

PAID INC  
Form 10-Q  
November 15, 2016

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

FORM 10-Q

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

For the quarterly period ended September 30, 2016  
COMMISSION FILE NUMBER 0-28720

(Exact Name of Registrant as Specified in its Charter)

DELAWARE 73-1479833  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

200 Friberg Parkway, Westborough, Massachusetts 01581  
(Address of Principal Executive Offices) (Zip Code)

(617) 861-6050  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically 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 (Sec.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-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated Filer  
Non-accelerated filer Smaller reporting company  
(Do not check if a smaller reporting company)

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

Yes No

As of November 2, 2016, the issuer had outstanding 10,989,608 shares of its Common Stock.



PAID, INC.  
FORM 10-Q

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## PAID, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

| ASSETS   | September 30,<br>2016 | December 31,<br>2015 |
|--|-----------------------|----------------------|
|  | (Unaudited)           | (Unaudited)          |
| Current assets:  |                       |                      |
| Cash and cash equivalents  | \$121,013             | \$123,913            |
| Accounts receivable, net   | 22,850                | 26,696               |
| Prepaid expenses and other current assets  | 14,192                | 57,394               |
| Advanced royalties, net  | -                     | 5,000                |
| Total current assets   | 158,055               | 213,003              |
| Property and equipment, net  | 6,735                 | 8,833                |
| Intangible assets, net   | 201,797               | 276,878              |
| Total assets   | \$366,587             | \$498,714            |
| LIABILITIES AND SHAREHOLDERS' DEFICIT  |                       |                      |
| Current liabilities:   |                       |                      |
| Accounts payable   | \$114,757             | \$95,441             |
| Note payable   | -                     | 24,202               |
| Capital leases   | -                     | 3,097                |
| Accrued expenses   | 972,150               | 1,001,359            |
| Deferred revenues  | 7,027                 | 6,768                |
| Total liabilities  | \$1,093,934           | \$1,130,867          |
| Shareholders' deficit  |                       |                      |
| Common stock, \$0.001 par value, 11,000,000 shares authorized; 10,989,608 shares and 8,932,466 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively | 10,991                | 8,932                |
| Additional paid-in capital   | 54,637,915            | 54,418,160           |
| Accumulated deficit  | (55,376,253)          | (55,059,245)         |
| Total shareholders' deficit  | (727,347)             | (632,153)            |
| Total liabilities and shareholders' deficit  | \$366,587             | \$498,714            |

See accompanying notes to condensed consolidated financial statements







PAID, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited)

|  | Three Months Ended    |                       | Nine Months Ended     |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | September 30,<br>2016 | September 30,<br>2015 | September 30,<br>2016 | September 30,<br>2015 |
| Revenues   | \$127,246             | \$46,191              | \$391,009             | \$139,593             |
| Cost of revenues   | 6,023                 | 12,676                | 18,231                | 32,470                |
| Gross profit   | 121,223               | 33,515                | 372,778               | 107,123               |
| Operating expenses   | 217,845               | 218,377               | 779,174               | 733,062               |
| Loss from operations   | (96,622)              | (184,862)             | (406,396)             | (625,939)             |
| Other income (expense):  |                       |                       |                       |                       |
| Interest expense   | (229)                 | (148)                 | (679)                 | (634)                 |
| Other income   | 4,345                 | -                     | 62,333                | -                     |
| Write down of other receivables  | -                     | (108,961)             | -                     | (108,961)             |
| Unrealized gain (loss) on stock price guarantee                          | (12,812)              | (376,007)             | 28,541                | (345,542)             |
| Total other income (expense), net  | (8,696)               | (485,116)             | 90,195                | (455,137)             |
| Loss before provision for income taxes                                   | (105,318)             | (669,978)             | (316,201)             | (1,081,076)           |
| Provision for income taxes   | -                     | 18                    | 807                   | 974                   |
| Net loss   | \$(105,318)           | \$(669,996)           | \$(317,008)           | \$(1,082,050)         |
| Net loss per share – basic and diluted                                   | \$(0.01)              | \$(0.10)              | \$(0.03)              | \$(0.16)              |
| Weighted average number of common shares outstanding - basic and diluted | 10,989,608            | 6,875,481             | 10,552,696            | 6,859,444             |

See accompanying notes to condensed consolidated financial statements



PAID, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30,  
 (Unaudited)

|  | 2016        | 2015          |
|--|-------------|---------------|
| Cash flows from operating activities:  |             |               |
| Net loss   | \$(317,008) | \$(1,082,050) |
| Adjustments to reconcile net loss to cash and cash equivalents used in operating activities: |             |               |
| Depreciation and amortization  | 77,179      | 9,662         |
| Gain on sale of property and equipment   | (2,179)     | -             |
| Write down of other receivables  | -           | 108,961       |
| Share-based compensation   | 41,814      | 150,999       |
| Unrealized gain or loss on stock price guarantee   | (28,541)    | 345,542       |
| Changes in assets and liabilities:   |             |               |
| Accounts receivable  | 3,846       | (73)          |
| Prepaid expenses and other current assets  | 43,202      | 25,961        |
| Advanced royalties   | 5,000       | -             |
| Deposits and other assets  | -           | 11,055        |
| Accounts payable   | 19,316      | (86,751)      |
| Accrued expenses   | (668)       | (3,771)       |
| Deferred revenues  | 259         | (889)         |
| Net cash and cash equivalents used in operating activities                                   | (157,780)   | (521,354)     |
| Cash flow from investing activities  |             |               |
| Proceeds from the sale of property and equipment   | 2,179       | -             |
| Net cash and cash equivalents provided by investing activities                               | 2,179       | -             |
| Cash flows from financing activities:  |             |               |
| Payments on capital leases   | (3,097)     | (11,291)      |
| Payments on note payable   | (24,202)    | -             |
| Proceeds from the exercise of common stock warrants  | 180,000     | 195,000       |
| Net cash and cash equivalents provided by financing activities                               | 152,701     | 183,709       |
| Net change in cash and cash equivalents  | (2,900)     | (337,645)     |
| Cash and cash equivalents, beginning of period   | 123,913     | 651,318       |
| Cash and cash equivalents, end of period   | \$121,013   | \$313,673     |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION  |             |               |
| Income taxes paid  | \$807       | \$974         |
| Interest paid  | \$679       | \$634         |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES                                     |             |               |
| Issuance of previously subscribed common stock   | \$-         | \$25,000      |

See accompanying notes to condensed consolidated financial statements



PAID, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

September 30, 2016

#### Note 1. Organization and Significant Accounting Policies

PAID, Inc. (“PAID”, the “Company”, “we”, “us”, “our”) has developed AuctionInc, which is a suite of online shipping and tax management tools assisting businesses with e-commerce storefronts, shipping solutions, tax calculation, inventory management, and auction processing. The product has tools to assist with other aspects of the fulfillment process, but the main purpose of the product is to provide accurate shipping and tax calculations and packaging algorithms that provide customers with the best possible shipping and tax solutions.

BeerRun Software is a brewery management and Alcohol and Tobacco Tax and Trade Bureau tax reporting software. Small craft brewers utilize the product to manage brewery schedules, inventory, packaging, sales and purchasing. Tax reporting can be processed with a single click and is fully customizable by state or providence. The software is designed to integrate with QuickBooks accounting platforms by using our powerful sync engine. We currently offer two versions of the software BeerRun and BeerRun Light which excludes some of the enhanced features of BeerRun without disrupting the core functionality of the software. Additional features include Brewpad and Kegmaster and can be added on to the base product. Craft brewing is on the rise in the United States and we feel that there is a large potential to grow this portion of our business.

SpiritRun is a product of BeerRun and is designed specifically for distilleries. This product was recently released and we feel that there with additional marketing and visibility in the distillery industry SpiritRun has the right core resources to be a valuable tool in distilleries around the United States.

#### General Presentation and Basis of Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2015 that was filed on March 30, 2016.

In the opinion of management, the Company has prepared the accompanying unaudited condensed consolidated financial statements on the same basis as its audited consolidated financial statements, and these unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year 2016.

On October 7, 2015, the board of directors agreed to effectuate a reverse split of the Company’s common stock. The process was completed with FINRA on November 13, 2015. As a result of the split every fifty shares of common stock outstanding prior to the reverse split were consolidated into one share, reducing the number of common shares outstanding on the effective date from 446,623,300 to 8,932,466. All share and per share information on this Form 10-Q has been retroactively adjusted to reflect the reverse stock split.



### Going Concern and Management's Plan

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has continued to incur losses, although it has taken significant steps to reduce them. For the nine months ended September 30, 2016, the Company reported a net loss of \$317,008. The Company has an accumulated deficit of \$55,376,253 at September 30, 2016 and used \$157,780 of cash and cash equivalents in operations for the nine months ended September 30, 2016. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management feels that AuctionInc, BeerRun and SpiritRun will be a beneficial portion of our business and provide more opportunity for growth. The costs of doing business have been and will be significantly reduced in hopes of eliminating the net loss and providing positive cash flow from operations.

On September 1, 2016 the Company entered into an amalgamation agreement with emergeIT. The amalgamation is contingent on the approval of certain proposals by the shareholders of the Company. See Note 6.

Although there can be no assurances, the Company believes that the above management plan will be sufficient to meet the Company's working capital requirements through the end of 2016.

### Principles of Consolidation

The consolidated financial statements include the accounts of PAID, Inc. and its wholly owned subsidiary PAID Run, LLC. All intercompany accounts and transactions have been eliminated.

### Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to the collectability of accounts receivable, the recoverability of long-lived assets, the valuation of deferred tax assets and liabilities, and the estimated fair value of the royalty and advance guarantee, and share-based transactions. Actual results could materially differ from those estimates.

### Fair Value Measurements

The Company measures the fair value of certain of its financial assets on a recurring basis. A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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At September 30, 2016 and December 31, 2015, the Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, capital leases, note payable and accrued expenses. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable, capital leases, note payable and accrued expenses approximate fair value due to the short-term maturities of these instruments.

#### Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an initial maturity of three months or less to be cash equivalents.

#### Concentration of Credit Risk

The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At September 30, 2016, the Company had no amounts in these accounts in excess of the FDIC limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these deposits. Management believes that it has invested in high credit quality institutions for which the Company has not experienced any loss in its accounts and believes it is not exposed to any significant credit risk related to these accounts.

The Company extends credit based on an evaluation of the customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts. At both September 30, 2016 and December 31, 2015, the Company has recorded an allowance for doubtful accounts of \$40,609.

For the nine months ended September 30, 2016, and September 30, 2015 no revenues from any one individual client accounted for more than 10% of total revenues. These revenues were generated primarily from the sales of our line of AuctionInc products, brewery management software and merchandising and fulfillment services.

#### Advanced Royalties

Advanced royalties represent amounts the Company has advanced to certain clients and are recoupable against future royalties earned by the clients. Advances are issued in either cash or shares of the Company's common stock and advanced amounts are calculated based on the clients' projected earning potential over a fixed period of time. Advances made by issuing stock or common stock options are recorded at their fair value on the date of issue. If the shares do not reach the required price per share, the Company has the option of issuing additional shares or making cash payment of the difference between the sales price and the fair value of the stock. The Company records a liability for the difference between the fair value of the stock and the guaranteed sales price amount, which is included in accrued expenses in the accompanying condensed consolidated balance sheets. The change in fair value of the stock price guarantee is recorded in the accompanying condensed consolidated statements of operations.



#### Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 to 5 years. Any leasehold improvements are depreciated at the lesser of the useful life of the asset or the lease term. Equipment purchased under capital leases is amortized on a straight-line basis over the estimated useful life of the asset or the term of the lease, whichever is shorter.

#### Intangible Assets

Intangible assets consist of patents, client lists and brewery and distillery management software which are being amortized on a straight-line basis over their estimated useful life. Currently there are intangible assets that are being amortized over 3 and 17 years.

#### Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. No impairment charges were incurred during the nine months ended September 30, 2016 and 2015. There can be no assurance, however, that market conditions will not change or demand for the Company's services will continue, which could result in impairment of long-lived assets in the future.

#### Revenue Recognition

The Company generates revenue principally from sales of shipping calculator subscriptions, brewery management software subscriptions, and entertainment services.

The Company recognizes revenues in accordance with the FASB ASC Topic 605. Accordingly, the Company recognizes revenues when there is persuasive evidence that an arrangement exists, product delivery and acceptance have occurred, the sales price is fixed or determinable, and collectability of the resulting receivable is reasonably assured.

For shipping calculator revenues and brewery management software revenues the Company recognizes subscription revenue on a monthly basis. Shipping calculator customers' renewal dates are based on their date of installation and registration of the shipping calculator line of products. The payments for shipping calculator services are made via credit card for the month preceding the service and are recorded as deferred revenues until the service has been provided. Brewery management software subscribers are billed on a calendar month at the first of the month with payments processed via credit card for the month following.

Entertainment services revenues include web development and design, creative services, marketing services and general business consulting services. For contracts that are of a short duration and fixed price, revenue is recognized when there are no significant obligations and upon acceptance by the customer of the completed project. Revenues on longer-term fixed price contracts are recognized using the percentage-of-completion method. Services that are performed on a time and material basis are recognized as the related services are performed.

#### Cost of Revenues

Cost of revenues includes web hosting, data storage, and commissions.



## Operating Expenses

Operating expenses include indirect related expenses, including credit card processing fees, payroll, travel, facility costs, and other general and administrative expenses.

## Advertising

Advertising costs are charged to expense as incurred. For the three months ending September 30, 2016 and 2015 advertising expense totaled \$0 and \$7,180, and for nine months ended September 30, 2016 and 2015, advertising expense totaled \$6,874 and \$20,282, respectively. These expenses are included in operating expenses in the accompanying condensed consolidated statements of operations.

## Share-Based Compensation

The Company grants options to purchase the Company's common stock to employees, directors and consultants under stock option plans. The benefits provided under these plans are share-based payments that the Company accounts for using the fair value method.

The fair value of each option award is estimated on the date of grant using a Black-Scholes-Merton option pricing model ("Black-Scholes model") that uses assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, expected stock price volatility, actual and projected employee stock option exercise behaviors, risk-free interest rate and expected dividends. Expected volatilities are based on the historical volatility of the Company's common stock and other factors. The expected terms of options granted are based on analyses of historical employee termination rates and option exercises. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant. Since the Company does not expect to pay dividends on common stock in the foreseeable future, it estimated the dividend yield to be 0%.

Share-based compensation expense recognized during a period is based on the value of the portion of share-based payment awards that is ultimately expected to vest and is amortized under the straight-line attribution method. As share-based compensation expense recognized in the accompanying condensed consolidated statements of operations for the nine months ended September 30, 2016 and 2015 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. The estimated fair value method requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on historical experience. Changes to the estimated forfeiture rate are accounted for as a cumulative effect of change in the period the change occurred.

Since the Company has a net operating loss carry-forward as of September 30, 2016 and 2015, no excess tax benefits for tax deductions related to share-based awards were recognized from stock options exercised in the nine months ended September 30, 2016 and 2015 that would have resulted in a reclassification from cash flows from operating activities to cash flows from financing activities.

## Income Taxes

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the income tax bases of assets and liabilities. A valuation allowance is applied against any net deferred tax asset if, based on available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Therefore, the Company has recorded a full valuation allowance against the net deferred tax assets. The Company's income tax provision consists of state minimum taxes.







The Company recognizes any uncertain income tax positions on income tax returns at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had \$0 accrued for interest and penalties on the Company's accompanying condensed consolidated balance sheets at September 30, 2016 and December 31, 2015.

The Company is subject to taxation in the U.S. and various state jurisdictions. The Company's tax years for 2012 and forward for federal and 2011 and forward for state purposes are subject to examination by the U.S., Massachusetts and New Jersey tax authorities due to the carry-forward of unutilized net operating losses. The Company does not foresee material changes to its gross uncertain income tax position liability within the next twelve months.

### Earnings (Loss) Per Common Share

Basic earnings (loss) per share represent income (loss) available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income (loss) that would result from the assumed issuance. The potential common shares that may be issued by the Company relate to outstanding stock options and have been excluded from the computation of diluted earnings (loss) per share because they would reduce the reported loss per share and therefore have an anti-dilutive effect.

For the three months ended September 30, 2016 and 2015 and the nine months ended September 30, 2016 and 2015, there were approximately 323,000 and 8,000 and 340,000 and 32,000, respectively, dilutive shares that were excluded from the diluted earnings (loss) per share as their effect would have been antidilutive for the period then ended.

### Segment Reporting

The Company reports information about segments of its business in its annual consolidated financial statements and reports selected segment information in its quarterly reports issued to shareholders. The Company also reports on its entity-wide disclosures about the products and services it provides and reports revenues and its major customers. The Company's three reportable segments are managed separately based on fundamental differences in their operations. At September 30, 2016, the Company operated in the following three reportable segments (see below):

- a. Entertainment services,
- b. Shipping calculator services, and
- c. Brewery management software.

The Company evaluates performance and allocates resources based upon operating income. The accounting policies of the reportable segments are the same as those described in this summary of significant accounting policies. The Company's chief operating decision maker is the President, Chief Executive Officer and Chief Financial Officer.



The following table compares total revenue for the periods indicated.

|                              | Three Months Ended |                    | Nine Months Ended  |                    |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
|                              | September 30, 2016 | September 30, 2015 | September 30, 2016 | September 30, 2015 |
| Entertainment services       | \$ 2,275           | \$6,398            | \$12,937           | \$21,044           |
| Shipping calculator services | 46,141             | 39,793             | 135,862            | 118,549            |
| Brewery management software  | 78,830             | -                  | 242,210            | -                  |
| Total revenue                | \$127,246          | \$46,191           | \$391,009          | \$139,593          |

The following table compares total loss from operations for the periods indicated.

|                              | Three Months Ended |                    | Nine Months Ended  |                    |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
|                              | September 30, 2016 | September 30, 2015 | September 30, 2016 | September 30, 2015 |
| Entertainment services       | \$ 3,404           | \$4,572            | \$11,971           | \$15,078           |
| Shipping calculator services | (110,655)          | (189,434)          | (442,629)          | (641,017)          |
| Brewery management software  | 10,629             | -                  | 24,262             | -                  |
| Total loss from operations   | \$(96,622)         | \$(184,862)        | \$(406,396)        | \$(625,939)        |

#### Recent Accounting Pronouncements

In March 2016, the FASB issued Accounting Standards Update 2016-09, Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which addresses certain aspects of accounting for share-based payment award transactions. This guidance will be effective in the first quarter of fiscal year 2017 and early adoption is permitted. The Company is currently evaluating the impact that this guidance will have on its condensed consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, which requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. ASU 2016-02 is effective for reporting periods beginning after December 15, 2018 with early adoption permitted. While the Company is still evaluating ASU 2016-02, the Company expects the adoption of ASU 2016-02 to have a material effect on the Company's financial condition due to the recognition of the lease rights and obligations as assets and liabilities. The Company does not expect ASU 2016-02 to have a material effect on the Company's results of operations and cash flows.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments: Recognition and Measurement of Financial Assets and Financial Liabilities, which addresses certain aspects of recognition, measurement, presentation and disclosure of financial statements. This guidance will be effective in the first quarter of fiscal year 2019 and early adoption is not permitted. The Company is currently evaluating the impact that this guidance will have on its

consolidated financial statements.

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In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements-Going Concern. Currently, there is no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the reporting periods ending after December 15, 2016 and early application is permitted. Management is currently assessing the impact the adoption of ASU 2014-15 will have on our condensed consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. This updated guidance supersedes the current revenue recognition guidance, including industry-specific guidance. The updated guidance introduces a five-step model to achieve its core principal of the entity recognizing revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updated guidance is effective for interim and annual periods beginning after December 15, 2016, and early adoption is not permitted. In July 2015, the FASB decided to delay the effective date of ASU 2014-09 until December 15, 2017. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. The Company is currently evaluating which transition method it will adopt and the expected impact of the updated guidance, but does not believe the adoption of the updated guidance will have a significant impact on its condensed consolidated financial statements.

#### Note 2. Accrued Expenses

Accrued expenses are comprised of the following:

|                           | September 30,<br>2016 | December 31,<br>2015 |
|---------------------------|-----------------------|----------------------|
|                           | (unaudited)           | (audited)            |
| Payroll and related costs | \$3,018               | \$3,686              |
| Royalties                 | 51,838                | 51,838               |
| Stock price guarantee     | 858,041               | 913,582              |
| Other                     | 32,252                | 32,253               |
| Total                     | \$972,150             | \$1,001,359          |

#### Note 3. Intangible Assets

The Company has a patent for the real-time calculation of shipping costs for items purchased through online auctions using a zip code as a destination location indicator. It includes shipping charge calculations across multiple carriers and accounts for additional characteristics of the item being shipped, such as weight, special packaging or handling, and insurance costs.

On January 29, 2008, the Company was granted a patent for a technique for facilitating advanced, rapid, accurate estimation of shipping costs across multiple shipping carriers and shipping options between buyer and seller in an

online auction. Since that time the Company has received four additional patents. These patents help facilitate rapid and accurate estimation of shipping costs across multiple shipping carriers and also include real-time calculation of shipping. Further continuations include the addition of shipping calculation with taxes and enhanced shipping promotions.

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On October 7, 2015, the Company, through a newly formed limited liability company named PAID Run, LLC, entered into an asset purchase agreement to purchase assets related to BeerRun Software and SpiritRun Software and related intellectual property. The purchase price and additional development for these assets was \$297,500, which include all of the client lists, along with all rights, benefits and privileges associated with the software and intellectual property, associated contracts, and books and records.

At September 30, 2016 and December 31, 2015, intangible assets consisted of the following:

|                          | September 30, December 31, |           |
|--------------------------|----------------------------|-----------|
|                          | 2016                       | 2015      |
| Patents                  | \$16,000                   | \$16,000  |
| Software                 | 83,750                     | 83,750    |
| Client list              | 213,750                    | 213,750   |
| Accumulated amortization | (111,703)                  | (36,622)  |
|                          | \$201,797                  | \$276,878 |

Amortization expenses of intangible assets for the nine months ended September 30, 2016 were \$75,801. Estimated future annual amortization expense is approximately \$100,000 for each year through 2018 and \$900 for 2019.

#### Note 4. Commitments and Contingencies

##### Note Payable

On October 2, 2015, the Company entered into a \$35,677 note payable with a financial institution. The term of the note was for a period of one year and was payable in 10 monthly installments of \$3,089 at an interest rate of 6.35%. The balance due on the note payable as of September 30, 2016 and December 31, 2015 was \$0 and \$24,202, respectively. The note payable was repaid in full during the third quarter of 2016.

##### Stock Price Guarantee

In connection with the Company's advance royalties with a client, the Company guaranteed that shares of common stock would sell for at least \$6.00 per share as adjusted for the reverse stock split. If the shares are not at the required \$6.00 per share when they are sold, the Company has the option of issuing additional shares at their fair value or making a cash payment for the difference between the guaranteed price per share and the fair value of the stock. As of September 30, 2016 and December 31, 2015, the stock price guarantee was \$885,041 and \$913,582, respectively, as the Company's stock price was below \$6.00 per share at September 30, 2016 and December 31, 2015, although some or all of the stock may already be sold and no longer subject to a guaranty and any required payment would be disputed by the Company. For the nine months ended September 30, 2016 the Company recorded an unrealized gain on the stock price guarantee of \$28,541 and for the nine months ended September 30, 2015, the Company recorded an unrealized loss on stock price guarantee of (\$345,542).



## Legal Matters

In the normal course of business, the Company periodically becomes involved in litigation. As of September 30, 2016, in the opinion of management, the Company had no pending litigation that would have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

The Company commenced on December 20, 2013 patent infringement litigation against eBay, Inc. (Paid, Inc. v. eBay, Inc.; CV No. 4:13-cv-40151-TSH) in the United States District Court for the District of Massachusetts Central Division. This litigation has been settled pursuant to a Confidential Settlement and License Agreement dated March 11, 2016. Under the agreement, the Company received \$53,500, which has been recorded in other income in the condensed consolidated statements of operations, after costs as full and final payment for such settlement of the lawsuit and non-exclusive licensing of the Company's patents. The payment was received in full in April 2016.

## Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the State of Delaware. In connection with its facility lease, the Company has agreed to indemnify its lessor for certain claims arising from the use of the facilities. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying consolidated balance sheets.

## Note 5. Shareholder's Deficit

### Common Stock

From January 1, 2016 through September 30, 2016, the Company issued a total of 2,057,142 shares of common stock for gross proceeds of \$180,000 from the exercise of warrants.

### Share-based Incentive Plans

During the period ended September 30, 2016, the Company had three stock option plans that include both incentive and non-qualified options to be granted to certain eligible employees, non-employee directors, or consultants of the Company. 90,000 stock options were granted to board members and an employee on April 1 and June 13, 2016.

During the period ended September 30, 2016, the board of directors approved the repricing of outstanding stock options held by members of the board, management, employee and former employee to \$0.0975 per share. The expense related to the repricing was not significant. In addition to the repricing of the outstanding options the board approved to vest any outstanding unvested options for two employees.



Note 6. Amalgamation Agreement

On September 1, 2016, the Company entered into an amalgamation agreement with emergeIT Inc., an Ontario corporation to acquire emergeIT and two new PAID subsidiaries (“Amalgamation Agreement”). emergeIT (which does business as “ShipTime”) is a cloud-based shipping platform bringing individuals and small and medium sized businesses together with many of the world’s leading carriers to save time and money. emergeIT generates monthly recurring revenue through transactions and “software as a service” offerings. It currently serves in excess of 30,000 members in North America with plans to expand its services into Europe and then worldwide. The amalgamation, or merger, requires shareholder approval and is expected to close, upon receipt of approval, in the fourth quarter of 2016.

Note 7. Subsequent Events

The Company has evaluated subsequent events through the filing date of this Form 10-Q, and have determined that no subsequent events have occurred that would require recognition in the condensed consolidated financial statements or disclosure in the notes thereto, other than as disclosed herein.

On November 9, 2016, the Company submitted its proxy to solicit approval from its shareholders of the Amalgamation Agreement. The results of solicitation have not been determined as of the date of the filing of this Form 10-Q.



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

### Forward Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) regarding the Company and its business, financial condition, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates", "could", "may", "should", "will", "would", and similar expressions or variations of such words are intended to identify forward-looking statements in this report. Additionally, statements concerning future matters such as the development of new services, technology enhancements, purchase of equipment, credit arrangements, possible changes in legislation and other statements regarding matters that are not historical are forward-looking statements.

Although forward-looking statements in this quarterly report reflect the good faith judgment of the Company's management, such statements can only be based on facts and factors currently known by the Company. Consequently, forward-looking statements are inherently subject to risks, contingencies and uncertainties, and actual results and outcomes may differ materially from results and outcomes discussed in this report. Although the Company believes that its plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company can give no assurance that its plans, intentions or expectations will be achieved. For a more complete discussion of these risk factors, see Item 1A, "Risk Factors", in the Company's Form 10-K for the fiscal year ended December 31, 2015 that was filed on March 30, 2016.

For example, the Company's ability to achieve positive cash flow and to become profitable may be adversely affected as a result of a number of factors that could thwart its efforts. These factors include the Company's inability to successfully implement the Company's business and revenue model, higher costs than anticipated, the Company's inability to sell its products and services to a sufficient number of customers, the introduction of competing products or services by others, the Company's failure to attract sufficient interest in, and traffic to, its site, the Company's inability to complete development of its products, the failure of the Company's operating systems, and the Company's inability to increase its revenues as rapidly as anticipated. If the Company is not profitable in the future, it will not be able to continue its business operations

Except as required by applicable laws, we do not intend to publish updates or revisions of any forward-looking statements we make to reflect new information, future events or otherwise. Readers are urged to review carefully and to consider the various disclosures made by the Company in this Quarterly Report, which attempts to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

### Overview

PAID, Inc. (the "Company") has developed AuctionInc, which is a suite of online shipping and tax management tools assisting businesses with e-commerce storefronts, shipping solutions, tax calculation, inventory management, and auction processing. The product does have tools to assist with other aspects of the fulfillment process, but the main purpose of the product is to provide accurate shipping and tax calculations and packaging algorithms that provide customers with the best possible shipping and tax solutions.





BeerRun Software is a brewery management and Alcohol and Tobacco Tax and Trade Bureau tax reporting software. Small craft brewers can utilize the product to manage brewery schedules, inventory, packaging, sales and purchasing. Tax reporting can be processed with a single click and is fully customizable by state or providence. The software is designed to integrate with QuickBooks accounting platforms by using our powerful sync engine. We currently offer two versions of the software BeerRun and BeerRun Light which excludes some of the enhanced features of BeerRun without disrupting the core functionality of the software. Additional features include Brewpad and Kegmaster and can be added on to the base product. Craft brewing is on the rise in the United States and we feel that there is a large potential to grow this portion of our business.

### Significant Accounting Policies

Our significant accounting policies are more fully described in Note 3 to our consolidated financial statements included in our Form 10-K filed on March 30, 2016, as updated and amended in Note 1 of the Notes to Condensed Consolidated Financial Statements included herein. However, certain of our accounting policies, most notably with respect to revenue recognition, are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by our management; as a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management makes estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Those estimates and judgments are based upon our historical experience, the terms of existing contracts, our observance of trends in the industry, information that we obtain from our customers and outside sources, and on various other assumptions that we believe to be reasonable and appropriate under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

### Results of Operations

Comparison of the three months ended September 30, 2016 and 2015.

The following discussion compares the Company's results of operations for the three months ended September 30, 2016 with those for the three months ended September 30, 2015. The Company's condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report contain detailed information that should be referred to in conjunction with the following discussion.

### Revenues

The following table compares total revenue for the periods indicated.

|                              | Three months Ended<br>September 30, |          |          |
|------------------------------|-------------------------------------|----------|----------|
|                              | 2016                                | 2016     | % Change |
| Entertainment services       | \$2,275                             | \$6,398  | (64)%    |
| Brewery management software  | 78,830                              | -        | 100%     |
| Shipping calculator services | 46,141                              | 39,793   | 16%      |
| Total revenues               | \$127,246                           | \$46,191 | 175%     |

Revenues increased 175% in the third quarter primarily from the addition of a new segment of the Company that provides brewery management software services.

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Entertainment service revenues decreased \$4,123 or 64% to \$2,275 in the third quarter of 2016 compared to \$6,398 in 2015. This decrease is a result of our reduced volume of movie poster auction sales in the third quarter.

Brewery management software revenues are a new addition to our revenue sources in 2016 resulting in an increase of revenues by \$78,830.

Shipping calculator services revenue increased \$6,348 or 16% to \$46,141 in the third quarter of 2016 compared to \$39,793. The increase was largely due to the second phase of our price increases that were implemented in 2016.

#### Gross Profit

Gross profit increased \$87,708 or 262% in the third quarter of 2016 to \$121,223 compared to \$33,515 in 2015. Gross margin increased 22 percentage points to 95% from 73% in the third quarter of 2015. The increase in gross margin was mainly due to the limited number of costs associated with our new brewery management software services and the decreased fees as a result of changing to a new hosting provider.

#### Operating Expenses

Total operating expenses in the third quarter 2016 were \$217,845 compared to \$218,377 in the third quarter 2015, a decrease of \$532 or 0%.

#### Other Income (Expense), net

Net other income (expense) in the third quarter of 2016 was (\$8,696) compared to (\$485,116) in the same period of 2015, a decrease of \$476,420 or 98%. This is primarily attributable to the unrealized loss on stock price guarantee of \$12,812 in the third quarter of 2016 compared to \$376,007 in the same period of 2015.

#### Net Loss

The Company realized a net loss in the third quarter of 2016 of (\$105,318) compared to a net loss of (\$669,996) for the same period in 2015. The loss for the third quarter of 2016 and 2015 represent (\$0.10) per share.

#### Comparison of the nine months ended September 30, 2016 and 2015

The following discussion compares the Company's results of operations for the nine months ended September 30, 2016 with those for the nine months ended September 30, 2015. The Company's condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report contain detailed information that should be referred to in conjunction with the following discussion.



## Revenues

The following table compares total revenue for the periods indicated.

|                              | Nine Months Ended<br>September 30, |           |          |
|------------------------------|------------------------------------|-----------|----------|
|                              | 2016                               | 2015      | % Change |
| Entertainment services       | \$12,937                           | \$21,044  | (39)%    |
| Brewery management software  | 242,210                            | -         | 100%     |
| Shipping calculator services | 135,862                            | 118,549   | 15%      |
| Total revenues               | \$391,009                          | \$139,593 | 180%     |

Revenues increased 180% primarily from the additional revenue generated by the brewery management software services.

Entertainment service revenues decreased \$8,107 or 39% to \$12,937 compared to \$21,044 in 2015. This decrease is a result of our lower than average movie poster auctions.

Brewery management software revenues are a new addition to our revenue sources in 2016 resulting in an increase of revenues by \$242,210.

Shipping calculator services revenue increased \$17,313 or 15% to \$135,862 compared to \$118,549. The increase was largely due to the addition of newly developed products for the AuctionInc platform and a price increase that went into effect in 2016.

## Gross Profit

Gross profit increased \$265,655 or 248% to \$372,778 compared to \$107,123 in 2015. Gross margin increased 18 percentage points to 95% from 77% in 2015. The increase in gross margin was mainly due to the increase in revenues and limited number of costs associated with our new brewery management software services.

## Operating Expenses

Total operating expenses in 2016 were \$779,174 compared to \$733,062 in 2015, an increase of 6%. The increase is partly due to the increased expense associated with the operations of the brewery management software segment and an increase in professional fees in 2016 related to the amalgamation agreement with emergeIT.

## Other Income (Expense), net

Net other income in 2016 was \$90,195 compared to an expense of (\$455,137) in the same period of 2015, an increase of \$545,332. This is primarily attributable to the write down of other receivables and the effects of the stock price recorded on the guarantee in 2015.

## Net Loss

The Company realized a net loss in 2016 of (\$317,008) compared to a net loss of (\$1,082,050) for the same period in 2015. The loss for 2016 and 2015 represent (\$0.03) and (\$0.16) per share, respectively.

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## Cash Flows from Operating Activities

A summarized reconciliation of the Company's net loss to cash and cash equivalents used in operating activities for the nine months ended September 30, 2016 and 2015 is as follows:

|   | 2016        | 2015          |
|---|-------------|---------------|
| Net loss                                  | \$(317,008) | \$(1,082,050) |
| Depreciation and amortization             | 77,179      | 9,662         |
| Gain on sale of property and equipment    | (2,179)     | -             |
| Write down of other receivable            | -           | 108,961       |
| Share-based compensation                  | 41,814      | 150,999       |
| Unrealized gain on stock price guarantee  | (28,541)    | 345,542       |
| Changes in current assets and liabilities | 70,955      | (54,468)      |
| Net cash used in operating activities     | \$(157,780) | \$(521,354)   |

## Working Capital and Liquidity

The Company had cash and cash equivalents of \$121,013 at September 30, 2016, compared to \$123,913 at December 31, 2015. The Company had a negative working capital of (\$935,879) at September 30, 2016, a decrease of \$18,015 compared to (\$917,864) at December 31, 2015. The decrease in working capital is attributable to the decrease in the value of the stock price and its effect on the stock price guarantee liability.

The Company may need an infusion of additional capital to fund anticipated operating costs over the next 12 months. Although there is substantial doubt about the Company's ability to continue as a going concern, management believes that the Company has adequate cash resources to fund operations during the next 12 months. However, there can be no assurance that anticipated growth in new business will occur, and that the Company will be successful in substantially increasing its revenues. Management continues to seek alternative sources of capital to support operations.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, the Company is not required to provide the information for this Item 3.

## ITEM 4. CONTROLS AND PROCEDURES

## Evaluation of Disclosure Controls and Procedures

The Company's management, including the President and Chief Executive Officer of the Company, as its principal executive officer, and the Chief Financial Officer of the Company, as its principal financial officer, have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon this evaluation, the President, Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2016, the Company's disclosure controls and procedures were not effective, due to material weaknesses in internal control over financial reporting, for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time period specified by the Securities and Exchange Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive and financial officer, as appropriate to allow timely decisions regarding required disclosure.





The Company has identified six material weaknesses in internal control over financial reporting as described in the Company's Form 10-K for the year ended December 31, 2015.

**Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting during the quarter ended September 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

In the normal course of business, the Company periodically becomes involved in litigation. As of September 30, 2016, in the opinion of management, the Company had no material pending litigation other than ordinary litigation incidental to the business.

The Company commenced on December 20, 2013 patent infringement litigation against eBay, Inc. (Paid, Inc. v. eBay, Inc.; CV No. 4:13-cv-40151-TSH) in the United States District Court for the District of Massachusetts Central Division. This litigation has been settled pursuant to a Confidential Settlement and License Agreement dated March 11, 2016. Under the agreement, the Company received \$53,500 after costs as full and final payment for such settlement of the lawsuit and non-exclusive licensing of the Company's patents. The payment was received in full in April 2016.

**ITEM 1A. RISK FACTORS**

There are no material changes for the risk factors previously disclosed on Form 10-K for the year ended December 31, 2015.

**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 No.  | Description  |
|--------------|--|
| 31.1         | CEO Certification required under Section 302 of Sarbanes-Oxley Act of 2002         |
| 31.2         | CFO Certification required under Section 302 of Sarbanes-Oxley Act of 2002         |
| 32           | CEO and CFO Certification required under Section 906 of Sarbanes-Oxley Act of 2002 |
| 101.INS XBRL | Instance Document (filed herewith)   |
| 101.SCH XBRL | Taxonomy Extension Schema (filed herewith)   |
| 101.CAL XBRL | Taxonomy Extension Calculation Linkbase (filed herewith)                           |
| 101.DEF XBRL | Taxonomy Extension Definition Linkbase (filed herewith)                            |
| 101.LAB XBRL | Taxonomy Extension Label Linkbase (filed herewith)                                 |
| 101.PRE XBRL | Taxonomy Extension Presentation Linkbase (filed herewith)                          |

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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.

PAID, INC.  
Registrant

Date: November 14, 2016 By: /s/ W. Austin Lewis, IV  
W. Austin Lewis, IV, President, CEO and CFO  
(Principal Executive, Financial and Accounting Officer)





LIST OF EXHIBITS

| Exhibit No.  | Description  |
|--------------|--|
| 31.1         | CEO Certification required under Section 302 of Sarbanes-Oxley Act of 2002         |
| 31.2         | CFO Certification required under Section 302 of Sarbanes-Oxley Act of 2002         |
| 32           | CEO and CFO Certification required under Section 906 of Sarbanes-Oxley Act of 2002 |
| 101.INS XBRL | Instance Document (filed herewith)   |
| 101.SCH XBRL | Taxonomy Extension Schema (filed herewith)   |
| 101.CAL XBRL | Taxonomy Extension Calculation Linkbase (filed herewith)                           |
| 101.DEF XBRL | Taxonomy Extension Definition Linkbase (filed herewith)                            |
| 101.LAB XBRL | Taxonomy Extension Label Linkbase (filed herewith)                                 |
| 101.PRE XBRL | Taxonomy Extension Presentation Linkbase (filed herewith)                          |