

**FOUNDERS BAY HOLDINGS  
QUARTERLY REPORT**

**For the three months ended  
March 31, 2017**

**1. Name of Company and its predecessors (if any)**

Founders Bay Holdings (the “Company”) is a Nevada corporation incorporated on July 23, 1986 as Ballonies, Inc. The Company was engaged in various enterprises from that time under the names Imagex Services, Inc. (June 29, 1993) and Intersecurity Holdings Corporation, (May 11, 2005) until it acquired its current Delaware operating subsidiary, Founders Bay Technologies, Inc. pursuant to an agreement dated August 18, 2016. On October 21, 2016, the Company’s name was changed to Founders Bay Technologies, Inc. as well, and then to Founders Bay Holdings on March 10, 2017 in order to avoid confusion with its subsidiary.

**2. Address of its principal executive offices**

Our principal executive offices are located at 913 N. Market Street Suite 200, Wilmington, Delaware, and our telephone is (302) 502-0120. Our website is <http://www.fbaytech.com> and our corporate email is [foundersbay@outlook.com](mailto:foundersbay@outlook.com). We also market our business through <http://carecnx.com>.

We do not currently employ any outside investor relations firm.

**3. Security Information**

Trading Symbol: FDBH

(formerly IXSVD)

Exact Title & Class of Securities Outstanding:

Common

CUSIP: 35052R 103

Par or Stated Value: \$.001

Total Shares Authorized 980,000,000

Total Shares Outstanding 9,985,000

(all share numbers give effect to a April 25, 2017 reverse stock split)

Our Articles of Incorporation also authorize the issuance of up to 20 million shares of preferred stock, par value \$.0001 per share. No CUSIP number has been assigned to the preferred stock and no shares are outstanding.

Our transfer agent is Pacific Stock Transfer Company, 6725 Via Austi Parkway, Suite 300, Las Vegas, Nevada 89119, telephone (800) 785-7782.

The transfer agent is registered under the Exchange Act. There are no restrictions on the transfer of our common stock, and there have been no trading suspension orders issued by the Securities and Exchange Commission over the past 12 months.

With respect to stock splits or dividends, recapitalizations, mergers, acquisitions, spin-

offs or reorganizations currently anticipated or occurring within the past 12 months, the Company acquired all of the common stock of Founders Bay Technologies, Inc., a Delaware corporation ("FBTI"), on October 2, 2016, in exchange for a number of shares to be equal to 99% of the outstanding shares after giving effect to such issuance. The acquisition was effected by the merger of a newly incorporated Nevada subsidiary of the Company with and into FBTI. Due to the lack of authorized shares, only 450,000 shares were initially issued to the shareholders of FBTI. A one-for-2000 reverse stock split was effected through an amendment to the Articles of Incorporation filed on March 10, 2017, and reflected on the trading market on April 25, 2017. All share numbers in this Quarterly Report have been adjusted to give retroactive effect to the reverse split.

#### **4. Issuance History.**

Disclosure for the issuance of shares in connection with the acquisition of FBTI is provided under Item 3. There were no other issuances during the past two years. This transaction was not registered or qualified in any jurisdiction and was exempt therefrom under Section 4(2) of the Securities Act as a transaction not involving any public offering.

#### **5. Financial Statements**

Financial statements are appended to this report.

#### **6. Describe the Issuer's Business, Products and Services**

Founders Bay Holdings, a Nevada corporation organized in 1986, operates through its wholly-owned Delaware subsidiary Founders Bay Technologies, Inc. Our company employs proprietary technology for management of electronic health care records under the tradename CareConnex<sup>®</sup>. Specifically, medical providers such as hospitals, clinics, and physician groups are required to update electronic health care records processes due to government mandates and technological progress. Medical providers can and do choose from a variety of different vendors, leading to incompatibility issues. Electronic health record systems are more efficient for the patient and reimbursement programs if they can be integrated across the board. CareConnex<sup>®</sup> addresses the perennial problems related to the migration of data from legacy systems to current systems, as well as the integration and interoperability of different systems, without the overly expensive and disruptive data migration of system switching projects

In the United States, the American Recovery and Reinvestment Act requires that healthcare providers adopt "meaningful use" of electronic medical records (defined as electronic health records for a particular patient which may be shared systemwide) by January 1, 2014, in order to maintain Medicaid and Medicare reimbursement levels. We believe that CareConnex<sup>®</sup> enables US providers to qualify and receive Medicare/Medicaid Federal EHR programs incentives four times faster and cheaper than any other solution on the market.

In the countries of the European Union and South America, our technology is becoming the core technology in new security compliance protocols and consolidation of access to disparate international datasets, allowing for globalization of care and transnational service provider benchmarking.

Our technology has been deployed by 48 hospital networks in the US in addition to over 150 service terminals across 7 countries abroad. We believe that our market penetration is at an early stage and intend to take significant market share in the industry. In addition, we are pursuing several national sales contracts for establishment of payor systems in Mexico, Brazil, and Argentina.

Since our technology is data neutral, it has immediate applicability to other electronic records systems, such as banking, finance, insurance and securities trading. Although US electronic financial systems are dominated by a few players including IBM, Microsoft and Oracle, developing markets such as Asian and Latin America are fragmented and we believe available for companies such as ourselves to attain market share. We also are evaluating growth through acquisition of other players in the electronic records industry.

Our primary SIC code is 7373.

**7. Describe the Issuer's Facilities.**

We currently lease office space at 913 N. Market Street Suite 200, Wilmington, DE 19801. The Company pays \$1,250.00 per month pursuant to the terms of a lease ending in 2020.

**8. Officers, Directors and Control Persons.**

The following table sets forth certain information furnished by the following persons, or their representatives, regarding the ownership of the Common Shares of the Company as of the date of this report, by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each of the Company's executive officers and directors, and (iii) all of the Company's executive officers and directors as a group. Unless otherwise indicated, the named person is deemed to be the sole beneficial owner of the shares.

Name of Beneficial Owner

	<b>Number of Shares</b>	<b>Percent</b>
Michael Thomas(1)	9,885,150	99.0%
Total: (1 Officer/Director)	9,885,150	99.0%

(1) These shares are held through Founders Bay Corp., a corporation controlled by Mr. Thomas.

During the past five years, Mr. Thomas has not been the subject of any of the following:

1. A conviction in a criminal proceeding or named as a defendant in a pending

criminal proceeding (excluding traffic violations and other minor offenses);

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;
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
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.

**9. Third Party Providers**

A. Legal Counsel

None.

B. Accountant or Auditor

Michael J. Hadzipanajotis,  
CPA CPA & Consulting  
Services Belmont, MA

C. Investor Relations Consultant

None

D. Other Advisor

None

**10. Issuer Certification**

I, Michael Thomas, certify that:

1. I have reviewed this Information Statement of Founders Bay Holdings;
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.

**FOUNDERS BAY HOLDINGS**

/s/ Michael Thomas

Michael Thomas, President

May 31, 2017

# **FOUNDERS BAY TECHNOLOGIES, INC**

FINANCIAL STATEMENTS AND  
NOTES TO FINANCIAL STATEMENTS

INTERIM PERIOD ENDING MARCH 31, 2017

MIKE J HADZIPANAJOTIS ACCOUNTING  
*Certified Public Accountants & Consultants*

FOUNDERS BAY TECHNOLOGIES, INC

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Michael J Hadzipanajotis, CPA  
CPA & Consulting Services

## **INDEPENDENT ACCOUNTANT REVIEW REPORT**

To the Founders Bay Technologies, Inc:

We have reviewed the accompanying statement of financial position of Founders Bay Technologies, Inc as of the interim period March 31, 2017, and the related statements of activities, functional expenses and cash flows for the period then ended. The statements are presented in comparative form to March 31, 2016. Each of reported periods includes information in relation to the ending of the corresponding fiscal year. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Reviewer's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Supplementary information about future repairs and replacements of common property is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have compiled the



FOUNDERS BAY TECHNOLOGIES, INC

supplementary information from information that is the representation of management of Founders Bay Technologies, Inc, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in black ink, appearing to read 'Michael J Hadzipanajotis', is written over a light gray rectangular background.

Michael J Hadzipanajotis, CPA  
Belmont, MA - April 11, 2017

FOUNDERS BAY TECHNOLOGIES, INC

# CONSOLIDATED FINANCIAL STATEMENTS

## BALANCE SHEET

<i>in \$USD unless noted otherwise</i>	As of	
	Mar-17	Dec-16
<b>Assets</b>		
Cash	\$100,685	\$72,359
Accounts receivable	2,730,163	2,057,564
Fixed assets	2,052,613	2,025,148
Accumulated depreciation	(746,411)	(671,752)
Intangible assets	6,459,164	6,283,264
Accumulated amortization	(1,664,491)	(1,515,235)
Contracts receivable	5,664,925	5,189,925
<b>Total assets</b>	<b>\$14,596,648</b>	<b>\$13,441,273</b>
<b>Liabilities</b>		
Accounts payable	59,765	18,765
Contracts deferred	5,664,925	5,189,925
<b>Total Liabilities</b>	<b>5,724,690</b>	<b>5,208,690</b>
<b>Shareholder's equity</b>		
Capital stock	2,275,352	2,275,352
Retained earnings	5,957,231	4,196,957
Net income	639,375	1,760,274
<b>Total Shareholder Equity</b>	<b>8,871,958</b>	<b>8,232,583</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$14,596,648</b>	<b>\$13,441,273</b>

FOUNDERS BAY TECHNOLOGIES, INC

**STATEMENT OF INCOME**

	Three months ended March	
<i>in \$USD unless noted otherwise</i>	2017	2016
<b>Revenues</b>		
Sales	\$2,306,920	\$1,783,719
Amortization	149,255	139,016
Other COGS	565,602	508,436
Gross Profit	1,592,063	1,136,267
<b>Operating expenses</b>		
Sales & Marketing	71,988	67,078
Research & Development	235,430	229,968
General & Administrative	241,235	220,601
Depreciation	74,659	70,278
Total Operating Expenses	623,312	587,924
<b>Earnings</b>		
EBIT	968,750	548,343
EBITDA	1,192,665	757,637
Less: Tax	(329,375)	(191,920)
<b>Net income</b>	<b>\$639,375</b>	<b>\$356,423</b>

FOUNDERS BAY TECHNOLOGIES, INC

**STATEMENT OF CASH FLOWS**

	Three months ended March	
<i>in \$USD unless noted otherwise</i>	2017	2016
<b>Cash flows from operating activities</b>		
Net Income	\$639,375	\$356,423
Depreciation & Amortization	223,915	209,294
Working Capital	(631,599)	(165,936)
Total Operations	231,691	399,781
<b>Cash flows from investing activities</b>		
Capital expenditures (fixed)	(27,465)	(117,074)
Capital expenditures (intangibles)	(175,900)	(397,232)
Total Investing	(203,365)	(514,306)
<b>Cash flows from financing activities</b>		
Equity	-	-
Debt	-	-
Total Financing	-	-
<b>Net cash</b>	<b>\$28,326</b>	<b>\$(114,525)</b>

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Activities**

Founders Bay Technologies, Inc is a medical data storage and records management company, which delivers innovative solutions to help medical offices efficiently and appropriately manage critical and sensitive information.

Their services include:

- CareConnex<sup>®</sup> Migration Software and Services
- CareConnex<sup>®</sup> Records Viewer
- CareConnex<sup>®</sup> DataSeque<sup>®</sup> ATDTM
- CareConnex<sup>®</sup> Odem<sup>TM</sup>
- CareConnex<sup>®</sup> Revv<sup>TM</sup>
- CareConnex<sup>®</sup> Exp<sup>TM</sup>

#### **Basis of Accounting**

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

#### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### **Property and Depreciation**

The Organization capitalizes significant purchases and maintenance of property and equipment as well as investments in its intellectual property, which are all expected to be utilized over more than one fiscal year. Capitalized expenses are stated on the basis of cost and donated items are recorded at their current estimated fair market value at date of donation. Depreciation is computed using the double declining balance method over the estimated useful lives of the assets.

## FOUNDERS BAY TECHNOLOGIES, INC

### **Income Taxes**

The Company is currently transitioning to a C Corp, which are responsible for its own income taxes.

### **NOTE 2 – CASH AND CASH EQUIVALENTS**

#### **Cash and Cash Equivalents**

Cash and cash equivalents at year-end consist of the following:

Checking and money market accounts:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Cash	\$ 100,685	\$72,359
Total	<u>100,685</u>	<u>72,359</u>

### **NOTE 3 – CONCENTRATIONS OF CREDIT AND MARKET RISK**

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2017, the organization had \$0 of uninsured balances at these institutions.