, 2017. Based on this evaluation, our chief executive officer and principal financial officers have concluded such controls and procedures to be effective as of March 31, 2017, to ensure that information required to be disclosed by us in the reports that we file or submit under the Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

Not applicable for smaller reporting companies

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

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

None

Item 6. Exhibits

Exhibit 31* - Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32* - Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS** XBRL Instance Document
101.SCH** XBRL Taxonomy Extension Schema Document
101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**. XBRL Taxonomy Extension Definition Linkbase Document
101.LAB** XBRL Taxonomy Extension Label Linkbase Document
101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith
**XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

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

Dated: May 12, 2017

CPSM, INC.

By: /s/Lawrence Calarco
Lawrence Calarco
Chief Executive Officer

By: /s/Charles Dargan II
Charles Dargan II
Chief Financial Officer

302 CERTIFICATION

I, Lawrence Calarco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CPSM, Inc.;

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

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

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

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

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

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

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

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

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

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 12, 2017

/s/Lawrence Calarco
Lawrence Calarco
Chief Executive Officer

302 CERTIFICATION

I, Charles Dargan II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CPSM, Inc.;

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

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

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

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

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

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

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

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

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

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 12, 2017

/s/Charles Dargan II
Charles Dargan II
Chief Financial Officer

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

In connection with the Quarterly Report of CPSM, Inc. (the "Company") on Form 10-Q for the three months ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Calarco, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Lawrence Calarco
Lawrence Calarco
Chief Executive Officer

May 12, 2017

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

In connection with the Quarterly Report of CPSM, Inc. (the "Company") on Form 10-Q for the three months ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Dargan II, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Charles Dargan II
Charles Dargan II
Chief Financial Officer

May 12, 2017