FOUNDERS BAY HOLDINGS
QUARTERLY REPORT
For the quarter ended
March 31, 2018

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 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
Exact Title & Class of Securities Outstanding:
Common Stock, CUSIP: 35052R 103
Par or Stated Value: $.001
Total Shares Authorized 980,000,000
Total Shares Outstanding 9,997,597 (all share numbers give effect to a April 25, 2017 reverse stock split including 12,597 additional rounding shares issued in calendar 2017)

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 CareConnext®. 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. CareConnext ® 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 CareConnext® 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.

Risk Factors

There is significant uncertainty in the healthcare industry, both as a result of recently enacted legislation and changing government regulation, which may have a material adverse impact on the businesses of our customers and ultimately on our business, financial condition and results of operations. The healthcare industry is subject to changing political, economic and regulatory influences that may affect the procurement processes and operation of healthcare facilities, including our customers. During the past several years, the healthcare industry has been subject to an increase in governmental regulation of, among other things, reimbursement rates and certain capital expenditures.

Recently enacted public laws reforming the U.S. healthcare system may have an impact on our business. These laws include The Patient Protection and Affordable Care Act (H.R. 3590; Public Law 111-148) (the "ACA") and The Health Care and Education Reconciliation Act of 2010 (H.R. 4872) (the "Reconciliation Act"), which amends the ACA; there are currently being proposed a number of amendments or repeals of such laws (collectively the "Health Reform Laws"). The Health Reform Laws contain various provisions which impact us and our customers. Some of these provisions have a positive impact, by expanding the use of electronic health records in certain federal programs, for example, while others, such as reductions in reimbursement for certain types of providers, have a negative impact due to fewer available resources. Increases in fraud and abuse penalties may also adversely affect participants in the healthcare sector, including us.

Among other things, the Health Reform Laws require nearly all individuals to have health insurance, provide for the expansion of Medicaid eligibility, mandate material changes to

the delivery of healthcare services and reduce the reimbursement paid for such services in order to generate savings in the Medicare program. The Health Reform Laws also modify certain payment systems to encourage more cost-effective care and a reduction of inefficiencies and waste, including through new tools to address fraud and abuse.

It is likely that the Health Reform Laws will affect medical providers differently depending upon the populations they serve and their payor mix. Nevertheless, the Health Reform Laws have led and will lead to significant changes in the healthcare system. Because not all of the administrative rules implementing the Health Reform Laws have been finalized, and because of ongoing federal fiscal budgetary pressures yet to be resolved for federal health programs, the full impact of the legislation and of further statutory and regulatory actions to reform healthcare on our business is unknown, but there can be no assurances that the legislation will not adversely impact either our operational results or the manner in which we operate our business. Healthcare industry participants may respond to the Health Reform Laws by reducing their investments or postponing investment decisions, including investments in our solutions and services.

Various legislators have announced that they intend to examine further proposals to reform certain aspects of the U.S. healthcare system. Healthcare providers may react to these proposals, and the uncertainty surrounding such proposals, by curtailing or deferring investments, including those for our systems and related services. Cost-containment measures instituted by healthcare providers as a result of regulatory reform or otherwise could result in a reduction in the allocation of capital funds. Such a reduction could have an adverse effect on our ability to sell our systems and related services. On the other hand, changes in the regulatory environment have increased and may continue to increase the needs of healthcare organizations for cost-effective data management and thereby enhance the overall market for healthcare management information systems. We cannot predict what effect, if any, such additional proposals or healthcare reforms might have on our business, financial condition and results of operations.

As existing regulations mature and become better defined, we anticipate that these regulations will continue to directly affect certain of our products and services, but we cannot fully predict the effect at this time. We have taken steps to modify our products, services and internal practices as necessary to facilitate our compliance with the regulations, but there can be no assurance that we will be able to do so in a timely or complete manner. Achieving compliance with these regulations could be costly and distract management’s attention and divert other company resources, and any noncompliance by us could result in civil and criminal penalties.

Regulations in the European Union and other places we do business will also have an effect on our business. There is a lack of uniformity in health care record regulation among countries of the European Union, and interoperatibility is a serious concern. It is likely that the EU will promulgate regulations modeled on those in the United States over the next decade.

The healthcare industry is heavily regulated at the local, state and federal levels. The

failure of our solutions to comply with regulatory requirements could result in adverse publicity and negatively affect our business. The healthcare industry is heavily regulated and is constantly evolving due to the changing political, legislative and regulatory landscapes. These regulations impact our business indirectly as, in a number of circumstances, our solutions, devices and services must be capable of being used by our customers in a way that complies with those laws and regulations, even though we may not be directly regulated by the specific healthcare laws and regulations. There is a significant number of wide-ranging regulations, including regulations in the areas of healthcare fraud, e-prescribing, claims processing and transmission, medical devices, the security and privacy of patient data, the ARRA meaningful use program, and interoperability standards, that may be directly or indirectly applicable to our operations and relationships or the business practices of our customers. Specific areas that are subject to increased regulation include, but are not limited to, the following:

Healthcare Fraud. Federal and state governments continue to enhance regulation of and increase their scrutiny over practices potentially involving healthcare fraud, waste and abuse by healthcare providers whose services are reimbursed by Medicare, Medicaid and other government healthcare programs. Our healthcare provider customers are subject to laws and regulations regarding fraud and abuse that, among other things, prohibit the direct or indirect payment or receipt of any remuneration for patient referrals, or arranging for or recommending referrals or other business paid for in whole or in part by these federal or state healthcare programs. Federal enforcement personnel have substantial funding, powers and remedies to pursue suspected or perceived fraud and abuse. The effect of this government regulation on our customers is difficult to predict. Many of the regulations applicable to our customers and that may be applicable to us, including those relating to marketing incentives offered in connection with medical device sales, are vague or indefinite and have not been interpreted by the courts. They may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could broaden their applicability to us or require our customers to make changes in their operations or the way in which they deal with us. If such laws and regulations are determined to be applicable to us and if we fail to comply with any applicable laws and regulations, we could be subject to civil and criminal penalties, sanctions or other liabilities, including exclusion from government healthcare programs, which could have a material adverse effect on our business, results of operations and financial condition. Even an unsuccessful challenge by a regulatory or prosecutorial authority of our activities could result in adverse publicity, could require a costly response from us and could adversely affect our business, results of operations and financial condition.

E-Prescribing. The use of our solutions by physicians for electronic prescribing and electronic routing of prescriptions via the Surescripts network to pharmacies is governed by federal and state laws. States have differing regulations that govern the electronic transmission of certain prescriptions and prescription requirements. Standards adopted by the National Council for Prescription Drug Programs and regulations adopted by the Centers for Medicare and Medicaid Services ("CMS") related to "EPrescribing and the Prescription Drug Program" set forth implementation standards for the transmission of electronic prescriptions. These standards are detailed and broad, and cover not only routing

transactions between prescribers and pharmacies, but also electronic eligibility, formulary and benefits inquiries. In general, regulations in this area can be burdensome and evolve regularly, meaning that any potential benefits to our customers from utilizing such solutions and services may be superseded by a newly-promulgated regulation that adversely affects our business model. Our efforts to provide solutions that enable our customers to comply with these regulations could be time consuming and expensive.

Regulation of Medical Devices. The United States Food and Drug Administration (the "FDA") regulates medical devices under the Federal Food, Drug and Cosmetic Act, as amended. If any of our record keeping and migration solutions are deemed to be actively regulated medical devices by the FDA, we could be subject to extensive requirements governing pre- and post-marketing activities including pre-market notification clearance. Complying with these medical device regulations is time consuming and expensive, and our marketing and other sales activities could be subject to unanticipated and significant delays. Further, it is possible that the FDA may become more active in regulating software and medical devices that are used in the healthcare industry. If we are unable to obtain the required regulatory approvals for any such software or medical devices, our short- to long-term business plans for these solutions or medical devices could be delayed or canceled and we could face FDA refusal to grant pre-market clearance or approval of products; withdrawal of existing clearances and approvals; fines, injunctions or civil penalties; recalls or product corrections; production suspensions; and criminal prosecution. FDA regulation of our products could increase our operating costs, delay or prevent the marketing of new or existing products, and adversely affect our revenue growth.

Security and Privacy of Patient Information. Federal, state and local laws regulate the privacy and security of patient records and the circumstances under which those records may be released. These regulations govern both the disclosure and use of confidential patient medical record information and require the users of such information to implement specified security and privacy measures. United States regulations currently in place governing electronic health data transmissions continue to evolve and are often unclear and difficult to apply. European Union regulations can be, in some respects, more onerous.

In the United States, HIPAA regulations require national standards for some types of electronic health information transactions and the data elements used in those transactions, security standards to ensure the integrity and confidentiality of health information, and standards to protect the privacy of individually identifiable health information. Covered entities under HIPAA, which include healthcare organizations such as our customers, are required to comply with the privacy standards, transaction regulations and security regulations. Moreover, HITECH and associated regulatory requirements extend many of the HIPAA obligations, formerly imposed only upon covered entities, to business associates as well. The extension of these HIPAA obligations to business associates by law has created additional liability risks related to the privacy and security of individually identifiable health information.

Evolving HIPAA and HITECH-related laws or regulations could restrict the ability of our customers to obtain, use or disseminate patient information. This could adversely affect

demand for our solutions if they are not re-designed in a timely manner in order to meet the requirements of any new interpretations or regulations that seek to protect the privacy and security of patient data or enable our customers to execute new or modified healthcare transactions. We may need to expend additional capital and software development and other resources to modify our solutions to address these evolving data security and privacy issues. Furthermore, our failure to maintain the confidentiality of sensitive personal information in accordance with the applicable regulatory requirements could damage our reputation and expose us to claims, fines and penalties.

Federal and state statutes and regulations have granted broad enforcement powers to regulatory agencies to investigate and enforce compliance with these privacy and security laws and regulations. Federal and state enforcement personnel have substantial funding, powers and remedies to pursue suspected or perceived violations. If we fail to comply with any applicable laws or regulations, we could be subject to civil penalties, sanctions or other liability. Enforcement investigations, even if meritless, could have a negative impact on our reputation, cause us to lose existing customers or limit our ability to attract new customers.

ARRA Meaningful Use Program. Various federal and state government agencies are developing standards that could become mandatory for systems purchased by entities that are funded by these agencies. For example, the ARRA requires "meaningful use of certified electronic health record technology" by healthcare providers by 2015 in order to receive incentive payments. Regulations have been issued that identify standards and implementation specifications and establish the certification standards for qualifying EHR technology. Nevertheless, these standards and specifications are subject to interpretation by the entities designated to certify such technology. The regulatory standards to achieve certification will continue to evolve over time. We may incur increased development costs and delays if we need to upgrade our software or healthcare devices to be in compliance with these varying and evolving standards. In addition, delays in interpreting these standards may result in postponement or cancellation of our customers' decisions to purchase our solutions. If our solutions are not compliant with these evolving standards, our market position and sales could be impaired and we may have to invest significantly in changes to our products and services.

Interoperability Standards. Medical records software and systems are required to be interoperable with other third party healthcare information technology systems. Market forces or governmental or regulatory authorities could create software interoperability standards that would apply to our software and systems, and if our software and systems are not consistent with those standards, we could be forced to incur substantial additional development costs. For example, the HITECH Act contains interoperability standards that healthcare providers are required to adhere to in order to receive stimulus funds from the federal government under the ARRA. Compliance with these and related standards is becoming a competitive requirement and, although a combination of our solutions has been certified as meeting all such required interoperability standards to date, maintaining such compliance with these varying and evolving rules may result in increased development costs and delays in upgrading our customer software and systems. To the extent these rules are narrowly construed, subsequently changed or supplemented, or that we are delayed in

achieving certification under these evolving rules for applicable products, our customers may postpone or cancel their decisions to purchase or implement our software and systems.

Standards for Submission of Healthcare Claims. CMS has mandated the use of new patient codes for reporting medical diagnosis and inpatient procedures, referred to as the ICD-10 codes. CMS is requiring all providers, payors, clearinghouses and billing services to utilize these ICD-10 codes when submitting claims for payment. ICD-10 codes will affect medical diagnosis and inpatient procedure coding for everyone covered by HIPAA, not just those who submit Medicare or Medicaid claims. Claims for services provided on or after October 1, 2015 must use ICD-10 codes for medical diagnosis and inpatient procedures or they will not be paid. While we have successfully implemented the use of ICD-10 codes within our products and services, the possibility exists for similar future mandates by CMS. If our products and services do not accommodate CMS mandates at any future date, customers may cease to use those products and services that are not compliant and may choose alternative vendors and products that are compliant. This could adversely impact future revenues.

Economic, market and other factors may cause a decline in spending for information technology and services by our current and prospective customers which may result in less demand for our products, lower prices and, consequently, lower revenues and a lower revenue growth rate. The purchase of our solutions at times may involve a significant financial commitment by our customers. At the same time, the healthcare industry faces significant financial pressures that could adversely affect overall spending on healthcare information technology and services. For example, the recent economic recession and continued decrease in availability of credit, combined with actual and potential reductions in federal and state funding for Medicare and Medicaid, has caused medical providers to reduce, eliminate or postpone information technology related and other spending. To the extent spending for healthcare information technology and services declines or increases slower than we anticipate, demand for our products and services, as well as the prices we charge, could be adversely affected. Accordingly, we cannot assure you that we will be able to increase or maintain our revenues or our revenue growth rate.

Volatility in and disruption to the global capital and credit markets and tightened lending standards may adversely affect our ability to access credit in the future, the cost of any credit obtained in the future, and the financial soundness of our customers and our business. Domestic and international events during the last several years have resulted in volatility and disruption to the global capital and credit markets, manifested in the bankruptcy or restructuring of certain financial institutions and reduced lending activity by other financial institutions. Although certain indices and economic data have shown signs of stabilization in the United States and certain global markets, there can be no assurance that these improvements will be broad-based or sustainable. Continued or increased volatility and disruption in the global capital and credit markets may adversely affect the availability, terms and cost of credit in the future. Although we believe that our operating cash flow and financial assets will give us the ability to meet our financing needs for the foreseeable future, there can be no assurance that the continued or increased volatility and disruption in the global capital and credit markets will not impair our liquidity or increase the costs of

any future borrowing.

Our business could also be negatively impacted to the extent that our customers experience disruptions resulting from tighter capital and credit markets, the recent economic recession or cuts in Medicare and Medicaid funding. As a result, medical providers may modify, delay or cancel plans to purchase our software systems or services. Additionally, if medical providers' operating and financial performance deteriorates, or if they are unable to make scheduled payments or obtain credit, they may not be able to pay, or may delay payment of, accounts receivable owed to us. Any inability of customers to pay us for our products and services may adversely affect our earnings and cash flow.

We may engage in future acquisitions. Such strategic acquisitions may be expensive, time consuming, and subject to other inherent risks which may jeopardize our ability to realize anticipated benefits. We may acquire additional businesses, technologies and products if we determine that these additional businesses, technologies and products are likely to serve our strategic goals. Acquisitions have inherent risks, which may have a material adverse effect on our business, financial condition, operating results or prospects, including, but not limited to the following:

- significant acquisition and integration costs;
- failure to achieve projected synergies and performance targets;
- potentially dilutive issuances of our securities, the incurrence of debt and contingent liabilities and amortization expenses related to intangible assets with indefinite useful lives, which could adversely affect our results of operations and financial condition;
- using cash as acquisition currency may adversely affect interest or investment income, which may in turn adversely affect our earnings and/or earnings per share;
- difficulty in fully or effectively integrating the acquired technologies, software products, services, business practices or personnel, which would prevent us from realizing the intended benefits of the acquisition;
- failure to maintain uniform standard controls, policies and procedures across acquired businesses;
- difficulty in predicting and responding to issues related to product transition such as development, distribution and customer support;
- the possible adverse effect of such acquisitions on existing relationships with third party partners and suppliers of technologies and services;
- the possibility that staff or customers of the acquired companies might not accept new

ownership and may transition to different technologies or attempt to renegotiate contract terms or relationships, including maintenance or support agreements;

- the assumption of known and unknown liabilities;

- the possibility that the due diligence process in any such acquisition may not completely identify material issues associated with product quality, product architecture, product development, intellectual property issues, key personnel issues or legal and financial contingencies, including any deficiencies in internal controls and procedures and the costs associated with remedying such deficiencies;

- difficulty in entering geographic and/or business markets in which we have no or limited prior experience;

- diversion of management's attention from other business concerns; and

- the possibility that acquired assets become impaired, requiring us to take a charge to earnings which could be significant.

A failure to successfully integrate acquired businesses or technology in a timely manner could, for any of these reasons, have an adverse effect on our financial condition and results of operations. As a result, we may not be able to realize the expected benefits that we seek to achieve from the acquisitions, which could also affect our ability to service our debt obligations. In addition, we may be required to spend additional time or money on integration that otherwise would be spent on the development and expansion of our business.

Competition with companies that have greater financial, technical and marketing resources than we have could result in a loss of customers and/or a lowering of prices for our products, causing a decrease in our revenues and/or market share. A number of existing and potential competitors are more established than we are and have greater name recognition and financial, technical and marketing resources. Products of our competitors may have better performance, lower prices and broader market acceptance than our products. We expect increased competition that could cause us to lose customers, lower our prices to remain competitive and, consequently, experience lower revenues, revenue growth and profit margins.

Our failure to develop new products or enhance current products in response to market demands could adversely impact our competitive position and require substantial capital resources to correct. The needs of our customers are subject to rapid change due to government regulation, trends in clinical care practices and technological advancements. As a result of these changes, our products may quickly become obsolete or less competitive. New product introductions and enhancements by our competitors that more effectively or timely respond to changing industry needs may weaken our competitive position.

We continually redesign and enhance our products to incorporate new technologies and adapt our products to ever-changing hardware and software platforms. Often we face difficult choices regarding which new technologies to adopt. If we fail to anticipate or respond adequately to technological advancements, or experience significant delays in product development or introduction, our competitive position could be negatively affected. Moreover, our failure to offer products acceptable to our target market could require us to make significant capital investments and incur higher operating costs to redesign our products, which could negatively affect our financial condition and operating results.

Breaches of security and viruses in our systems could result in customer claims against us and harm to our reputation causing us to incur expenses and/or lose customers. In the course of our business operations, we assist our customers to compile and transmit confidential information, including patient health information. We have included security features in our systems that are intended to protect the privacy and integrity of this information. Despite the existence of these security features, a customer's system may experience break-ins and similar disruptive problems that could jeopardize the security of information stored in and transmitted through the information technology networks of our customers. In addition, the other systems with which we may interface, such as the Internet and related systems, may be vulnerable to security breaches, viruses, programming errors or similar disruptive problems. Because of the sensitivity of medical information, customers could sue us for breaches of security involving our system. Also, actual or perceived security breaches in our system could harm the market perception of our products which could cause us to lose existing and prospective customers. Additionally, the effect of security breaches and related issues could disrupt our ability to perform certain key business functions and could potentially reduce demand for our products and services. Accordingly, we have expended significant resources toward establishing and enhancing the security of our related infrastructures, although no assurance can be given that these systems will be entirely free from potential breach. Maintaining and enhancing our infrastructure security may require us to expend significant capital in the future.

*New products that we introduce or enhancements to our existing products may contain undetected errors or problems that could affect customer satisfaction and cause a decrease in revenues. H*ighly complex software products such as ours sometimes contain undetected errors or failures when first introduced or when updates and new versions are released. Tests of our products may not detect bugs or errors because it is difficult to simulate our customers' wide variety of computing environments. Despite extensive testing, from time to time we have discovered defects or errors in our products. Defects or errors discovered in our products could cause delays in product introductions and shipments, result in increased costs and diversion of development resources, require design modifications, decrease market acceptance or customer satisfaction with our products, cause a loss of revenue, result in legal actions by our customers and cause increased insurance costs.

If we are unable to attract and retain qualified customer service and support personnel, our business and operating results will suffer. Our customer service and support is a key component of our business. Many of our customers have small information technology staffs, and they depend on us to service and support their systems. Future difficulty in

attracting, training and retaining capable customer service and support personnel could cause a decrease in the overall quality of our customer service and support. That decrease would have a negative effect on customer satisfaction which could cause us to lose existing customers and could have an adverse effect on our new customer sales. The loss of customers due to inadequate customer service and support would negatively impact our ability to continue to grow our business.

We do not have employment or non-competition agreements with most of our key personnel, and their departure could harm our future success. Our future success depends to a significant extent on the leadership and performance of our chief executive officer and other employees. We do not have employment or non-competition agreements with most of our executive officers. Therefore, they may terminate their employment with us at any time and may compete against us. The loss of the services of any of our executive officers could have a material adverse effect on our business, financial condition and results of operations.

*Mr. Thomas controls the Company***.** Michael Thomas beneficially owns 99% of the outstanding shares of the Company, giving him the power to determine all matters brought before shareholders..

If we are unable to manage our growth in the new markets we may enter, our business and financial results could suffer. Our future financial results will depend in part on our ability to profitably manage our business in new markets that we may enter. We are engaging in the strategic identification of, and competition for, growth and expansion opportunities in new markets or offerings. In order to successfully execute on these future initiatives, we will need to, among other things, manage changing business conditions and develop expertise in areas outside of our business's traditional core competencies. Difficulties in managing future growth in new markets could have a significant negative impact on our business, financial condition and results of operations.

Because we believe that proprietary rights are material to our success, misappropriation of these rights could limit our ability to compete effectively and adversely affect our financial condition. We are heavily dependent on the maintenance and protection of our intellectual property and we rely largely on a combination of confidentiality provisions in our customer agreements, employee nondisclosure agreements, trademark and trade secret laws and other measures to protect our intellectual property. Additionally, our software is not always able to be patented or copyrighted. Although we attempt to control access to our intellectual property, unauthorized persons may attempt to copy or otherwise use our intellectual property. There can be no assurance that the legal protections and precautions we take will be adequate to prevent misappropriation of our technology or that competitors will not independently develop technologies equivalent or superior to ours. Monitoring unauthorized use of our intellectual property is difficult, and the steps we have taken may not prevent unauthorized use. If our competitors gain access to our intellectual property, our competitive position in the industry could be damaged. An inability to compete effectively could cause us to lose existing and potential customers and experience lower revenues, revenue growth and profit margins. Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and the required licenses may not be available on

reasonable terms or at all. We also rely on nondisclosure agreements with certain employees, and we cannot be certain that these agreements will not be breached or that we will have adequate remedies for any breach.

If we are deemed to infringe on the intellectual property rights of third parties, we could incur unanticipated expense and be prevented from providing our products and services if we cannot obtain licenses to these rights on commercially acceptable terms. We do not believe that our operations or products infringe on the intellectual property rights of others. However, there can be no assurance that others will not assert infringement or trade secret claims against us with respect to our current or future products. Many participants in the technology industry have an increasing number of patents and patent applications and have frequently demonstrated a readiness to take legal action based on allegations of patent and other intellectual property infringement. Further, as the number and functionality of our products increase, we believe we may become increasingly subject to the risk of infringement claims. If infringement claims are brought against us, these assertions could distract management. We may have to spend a significant amount of money and time to defend or settle those claims. In addition, claims against third parties from which we purchase software could adversely affect our ability to access third-party software for our systems.

If we were found to infringe on the intellectual property rights of others, we could be forced to pay significant license fees or damages for infringement. If we were unable to obtain licenses to these rights on commercially acceptable terms, we would be required to discontinue the sale of our products that contain the infringing technology. Our customers would also be required to discontinue the use of those products. We are unable to insure against this risk on an economically feasible basis. Even if we were to prevail in an infringement lawsuit, the accompanying publicity could adversely impact the demand for our products. Under some circumstances, we agree to indemnify our customers for some types of infringement claims that may arise from the use of our products.

We face the risks and uncertainties that are associated with litigation against us, which may adversely impact our marketing, distract management and have a negative impact upon our business, results of operations and financial condition. We face the risks associated with litigation concerning the operation of our business. For example, companies in our industry, including many of our competitors, have been subject to litigation based on allegations of patent infringement or other violations of intellectual property rights. In particular, patent holding companies often engage in litigation to seek to monetize patents that they have obtained. As the number of competitors, patents and patent holding companies in our industry increases, the functionality of our products and services expands, and we enter into new geographies and markets, the number of intellectual property rights-related actions against us is likely to continue to increase. The uncertainty associated with substantial unresolved litigation may have an adverse effect on our business. In particular, such litigation could impair our relationships with existing customers and our ability to obtain new customers. Defending such litigation may result in a diversion of management's time and attention away from business operations, which could have an adverse effect on our business, results of operations and financial condition. Such litigation may also have the

effect of discouraging potential acquirers from bidding for us or reducing the consideration such acquirers would otherwise be willing to pay in connection with an acquisition.

There can be no assurance that such litigation will not result in liability in excess of our insurance coverage, that our insurance will cover such claims or that appropriate insurance will continue to be available to us in the future at commercially reasonable rates.

We are dependent on the continued and unimpeded access to the Internet by us and our customers, which is not within our control. We deliver Internet-based services and, accordingly, depend on our ability and the ability of our customers to access the Internet. This access is currently provided by third parties that have significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies and government-owned service providers - all of whom are outside of our control. In the event of any difficulties, outages and delays by Internet service providers, we may be impeded from providing services, resulting in a loss of potential or existing customers.

We are dependent on our licenses of rights, products and services from third parties, disruptions of which may cause us to discontinue, delay or reduce product shipments. We are increasingly dependent upon licenses for some of the technology used in our products as well as other products and services from third-party vendors, and the costs of these licenses have increased in recent years. Most of these arrangements can be continued/renewed only by mutual consent and may be terminated for any number of reasons. We may not be able to continue using the technology, products or services made available to us under these arrangements on commercially reasonable terms or at all. As a result, we may have to discontinue, delay or reduce product shipments or services provided until we can obtain equivalent technology or services. Most of our third-party licenses are non-exclusive. Our competitors may obtain the right to use any of the business elements covered by these arrangements and use these elements to compete directly with us. In addition, if our vendors choose to discontinue providing their technology, products or services in the future or are unsuccessful in their continued research and development efforts, we may not be able to modify or adapt our own products.

We are subject to changes in and interpretations of financial accounting matters that govern the measurement of our performance, one or more of which could adversely affect our business, financial condition, cash flows, revenue and results of operations. Based on our reading and interpretations of relevant guidance, principles or concepts issued by, among other authorities, the American Institute of Certified Public Accountants, the Financial Accounting Standards Board and the Securities and Exchange Commission, we believe revenue received pursuant to our current sales and licensing contract terms and business arrangements have been properly recognized. However, there continue to be issued interpretations and guidance for applying the relevant standards to a wide range of sales and licensing contract terms and business arrangements that are prevalent in the software industry. Future interpretations or changes by the regulators of existing accounting standards or changes in our business practices could result in changes in our revenue recognition and/or other accounting policies and practices that could adversely affect our

business, financial condition, cash flows, revenue and results of operations.

The unpredictability of our quarterly operating results may cause us to fail to meet revenues or earnings expectations which could cause the price of our common stock to fluctuate or decline. There is no assurance that consistent quarterly growth in our business will occur. Our quarterly revenues may fluctuate and may be difficult to forecast for a variety of reasons. For example, prospective customers often take significant time evaluating our system and related services before making a purchase decision. Moreover, a prospective customer who has placed an order for our system could decide to cancel that order or postpone installation of the ordered system. If a prospective customer delays or cancels a scheduled system installation during any quarter, we may not be able to schedule a substitute system installation during that quarter. The amount of revenues that would have been generated from that installation will be postponed or lost. The possibility of delays or cancellations of scheduled system installations could cause our quarterly revenues to fluctuate.

The following factors may also affect demand for our products and services and cause our quarterly revenues to fluctuate:

- changes in customer budgets and purchasing priorities;
- the ability of our customers to obtain financing for the purchase of our products;
- the financial stability of our customers;
- the specific mix of software, hardware and services in orders from customers;
- the timing of new product announcements and product introductions by us and our competitors;
- market acceptance of new products, product enhancements and services from us and our competitors;
- product and price competition;
- our success in expanding our sales and marketing programs;
- the availability and cost of system components;
- delay of revenue recognition to future quarters due to an increase in the sales of our remote access SaaS services;
- the length of sales cycles and installation processes;
- changes in revenue recognition or other accounting guidelines employed by us and/or established by the Financial Accounting Standards Board or other rulemaking bodies;
- accounting policies concerning the timing of recognition of revenue;
- personnel changes; and
- general market and economic factors.

Variations in our quarterly revenues may adversely affect our operating results. In each fiscal quarter, our expense levels, operating costs and hiring plans are based on projections of future revenues and are relatively fixed. Because a significant percentage of our expenses are relatively fixed, a variation in the timing of systems sales, implementations and installations can cause significant variations in operating results from quarter to quarter. As a result, we believe that interim period-to-period comparisons of our results of operations

are not necessarily meaningful and should not be relied upon as indications of future performance. Further, our historical operating results are not necessarily indicative of future performance for any particular period.

We currently recognize revenue pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 985-605, *Software, Revenue Recognition*, or ASC 985-605. ASC 985-605 summarizes the FASB's views in applying generally accepted accounting principles to revenue recognition in financial statements. There can be no assurance that application and subsequent interpretations of this pronouncement will not further modify our revenue recognition policies, or that such modifications would not adversely affect our operating results reported in any particular quarter or year.

Due to all of the foregoing factors, it is possible that our operating results may be below the expectations of securities analysts and investors. In such event, the price of our common stock would likely be adversely affected.

Our common stock price may experience significant volatility, which could result in substantial losses for investors purchasing shares of our common stock and in litigation against us.

Volatility may be caused by a number of factors including but not limited to:

- actual or anticipated quarterly variations in operating results;
- rumors about our performance, software solutions, or merger and acquisition activity;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- governmental regulatory action;
- healthcare reform measures;
- customer relationship developments;
- purchases or sales of Company stock;
- changes occurring in the markets in general;
- macroeconomic conditions, both nationally and internationally; and
- other factors, many of which are beyond our control.

Furthermore, the stock market in general, and the market for software, healthcare and high technology companies in particular, has experienced significant volatility in recent years that often has been unrelated to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the trading price of our common stock, regardless of actual operating performance.

Moreover, in the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and divert management's attention and resources.

Trading Price of Common Stock. Currently, less than 10,000 of our shares are in street name. There will likely be a lack of liquidity in our common stock until we raise funds in one or more public offerings; thereafter, a relatively small number of stockholders may own a significant portion of our public float. We will have no control over the decisions of any of our stockholders to retain ownership of their shares. The trading price of our common stock could be adversely affected or be subject to volatility if one or more of these stockholders should determine to sell their shares.

We may also in the future issue additional shares of common stock and the offering price e could be at some unknown discount to the public market. The resale of shares by investors could adversely affect the trading price of our common stock.

Disclosure requirements pertaining to penny stocks may reduce the level of trading activity in the market for our common stock and investors may find it difficult to sell their shares.

Disclosure requirements pertaining to penny stocks may reduce the level of trading activity in the market for our common stock and investors may find it difficult to sell their shares. The SEC has rules that regulate broker/dealer practices in connection with transactions in "penny stocks". Penny stocks generally are equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in that security is provided by the exchange or system, or, in the case of the Company, a company in existence for more than three years with audited net tangible assets of no less than $2 million). Although we believe that our common stock is not subject to the penny stock rules because our shares trade at a price of $5.00 per more, and our net tangible assets are in excess of $2 million, there is no assurance that we will continue to be exempt from the penny stock rules. Trades of our common stock may then be subject to Rule 15g-9 of the SEC which rule imposes certain requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, brokers/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser's written agreement to the transaction prior to sale. The penny stock rules require a broker/dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

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

	Number of Shares	**Percent**
Michael Thomas(1)	9,885,150	98.9%
Total: (1 Officer/Director)	9,885,150	98.9%

(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. Mr. Hadzipanajotis is a Massachusetts licensed Certified Public Accountant.

C. Investor Relations Consultant

None

D. Other Advisor

None

10. Issuer Certification

I, Michael Thomas, certify that:

1. I have reviewed this Quarterly Report 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

_____ _____

Michael Thomas, President
April 13, 2018

FOUNDERS BAY TECHNOLOGIES, INC

FINANCIAL STATEMENTS AND
NOTES TO FINANCIAL STATEMENTS

INTERIM PERIOD ENDING MARCH 31, 2018

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, 2018, and the related statements of activities, functional expenses and cash flows for the period then ended. Each of the reported periods includes comparative information in relation to the corresponding periods of the previous fiscal year. This review is based primarily on applying analytical procedures to management's financial data and making inquiries of the Organization's management. As any review, this methodology 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 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.

Michael J Hadzipanajotis, CPA Belmont, MA – April 6, 2018

FOUNDERS BAY TECHNOLOGIES, INC

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

in $USD unless noted otherwise	As of Mar-18	Dec-17
Assets		
Cash	**$ 95,410**	$ 15,979
Accounts receivable	**5,467,877**	5,076,852
Fixed assets	**2,449,154**	2,410,712
Accumulated depreciation	**(1,040,504)**	(963,650)
Intangible assets	**7,259,073**	6,913,173
Accumulated amortization	**(2,241,615)**	(2,082,979)
Contracts receivable	**5,975,490**	5,682,269
Total assets	**$ 17,964,884**	**$ 17,052,356**
Liabilities		
Accounts payable	**103,781**	76,221
Contracts deferred	**5,975,490**	5,682,269
Total Liabilities	**6,079,271**	**5,758,490**
Shareholder's equity		
Capital stock	**2,275,352**	2,275,352
Retained earnings	**9,018,514**	5,957,231
Net income	**591,747**	3,061,283
Total Shareholder Equity	**11,885,613**	**11,293,866**
Total liabilities and shareholder's equity	**$ 17,964,884**	**$ 17,052,356**

FOUNDERS BAY TECHNOLOGIES, INC

STATEMENT OF INCOME

in $USD unless noted otherwise	Three months ended March 2018	2017
Revenues		
Sales	**$ 2,257,219**	$ 2,306,920
Amortization	**158,637**	149,255
Other COGS	**544,124**	565,602
Gross Profit	**1,554,458**	**1,592,063**
Operating expenses		
Sales & Marketing	**80,224**	71,988
Research & Development	**272,491**	235,430
General & Administrative	**267,285**	241,235
Depreciation	**76,854**	74,659
Total Operating Expenses	**696,855**	**623,312**
Earnings		
EBIT	**857,604**	968,750
EBITDA	**1,093,095**	1,192,665
Less: Tax	**(265,857)**	(329,375)
Net income	**$ 591,747**	**$ 639,375**

FOUNDERS BAY TECHNOLOGIES, INC

STATEMENT OF CASH FLOWS

in $USD unless noted otherwise	Three months ended March 2018	2017
Cash flows from operating activities		
Net Income	**$ 591,747**	$ 639,375
Depreciation & Amortization	**235,491**	223,915
Working Capital	**(363,465)**	(631,599)
Total Operations	**463,773**	**231,691**
Cash flows from investing activities		
Capital expenditures (fixed)	**(38,442)**	(27,465)
Capital expenditures (intangibles)	**(345,900)**	(175,900)
Total Investing	**(384,342)**	**(203,365)**
Cash flows from financing activities		
Equity	**-**	-
Debt	**-**	-
Total Financing	**-**	**-**
Net cash	**$ 79,431**	$ **28,326**

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:

- CareConnext® Migration Software and Services
- CareConnext® Records Viewer
- CareConnext® DataSequre® ATDTM
- CareConnext® OdemTM
- CareConnext® RevvTM
- CareConnext® ExpTM

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.

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 period-end consist of the following:

Checking and money market accounts:

	March 31, 2018	December 31, 2017
Cash	$ 95,410	$ 15,979
Total	95,410	15,979

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. On March 31, 2018, the organization had $0 of uninsured balances at these institutions.