

## Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

### **LOANS4LESS.COM, INC.**

A Delaware Corporation

22409 Susana Avenue  
Torrance, CA 90505

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310-540-0157

<https://www.loans4less.com/>

[info@loans4less.com](mailto:info@loans4less.com)

SIC CODE: 6163

### **Annual Report For the Period Ending: December 31, 2019 (the "Reporting Period")**

As of January 28, 2020, the number of shares outstanding of our Common Stock was:  
56,870,480

As of December 31, 2019, the number of shares outstanding of our Common Stock was:  
56,870,480

As of our Fiscal Year End, December 31, 2019, the number of shares outstanding of our  
Common Stock was: 56,870,480

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the  
Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:                      No: **X**

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:                      No: **X**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:                      No: **X**

"Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
  - (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
  - (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
  - (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.
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**1) Name of the issuer and its predecessors (if any).**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes:

**Loans4Less.com, Inc. and its wholly owned subsidiary, Union Discount Mortgage, Inc. (collectively, the "Company")**

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

**Active Status:** Incorporated in the State of Delaware on June 30, 1999

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No: **X**

**2) Security Information**

Trading symbol:	LFLS
Exact title and class of securities outstanding:	Common Stock
CUSIP:	53945X104
Par or stated value:	\$0.00001
Total shares authorized:	250,000,000 as of date: January 28, 2020
Total shares outstanding:	56,870,480 as of date: January 28, 2020
Number of shares in the Public Float <sup>5</sup>	7,222,681 as of date: January 28, 2020
Total number of shareholders of record:	58 as of date: January 28, 2020

**Additional class of securities (if any):**

\$25,000 Senior 5.000% Convertible Note @ \$0.10 due 12/31/2021.  
1,150,000 Cashless Common Stock Warrants Issued & Outstanding.

**Transfer Agent**

Transfer Online, Inc.  
512 SE Salmon Street  
Portland, OR 97214  
Tel: (503) 227-2950  
[carolyn@transferonline.com](mailto:carolyn@transferonline.com)

Is the Transfer Agent registered under the Exchange Act?<sup>6</sup> Yes: **X** No:

<sup>5</sup>"Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None: **The Company is reviewing a re-organization, re-capitalization and/or reverse merger acquisition and/or capital raising proposals. No Agreement to date has been executed.**

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

**A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of 12. 31. 2017		*Right-click the rows below and select "Insert" to add rows as needed.							
<b>Opening Balance:</b>  Common: 27,570,480  Preferred A : 21,500,000									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
02.05.2018	New Issuance	21,500,000	Common	N/A	No	Steven Mark Hershman	Preferred A Stock Conversion	Restricted	Exemption
02.07.2018	New Issuance	4,900,000	Common	\$0.01	Yes	Richard Ian Hershman	\$50,000 Senior Debt Conversion	Unrestricted	Exemption SEC Rule 3 (10)
02.23.2018	New Issuance	2,900,000	Common	\$0.03	No	Steven Mark Hershman	\$87,000 Investment	Restricted	Exemption
<b>Shares Outstanding as of: 01.28.2020</b>		<b>Ending Balance:</b>  Common: 56,870,480  Preferred: 0							

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its period ended December 31, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 01, 2017 through December 31, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

**NONE.**

**B. Debt Securities, Including Promissory and Convertible Notes**

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Note Holder	Reason for Issuance (e.g. Loan, Services, etc.)
6.12.2017	\$25,000	\$25,000	\$1,250	12.31.2021	Convertible @ \$0.10 per share into Common Stock	Andrea Dobrick	Loan
3.28.2018	\$13,397	\$20,000	\$388	N/A	\$500 Monthly Installment Plan	Department of Treasury IRS	2016 Federal Corp Tax

Use the space below to provide any additional details, including footnotes to the table above: NONE

#### 4) Financial Statements

A. The financial statements attached herein were prepared in accordance with U.S. GAAP.

B. The financial statements for this reporting period were prepared by (name of individual)<sup>2</sup>:

Name: Steven Mark Hershman  
 Title: Chairman, Treasurer & Chief Financial Officer  
 Relationship to Issuer: Majority Stockholder, Officer / Director

Off Balance Sheet Arrangements: NONE

C. The Company and its wholly owned subsidiary are not in default on any securities or revolving debt.

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## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Union Discount Mortgage, Inc. (100% owned subsidiary) enters into mortgage industry standard 'best efforts' wholesale lender/broker agreements and acting as a real estate broker and Loan Originator to consumers in CA residential mortgages.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

Union Discount Mortgage, Inc. (100% owned subsidiary) Attention: Steven Mark Hershman, President & Broker.

- C. Describe the Issuers' principal products or services, and their markets

Mortgage Broker & Real Estate Agency Services with focus on CA residential loan originations.

## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company uses home office space located at 22409 Susana Avenue, Torrance, CA 90505

The Company does not own any real property and is a service business. The Company via Union Discount Mortgage, Inc. controls intangible properties, such as Loans4Less.com website and Service Mark.

## 7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

<b>Name of Officer/Director and Control Person</b>	<b>Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)</b>	<b>Residential Address (City / State Only)</b>	<b>Number of shares owned</b>	<b>Share Class</b>	<b>Ownership Percentage of Class Outstanding</b>	<b>Notes</b>
Steven Mark Hershman	Chairman, CFO, Treasurer & Director	Torrance, CA	44,365,895	Common	78.01%	See Note #2
Richard Ian Hershman	Non-Affiliate	London, England	4,730,000	Common	8.32%	See Item 3A 02/07/2018
Daniela Haynie	Director	Hermosa Beach, CA	2,257,000	Common	3.97%	See Note #3
Marc C. Phelps CPA	Director	Hawthorne, CA	350,000	Common	0.62%	
Denise DaVinci	Director	Studio City, CA	100,000	Common	0.18%	
<b>Total</b>			<b>51,790,505</b>	<b>Common</b>	<b>91.06%</b>	

- (1) Unless otherwise indicated, the address of each director, executive officer and person beneficially owning more than 5% of the outstanding shares of our common stock is c/o Loans4Less.com 22409 Susana Avenue, Torrance, CA 90505
- (2) Steven Hershman is the beneficial owner of Steven M. Hershman Revocable Trust which holds 43,375,595 shares of record; 940,000 common shares held in Street Name and 12,000 common shares held at Charles Schwab as Custodian FBO Steven Hershman IRA and 38,300 common shares at e\*trade as Custodian FBO Steven Hershman IRA.
- (3) Includes 2,000 shares owned by Jack Haynie, spouse of Daniela Haynie and 5,000 at etrade as Custodian FBO Daniela Haynie.

\*Denotes directors who meet our criteria for independence\*

<b>Name</b>	<b>Age</b>	<b>Position</b>
Steven Mark Hershman	62	Chairman of the Board of Directors, CFO, Treasurer
*Denise DaVinci*	56	Member of the Board of Directors, Real Estate Agent
Daniela Haynie	49	Member of the Board of Directors, Executive Vice President Underwriting & Processing.
*Marc C. Phelps *	61	Member of the Board of Directors, CPA Consultant

**Compensation by Union Discount Mortgage, Inc. Operating Subsidiary**

<b>Name</b>	<b>Y/E</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)(1)</b>	<b>All Other Cash Compensation</b>	<b>Total (\$)</b>
Steven M. Hershman	2020	0	0	0	225,909	225,909
Daniela F. Haynie	2020	55,468	0	0	0	55,468
*Denise DaVinci*	2020	0	0	0	56,977	56,977
*Marc C. Phelps*	2020	0	0	0	0	0

**Board of Directors Background Information**

Steven Mark Hershman, President, Treasurer, CFO and Chairman of the Board of the Company and has devoted substantially all his efforts to the development of Loans4Less.com which serves as a mortgage broker primarily in the California residential mortgage place. A citizen of the United States and the UK, Mr. Hershman holds a California Real Estate Broker License and he started his career on the London Stock Exchange in 1977 becoming a Member of The London Stock Exchange in 1981. Between 1982 and 1990 Mr. Hershman worked for Thomson McKinnon Securities, Inc. and Ladenburg, Thalmann Members of The New York Stock Exchange. In 1990 Mr. Hershman became a mortgage broker prior to forming Union Discount Mortgage, Inc. in April 1993.

Daniela F. Haynie, Director, Executive Vice President & Underwriting Manager processes and closes the mortgage loan transactions. Ms. Haynie has worked with the Company since October, 2001. From August, 1997 to October 2001, Ms. Haynie worked as a mortgage loan underwriter assisting loan originators in processing and closing mortgage loan transactions for Crestwood Mortgage Company, Torrance, California, a company specializing in residential mortgages. Ms. Haynie graduated from the University of Sao Judas Tadeu (Sao Paulo, Brazil) in 1995 and moved to the United States in March, 1996.

Marc C. Phelps, CPA & Director of the Company. Mr. Phelps has been working in public accounting since 1982 assisting small businesses in the areas of taxation, setup and maintenance of accounting systems and business management. Since 1999, Mr. Phelps has also helped small businesses with the audit process both as the auditor and as a consultant assisting small companies to get ready for audits. Mr. Phelps is a Certified Public Accountant licensed to practice in the State of California. In 1999, he received a Bachelor of Science degree in Business Administration (Magna Cum Laude) from California State University Dominguez Hills.

Denise DaVinci, Director and Real Estate Salesperson in charge of Platinum Properties marketing and branding. A Los Angeles native, Denise spent over 20 years as a fashion designer developing her own label, as well as other private labels, in both LA and NYC. She attended Otis-Parsons School of Design in Los Angeles, California.



**8) Legal/Disciplinary History**

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

**NONE**

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

**NONE**

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

**NONE**

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

**NONE**

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

**NONE**

**9) Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

**Securities Counsel**

Christopher Dieterich, Attorney-At-Law  
11835 W. Olympic Blvd., Suite 1235E,  
Los Angeles, CA (310) 312-6888  
venturelaw@gmail.com

**Accountant**

Marc C. Phelps, CPA  
222 Pacific Coast Highway, Suite 200,  
El Segundo, CA 90245  
310-364-5288  
mphelps@phelpsaccounting.com

**Investor Relations Consultant:** NONE

**Other Service Providers**

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period: NONE

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Steven Mark Hershman certify that:

1. I have reviewed this Annual Report Statement of Loans4Less.com, Inc.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

DocuSigned by:

*Steven Mark Hershman*

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01/28/2020

Steven Mark Hershman

Loans4Less.com, Inc.

Chairman of The Board of Directors

Acting Chief Financial Officer & Treasurer

## Union Discount Mortgage, Inc.

## BALANCE SHEET

As of December 31, 2019

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
UDM (1385)	4,772.24
<b>Total Bank Accounts</b>	<b>\$4,772.24</b>
Other Current Assets	
Investments - Other	500.00
Prepaid Expenses	0.00
<b>Total Other Current Assets</b>	<b>\$500.00</b>
<b>Total Current Assets</b>	<b>\$5,272.24</b>
Fixed Assets	
Accumulated Depreciation	0.00
Computer & Equipment	0.00
Furniture & Fixtures	0.00
Leasehold Improvements	0.00
<b>Total Fixed Assets</b>	<b>\$0.00</b>
<b>TOTAL ASSETS</b>	<b>\$5,272.24</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Bank of America (4115)	34,548.74
BofA L4L Visa	34,910.72
Citicard Visa	9,541.70
CORP Account - Bank of America (4115)	0.00
Credit Card	0.00
First Card	8,912.18
<b>Total Credit Cards</b>	<b>\$87,913.34</b>
Other Current Liabilities	
Accrued Taxes Payable	13,422.91
Chris Dieterich	14,999.00
Direct Deposit Payable	0.00
Payroll Liabilities	0.00
CA PIT / SDI	149.78
CA SUI / ETT	0.00
Federal Taxes (941/944)	1,210.05
Federal Unemployment (940)	42.00
POP Plan Pre-Tax	0.00
<b>Total Payroll Liabilities</b>	<b>1,401.83</b>
<b>Total Other Current Liabilities</b>	<b>\$29,823.74</b>
<b>Total Current Liabilities</b>	<b>\$117,737.08</b>
Long-Term Liabilities	

	TOTAL
Convertible Notes 10% 12.31.2017	0.00
Convertible Revenue 5% Notes 12.31.2021	25,000.00
Debt Discount	-25,000.00
<b>Total Long-Term Liabilities</b>	<b>\$0.00</b>
<b>Total Liabilities</b>	<b>\$117,737.08</b>
Equity	
Additional Paid-In Capital	968,920.30
Adjusted Net Equity	-14,999.00
Common Stock	568.70
Preferred A Stock	0.00
Retained Earnings	-1,098,171.79
Stockholder Redemptions	0.00
Net Income	31,216.95
<b>Total Equity</b>	<b>\$ -112,464.84</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$5,272.24</b>

# Union Discount Mortgage, Inc.

## PROFIT AND LOSS

January - December 2019

	TOTAL
Income	
Gross Broker Fee Income	484,434.03
Post Closing Rebates	-41,286.62
<b>Total Income</b>	<b>\$443,147.41</b>
GROSS PROFIT	<b>\$443,147.41</b>
Expenses	
Advertising & Marketing	3,233.94
Advertising/Promotional	1,901.25
Appraisals	962.50
Auto	139.95
Automobile	1,228.23
Bank Fees	614.00
Commissions	291,077.37
Credit Reports	2,037.35
Insurance	1,495.74
Interest Paid	15,150.30
Internet	1,610.39
Legal & Professional Fees	8,165.00
Legal & Professional Services	8,118.00
Licensing & Bonding	30.00
Meals	1,459.98
Office Supplies & Software	2,337.30
Office/General Administrative Expenses	1,209.14
Payroll Expenses	0.00
Taxes	4,530.33
Wages	55,468.41
<b>Total Payroll Expenses</b>	<b>59,998.74</b>
Repairs & Maintenance	144.26
Subscriptions	264.00
Taxes Paid	189.94
Telephones	2,688.51
<b>Total Expenses</b>	<b>\$404,055.89</b>
NET OPERATING INCOME	<b>\$39,091.52</b>
Other Expenses	
Reconciliation Discrepancies	7,874.57
<b>Total Other Expenses</b>	<b>\$7,874.57</b>
NET OTHER INCOME	<b>\$ -7,874.57</b>
NET INCOME	<b>\$31,216.95</b>

# Union Discount Mortgage, Inc.

## STATEMENT OF CASH FLOWS

January - December 2019

	TOTAL
<b>OPERATING ACTIVITIES</b>	
Net Income	31,216.95
Adjustments to reconcile Net Income to Net Cash provided by operations:	0.00
Bank of America (4115)	-4,425.96
BofA L4L Visa	-255.74
Citicard Visa	-14,446.83
First Card	-2,458.24
Accrued Taxes Payable	-3,829.91
Chris Dieterich	14,999.00
Direct Deposit Payable	0.00
Payroll Liabilities:CA PIT / SDI	68.29
Payroll Liabilities:CA SUI / ETT	0.00
Payroll Liabilities:Federal Taxes (941/944)	655.10
Payroll Liabilities:Federal Unemployment (940)	0.00
Payroll Liabilities:POP Plan Pre-Tax	-6,093.41
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>-15,787.70</b>
<b>Net cash provided by operating activities</b>	<b>\$15,429.25</b>
<b>FINANCING ACTIVITIES</b>	
Adjusted Net Equity	-14,999.00
<b>Net cash provided by financing activities</b>	<b>\$ -14,999.00</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>\$430.25</b>
Cash at beginning of period	4,341.99
<b>CASH AT END OF PERIOD</b>	<b>\$4,772.24</b>

**LOANS4LESS.COM, INC. CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY**

DECEMBER 31, 2019  
(Unaudited)

	<u>Common Stock Shares</u>		<u>Additional Paid-in-Capital</u>	<u>Retained Deficit</u>	<u>Total</u>
Balance Jan 01, 2019	56,870,480	\$ 569	968,921	\$ (1,098,171)	(129,250)
Issuance of Common Stock					
Net Profit for Period	0	0	0	31,217	31,217
To Adjust Equity				(14,999)	(14,999)
Balance Dec 31, 2019	56,870,480	569	968,921	(1,081,953)	(113,032)

LOANS4LESS.COM, INC. AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
PERIOD ENDING DECEMBER 31, 2019

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**(1) Description of Business**

Loans4Less.com, Inc. "the Company" was incorporated in Delaware on June 30, 1999 and was operationally inactive prior to its consolidation with Union Discount Mortgage, Inc. on January 1, 2005.

On January 1, 2005, the Company exchanged 25,000,000 shares of its common stock and 21,500,000 shares of Series A preferred stock for all 100 shares of Union Discount Mortgage, Inc. After the exchange Union Discount Mortgage, Inc. became a wholly owned subsidiary of the Company.

Prior period financial statements have been retroactively re-stated and re-named to show the capitalization of Loans4Less.com, Inc. while at the same time maintaining the historical financial data of the acquired company Union Discount Mortgage, Inc.

**(2) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

**(3) Marketable Securities**

The Company may invest in various equity or debt instruments. The Company accounts for such investments in accordance with Statements of Financial Accounting Standards No. 115 and 130 "Accounting for Certain Investments in Debt and Equity Securities" and "Reporting Comprehensive Income," respectively.

Management determines the appropriate classification of its investments at the time of acquisition and reevaluates such determination at each balance sheet date. Trading securities are carried at fair value, with unrealized trading gains and losses included current period income. Available-for-sales securities are carried at fair value with unrealized gains and losses included in other comprehensive income. Realized gains and losses are included in current period income for both types of securities. Investments classified as held-to-maturity are carried at amortized cost. In determining realized gains and losses, the cost of the securities sold is based on the first in, first out method.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the



level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the balance sheet and the statement of income and stockholder's earnings.

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

(4) Property and Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments are capitalized, while expenditures for maintenance and repairs are charged to expense. The cost and related accumulated depreciation accounts are removed when items are sold, and the resulting gain or loss is reflected in income.

It is the policy of the Company to provide depreciation based on the estimated useful life of the individual units of property and equipment. The depreciation methods and the estimated useful lives used as the basis for the application of those methods are 3-5 years with Straight Line Depreciation.

(5) Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles 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 of expenses during the reporting period. Actual results could differ from those estimates.

(6) Income Taxes

The Company utilizes SFAS No. 109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statements and tax basis assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets or liabilities.

LOANS4LESS.COM, INC. AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) DECEMBER 31, 2019

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

(7) Consolidation

Union Discount Mortgage, Inc. is a wholly owned subsidiary of the Company. Accordingly, the financial statements are presented as a consolidation. Because the Company does not have material transactions of its own and all business is conducted through Union Discount Mortgage, Inc., management does not show the two entities separately. There were no eliminating entries.

(8) Earnings (Loss) per Common Share and Revenue Recognition

Earnings (Loss) per share are computed using the number of shares outstanding. The Company adopts cash accounting on commission revenues once the transaction has recorded. Accrued Income is only accounted for when transaction(s) have settled but not yet paid out.

B. **REVOLVING CREDIT BALANCES**

The Company has credit card account balances of \$87,913 outstanding accruing various annual interest costs if not paid in full at month's end.

**SENIOR CONVERTIBLE NOTE PAYABLE 12/31/2021**

The Company issued a \$25,000 Senior Revenue Participation 5.000% Floor Note to Andrea Dobrick on 06/15/2017. This note is reflected on the balance sheet and is current. Since it is convertible to common stock it has been fully discounted on the balance sheet as of December 31, 2019.

**DEPARTMENT OF TREASURY - IRS REPAYMENT INSTALLMENT PLAN**

The Company owes approximately \$13,397 in 2016 Federal Income Taxes and is repaying \$500 per month pursuant to an approved IRS installment plan.

C. **PROFIT SHARING PLAN**

The Company did not make any contributions in fiscal 2018 or 2019.

D. **OPERATING HOME OFFICE SPACE**

The Company and Union Discount Mortgage, Inc. utilize the same home office space located at 22409 Susana Avenue, Torrance, CA 90505

LOANS4LESS.COM, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2019

E. **CAPITAL STRUCTURE**

The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of \$0.00001 per share.

The Board of Directors originally designated 1,000,000 shares of the Company's preferred stock as Series B (6.75%) Convertible Preferred Stock. As of December 31, 2009 all Series B shares have been fully redeemed.

The Series B Preferred Stock is entitled to dividend payments at a rate of 6.750% per annum based on the principal amount paid to the Company for each share. This preferred stock ranks senior as to rights upon liquidation, dissolution or winding up of the Company and has no voting rights. Each share of the Series B preferred stock is convertible into one share of common stock at any time. The Board of Directors has designated 21,500,000 shares of the Company's preferred stock as Series A Convertible Preferred Stock. All 21,500,000 shares of the Series A preferred stock have been converted into common stock.

**Exact Title and Name of the Securities**

The articles of incorporation authorize the issuer to issue 250,000,000 shares of common stock with a par value of \$0.00001 per share and 25,000,000 shares of preferred stock with a par value of \$0.00001 per share. The CUSIP number for the common stock is 53945X104. There are 56,870,480 shares of common stock outstanding at December 31, 2019. The common stock is quoted under the symbol LFLS. There have been no dividends declared or paid on the Company's common stock.

The Company has authorized 21,500,000 shares of convertible Series A Preferred Stock ("Series A") with a par value of \$0.00001 per share. The Series A is convertible into one share of the Company's common stock, has voting rights of ten votes per share held and has liquidation preference equal to \$0.00001 per share before any payment or distribution shall be made on common stock. There are no shares of Series A outstanding as of December 31, 2019.

The Company has authorized 1,000,000 shares of convertible Series B Preferred Stock ("Series B") with a par value of \$0.00001 per share. The Series B is convertible into one share of the Company's common stock, has no voting rights and has liquidation preference equal to \$0.00001 per share before any payment or distribution shall be made on common stock. Each share of the Series B shall be entitled to a dividend at a rate of 6.750% per annum of the amount paid for such share. There are no shares of Series B outstanding as of December 31, 2019.

**Stock Issuance & Redemption History**

All newly issued common shares contain a Restricted Legend for 12 months (1) stating the shares have not been registered under the Securities Act, and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act. Issuances and Redemptions of all securities, including Notes, Common Stock and Cashless Warrants are fully disclosed in the Notes to the Financial Statements pages herein.

**F. Cashless Common Stock Warrants Issued & Outstanding**

#8.Harriet Alexson            150,000 @ \$0.250 06/24/2020

#9.Denise DaVinci            1,000,000 @ \$0.075 03/13/2022

**1,150,000 Total Cashless Warrants Issued & Outstanding**

**G STOCK BASED COMPENSATION**

The Company accounts for its stock based compensation based on provisions in SFAS No. 123, "Accounting for Stock Based Compensation," which utilizes the fair method for the valuation of its securities given as compensation.

**H. ARBITRATION SETTLEMENT - \$18,000 Current Balance Due**

Steven Mark Hershman and e-Path Digital, LP agreed on a \$30,000 Settlement whereby e-Path is to receive monthly installments of \$1,130 and when fully paid releases all liabilities of the Company and Steven Mark Hershman.

**I. AFFIRMATIVE STATEMENT REGARDING THE ACCURACY OF THESE FINANCIAL STATEMENTS.**

It is the opinion of management that all adjustments necessary for a fair statement of results for the interim period have been included. All adjustments are of normal recurring nature.

**Management's Discussion & Analysis or Plan of Operations**

The following management's discussion and analysis of financial condition and results of operations (MD&A) is intended to help the reader understand the results of operations and financial condition of the Company. The MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying notes to the annual financial statements.

**Management's Discussion and Analysis and Results of Operations for the period ended December 31, 2018 compared to December 31, 2019**

Loans4Less.com, Inc. is the public holding company for Union Discount Mortgage, Inc., which is a California Real Estate and Mortgage Broker Corporation. The Company controls the rights to certain intellectual property, including but not limited to, Loans4Less.com and its Federal Service Mark - Loans4Less®

Revenues rose 133% for the period ended December 31, 2019 increasing by \$252,824 from \$190,323 to \$443,147 as compared to the period ended December 31, 2018.

Net Income for the period ended December 31, 2019 was \$31,216 compared with a Net Loss of (\$86,653) for the period ended December 31, 2018.

Total Expenses for the period ended December 31, 2019 amounted to \$411,931 compared with \$276,976 for the period ended December 31, 2018.

**Period Ended December 31, 2019 Compared to Period Ended December 31, 2018**  
**The following is a summary of our annual financial results:**

		<b>2019 unaudited</b>		<b>2018 unaudited</b>
Revenues	\$	443,147	\$	190,323
Operating Expenses		411,931		276,976
Net Income or (Loss)		31,216		(86,653)
Common Stock Issued & Outstanding		56,870,480		56,870,480
Preferred Stock Issued & Outstanding		0		0
See Statement of Stock Holders Equity				

### **Overview**

Loans4Less.com, Inc. is the holding company for Union Discount Mortgage, Inc. a CA Real Estate Corporation. The Company controls the rights to certain intellectual property, including but not limited to, Loans4Less.com and its Federal Service Mark - Loans4Less®. Loans4Less.com advertises and originates competitive Conforming, Jumbo & Reverse and Non-QM mortgages.

### **Forward-Looking Statement**

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding our intended plans regarding activities. You are urged to consider statements that include words to be uncertain and forward-looking. Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. Loans4Less.com, Inc. undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Certificate Of Completion

Envelope Id: 142A9E4FA48A4C24834CC24A2AFFA9C6

Status: Completed

Subject: Please DocuSign: LFLS Annual Report 2019 v2.pdf

Source Envelope:

Document Pages: 21

Signatures: 0

Envelope Originator:

Certificate Pages: 1

Initials: 0

Steven Mark Hershman

AutoNav: Enabled

22409 Susana Avenue

Envelopeld Stamping: Enabled

Torrance, CA 90505

Time Zone: (UTC-08:00) Pacific Time (US &amp; Canada)

steve@loans4less.com

IP Address: 104.34.233.9

## Record Tracking

Status: Original

Holder: Steven Mark Hershman

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1/29/2020 8:15:30 PM

steve@loans4less.com

### Signer Events

### Signature

### Timestamp

Steven Mark Hershman

**Completed**

Sent: 1/29/2020 8:41:10 PM

steve@loans4less.com

Viewed: 1/29/2020 8:41:17 PM

Principal Loan Originator

Signed: 1/29/2020 8:41:31 PM

Loans4Less.com

Using IP Address: 104.34.233.9

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

### In Person Signer Events

### Signature

### Timestamp

### Editor Delivery Events

### Status

### Timestamp

### Agent Delivery Events

### Status

### Timestamp

### Intermediary Delivery Events

### Status

### Timestamp

### Certified Delivery Events

### Status

### Timestamp

### Carbon Copy Events

### Status

### Timestamp

### Witness Events

### Signature

### Timestamp

### Notary Events

### Signature

### Timestamp

### Envelope Summary Events

### Status

### Timestamps

Envelope Sent

Hashed/Encrypted

1/29/2020 8:41:10 PM

Certified Delivered

Security Checked

1/29/2020 8:41:17 PM

Signing Complete

Security Checked

1/29/2020 8:41:31 PM

Completed

Security Checked

1/29/2020 8:41:31 PM

### Payment Events

### Status

### Timestamps

## Certificate Of Completion

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Status: Completed

Subject: Please DocuSign: LFLS Annual Report 2019 v2.pdf

Source Envelope:

Document Pages: 22

Signatures: 1

Envelope Originator:

Certificate Pages: 1

Initials: 0

Steven Mark Hershman

AutoNav: Enabled

22409 Susana Avenue

Envelopeld Stamping: Enabled

Torrance, CA 90505

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

steve@loans4less.com

IP Address: 104.34.233.9

## Record Tracking

Status: Original

Holder: Steven Mark Hershman

Location: DocuSign

1/29/2020 8:44:27 PM

steve@loans4less.com

## Signer Events

Steven Mark Hershman

steve@loans4less.com

Principal Loan Originator

Loans4Less.com

Security Level: Email, Account Authentication  
(None)

## Signature

DocuSigned by:

*Steven Mark Hershman*

191CB33C4A914E1...

Signature Adoption: Pre-selected Style

Using IP Address: 104.34.233.9

## Timestamp

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Viewed: 1/29/2020 8:44:37 PM

Signed: 1/29/2020 8:46:06 PM

Freeform Signing

## Electronic Record and Signature Disclosure:

Not Offered via DocuSign

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

## Witness Events

## Signature

## Timestamp

## Notary Events

## Signature

## Timestamp

## Envelope Summary Events

## Status

## Timestamps

Envelope Sent

Hashed/Encrypted

1/29/2020 8:44:33 PM

Certified Delivered

Security Checked

1/29/2020 8:44:37 PM

Signing Complete

Security Checked

1/29/2020 8:46:06 PM

Completed

Security Checked

1/29/2020 8:46:06 PM

## Payment Events

## Status

## Timestamps