Paradigm Systems Solutions, Inc.

Unaudited Financial Report

For the Perion March 31, 2012.

Balance Sheet

Profit & Loss

Statements of Cash Flow

BALANCE SHEET	Mar 31, 12
ASSETS	
Current Assets	
Checking/Savings	
Cash	-2,504.54
Total Checking/Savings	-2,504.54
Accounts Receivable	
Accounts Receivable	1,965,571.58
Total Accounts Receivable	1,965,571.58
Other Current Assets	
Inventory Asset	130,916.29
Software & Technology S2B	
Total Other Current Assets	130,916.29
Total Current Assets	2,093,983.33
Fixed Assets	
Furniture and Equipment	50,314.65
Vehicles	9,700.00
Accumulated Depreciation	-47,623.00
Total Fixed Assets	12,391.65
Other Assets	
Loan to VP 360	171,906.83
Total Other Assets	171,906.83
TOTAL ASSETS	**2,278,281.81**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,449,304.09
Total Accounts Payable	2,449,304.09
Credit Cards	
Credit Card	115,731.86
Total Credit Cards	115,731.86
Other Current Liabilities	
Chase Loan	23,346.59
Federal Withholding Payable	116,279.11
Sales Tax Payable	897.31
Total Other Current Liabilities	140,523.01
Total Current Liabilities	2,705,558.96
Long Term Liabilities	
Loans from Shareholders	745,855.40
Total Long Term Liabilities	745,855.40
Total Liabilities	3,451,414.36
Equity	
Capital Stock	23,200.00
Paid in Capital	145,000.00
Preferred Stock A	
Retained Earnings	-1,179,060.72
Net Income	-162,271.83
Total Equity	-1,173,132.55
TOTAL LIABILITIES & EQUITY	**2,278,281.81**

PROFIT/LOSS	Apr '11 - Mar 12
Ordinary Income/Expense	
Income	
Sales	26,128.58
Minute Man Press Income	27,570.78
Merchandise Sales	12,536,238.39
Finders Fee	124.28
Total Income	12,590,062.03
Cost of Goods Sold	
Cost of Goods Sold	3,531,467.81
Cost Of Merchandise	7,529,276.48
Merchant Account Fees	77,628.99
MMP COGS	2,521.65
Rebates	-6,058.83
Shipping	29,082.33
Total COGS	11,163,918.43
Gross Profit	1,426,143.60
Expense	
Advertising and Promotion	37,468.88
Automobile Expense	3,524.20
Bank Service Charges	3,577.81
Books and Publications	269.00
Commission	1,579.20
Computer and Internet Expenses	14,227.03
Consulting	19,310.64
Dues and Subscription	7,079.29
Equipment Rental	2,373.96
Escrow Account Expense	5,175.00
Fund Raising Expense	7,667.00
Health Insurance	72,022.50
Insurance Expense	3,308.48
Interest Expense	21,161.23
Janitorial Expense	2,850.00
Legal Expense	87,189.80
Licenses and Fees	1,086.47
Meals and Entertainment	2,642.06
Miscellaneous	7,511.46
Office Supplies	13,309.58
Payroll	
Payroll Tax	183,596.25
Payroll Others	942,040.64
Bonus	4,000.00
Total Payroll	1,129,636.89
Postage	2,422.97
Professional Fees	13,730.92
Rent Expense	64,436.77
Repairs and Maintenance	2,077.62
Sales Tax Expense	78.95
Telephone Expense	11,803.81
Travel	
Lodging	7,185.55
Travel Other	34,999.22
Total Travel	42,184.77
Utilities	6,927.05
Waste Removal	1,782.57
Total Expense	1,588,415.91
Net Ordinary Income	-162,272.31
Other Income/Expense	
Other Income	
Intrtest Income	0.48
Total Other Income	0.48
Net Other Income	0.48
Net Income	**-162,271.83**

STATEMENTS OF CASH FLOW	Apr '11 - Mar 12
OPERATING ACTIVITIES	
Net Income	-162,271.83
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-1,965,571.58
Inventory Asset	-130,916.29
Software & Technology App S2B	
Accounts Payable	2,449,304.09
Prommisory Notes	
Credit Card	115,731.86
M & T-8090	-6,422.22
Chase Loan	23,346.59
Federal Withholding Payable	116,279.11
Sales Tax Payable	897.31
Net cash provided by Operating Activities	440,377.04
INVESTING ACTIVITIES	
Accumulated Depreciation	47,623.00
Furniture and Equipment	-50,314.65
Vehicles	-9,700.00
Loan to VP 360	-171,906.83
Net cash provided by Investing Activities	-184,298.48
FINANCING ACTIVITIES	
Loans from Shareholders	745,855.40
Capital Stock	23,200.00
Preferred A Stock	
Opening Balance Equity	6,422.22
Paid in Capital	145,000.00
Retained Earnings	-1,179,060.72
Net cash provided by Financing Activities	-258,583.10
Net cash increase for period	-2,504.54
Cash at Beginning of period	**0.00**
Cash at End of period	-2,504.54