

Disclosure Statement

Founders Bay Holdings

A Nevada Corporation

913 N. Market Street, Suite 200
Wilmington, Delaware

(302) 416-4816

www.fbaytech.com

foundersbay@outlook.com

SIC code: 7573

Quarterly Report

For the Period Ending: June 30, 2019
(the "Reporting Period")

As of June 30, 2019, the number of shares outstanding of our Common Stock was:

- 9,997,597

As of March 31, 2019, the number of shares outstanding of our Common Stock was:

- 9,997,597

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: ☒ (Double-click and select "Default Value" to check)

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

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐

No: ☒

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.

- Formerly Intersecurity Holdings Corp. until 10-2016
- Formerly Founders Bay Technologies, Inc. until 03-2017

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):

- Nevada, July 1986. Currently Active.

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

Yes: ☐ No: ☒

2) Security Information

Trading symbol:	FDBH	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	35052R 103	
Par or stated value:	\$.001	
Total shares authorized:	980,000,000	as of date: June 30, 2019
Total shares outstanding:	9,997,597	as of date: June 30, 2019
Number of shares in the Public Float:	99,850	as of date: Dec 31, 2018
Total number of shareholders of record:	613	as of date: Dec 31, 2018

Additional class of securities (if any):

Trading symbol:	NA	
Exact title and class of securities outstanding:	<u>NA</u>	
CUSIP:	NA	
Par or stated value:	<u>NA</u>	
Total shares authorized:	<u>NA</u>	as of date: <u>NA</u>
Total shares outstanding:	<u>NA</u>	as of date: <u>NA</u>

Transfer Agent

Name: Pacific Stock Transfer Co.
 Phone: (800) 785-7782
 Email: joslyn@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

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

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: NA ☒

Number of Shares outstanding as of <u>January 1, 2016</u>	<u>Opening Balance:</u> Common: <u>19,970,000</u> Preferred: <u>0</u>		*Right-click the rows below and select "Insert" to add rows as needed.						
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?
03/10/2017	Reverse stock split	0	Common	N/A	No	N/A	N/A	Restricted	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on <u>June 30, 2019:</u>	<u>Ending Balance:</u> Common: <u>9,997,597</u> Preferred: <u>0</u>								

Change in capital for pay date 04/25/2017, common shares decreased by 1 for 2000 split. Effected through an amendment to the Articles of Incorporation filed on March 10, 2017.

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 Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual):

Name: S.R. Chourasiya
Title: Accountant
Relationship to Issuer: Independent Accountant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Financial notes; and
G. Audit letter, if audited

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")

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[®]. 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[®] 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 Recover and Reinvestment Act required 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[®] 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 seven 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 those in Asia 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.

- 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

Founders Bay Holdings, a Nevada corporation, operates through its wholly-owned Delaware subsidiary, Founders Bay Technologies, Inc.

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

See also Item 5(A), above. The company provides proprietary technology for management of electronic health care records under the tradename CareConnex[®] in the United States and throughout the world through its wholly-owned subsidiary, Founders Bay Technologies, Inc.

6) 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 its lease, which ends in 2020.

7) Officers, Directors, and Control Persons

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.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Founders Bay Corporation, owned and controlled by Michael Thomas	Michael Thomas CEO/Director	Guadalajara, Jalisco	9,885,150	Common	99.0%	<u>Michael Thomas</u>
Mark Herrick, Esq	Secretary	Los Angeles, CA	0	Common	0.0%	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

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

Name: Lynne Bolduc, Esq.
Firm: FitzGerald Yap Kreditor LLP
Nature of Services: Legal services
Address 1: 2 Park Plaza, Suite 850
Address 2: Irvine, CA 92705
Phone: (949) 788-8900
Email: lbolduc@fyklaw.com

Accountant or Auditor

Name: Chandan Chourasiya
Firm: S.R. Chourasiya & Co.
Address 1: 48D PANTACHA GOT, OPP KARAD URBAN BANK,
SATARA, MAHARASHTRA 415001
Phone: +91.2162.234525
Email: chandan@src.in

Investor Relations Consultant

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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, Michael Thomas certify that:

1. I have reviewed this quarterly disclosure 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.

August 17, 2019 [Date]

/s/ Michael Thomas [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Michael Thomas certify that:

1. I have reviewed this quarterly disclosure 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.

August 17, 2019 [Date]

/s/ Michael Thomas [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

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S R CHOURASIYA & CO
Chartered Accountants

Financial Statements and Notes to Financial Statements
Interim Period Ending June 30, 2019

INDEPENDENT ACCOUNTANT REVIEW REPORT

To the Board of Directors of Founders Bay Technologies, Inc:

We have reviewed the accompanying statement of financial position of Founders Bay Technologies, Inc as of the interim period June 30, 2019, 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.

S.R. Chourasiya & Co.
Charter Accountants

Chandan Chourasiya
Partner

PCAOB Reg No. 6137
16th August 2019

CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet Q2 2019

	As of	
<i>in \$USD unless noted otherwise</i>	Jun-19	Dec-18
Assets		
Cash	\$380,305	\$161,990
Accounts receivable	8,881,357	7,546,027
Fixed assets	3,474,956	3,035,155
Accumulated depreciation	-1,440,842	-1,277,689
Intangible assets	8,621,616	8,133,829
Accumulated amortization	-3,082,149	-2,737,415
Contracts receivable	7,441,112	7,143,835
Total assets	\$24,276,355	\$22,005,731
Liabilities		
Accounts payable	29,467	299,895
Contracts deferred	7,441,112	7,143,835
Total Liabilities	7,470,579	7,443,730
Shareholder's equity		
Capital stock	2,275,352	2,275,352

Balance Sheet Q2 Cont.		
Retained earnings	12,286,649	9,018,514
Net income	2,243,775	3,268,134
Total Shareholder Equity	16,805,775	14,562,001
Total liabilities and shareholder's equity	\$24,276,355	\$22,005,731

Income Statement Q2 2019

	Three Months Ended June	
<i>in \$USD unless noted otherwise</i>	2019	2018
Revenues		
Sales	\$2,854,603	\$2,670,796
Amortization	172,714	161,356
Other COGS	589,777	553,822
Gross Profit	2,264,825	1,955,618
Operating expenses		
Sales & Marketing	127,423	93,327
Research & Development	339,252	284,541
General & Administrative	291,245	267,612
Depreciation	81,584	77,256
Total Operating Expenses	839,503	722,735
Earnings		
EBIT	1,425,322	1,232,883
EBITDA	1,506,906	1,471,495
Less: Other Expenses	-314,119	-383,710
Net income	\$1,111,203	\$849,173

Statement of Cash Flow Q2 2019

	Six Months Ended June	
<i>in \$USD unless noted otherwise</i>	2019	2018
Cash flows from operating activities		
Net Income	\$2,243,775	\$1,440,919
Depreciation & Amortization	507,886	474,103
Accounts Payable	-270,428	-119,048
Accounts Receivable	-1,335,330	-793,652
Total Operations	1,145,903	922,958
Cash flows from investing activities		
Capital expenditures (fixed)	-439,801	-239,102
Capital expenditures (intangibles)	-487,787	-562,199
Total Investing	-927,588	-801,301
Cash flows from financing activities		
Equity	-	-
Debt	-	-
Total Financing	-	-
Net cash	\$218,315	\$121,656

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[®] Migration Software and Services
- CareConnex[®] Records Viewer
- CareConnex[®] DataSeque[®] ATDTM
- CareConnex[®] Odem[™]
- CareConnex[®] Revv[™]
- CareConnex[®] Exp[™]

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 taxable as a C Corp.

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:

	June 30, 2019	March 31, 2019
Cash	\$380,305	\$185,167
Total	\$380,305	\$185,167

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 June 30, 2019, the organization had \$0 of uninsured balances at these institutions.