



GAINCLIENTS, INC.

QUARTERLY DISCLOSURE STATEMENT

For the Quarter Ending September 30, 2016

# GAINCLIENTS, INC.

FOR THE QUARTER ENDING SEPTEMBER 30, 2016

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1) Name of the issuer and its predecessors (if any)

GAINCLIENTS, INC. is a Florida corporation authorized to transact business in Arizona.

2) Address of the issuer's principal executive offices

**Company Headquarters**

6245 E. Broadway Blvd., Suite 400  
Tucson, AZ 85711

Phone Number: 520-327-1605

Fax: 520-844-8047

[investorrelations@sikku.com](mailto:investorrelations@sikku.com)

Web: [www.gainclients.com](http://www.gainclients.com)

**Investor Relations Contact**

None at this time.

3) Security Information

Trading Symbol: GCLT

CUSIP: 36268P105

No Par Value

		<b><u>Total Preferred Stock Authorized: 10,000,000</u></b>	
<b><u>For the Quarter Ending September 30, 2016</u></b>	<b><u>Common</u></b>	<b><u>Designated Preferred</u></b>	<b><u>Designated Preferred</u></b>
		<b><u>Series A</u></b>	<b><u>Series B</u></b>
i. Number of Shares Designated	1,000,000,000	6,000,000	0
ii. Number of Shares Issued & Outstanding	299,785,986	1,600,000	0
iii. Number of Free-trading Shares	132,020,176	0	0
v. Total number of shareholders	801	1	0

**Transfer Agent**

American Stock Transfer & Trust Company LLC  
Operations Center  
6201 15th Avenue  
Brooklyn, NY 11219  
718-921-8200

Is the Transfer Agent registered under the Exchange Act? Yes

List any restrictions on the transfer of security: New treasury issues and transfers have a 12 month holding period and legend removals may require a legal opinion.

Describe any trading suspension orders issued by the SEC in the past 12 months.

## Security Information (Continued)

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.

### 4) Issuance History

Chronicle events that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list includes all offerings of equity 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, including a description of the securities, the persons or entities to whom such securities were issued and the services provided by such persons or entities.

<u>Date</u>	<u>Person-Entity</u>	<u>Offering Type</u>	<u>No. Shares Offered</u>	<u>No. Shares Sold/Issued</u>	<u>Share Price or Loan Rate</u>	<u>Amount Paid</u>	<u>Warrant or Convertible Shares</u>	<u>Warrant or Convertible Share Price</u>	<u>Due/Expiration Date</u>	<u>Trading Status</u>
11/7/14	David Goldstein	Securities Act Rule 230.215	200,000	200,000	\$0.05	\$10,000	100,000	\$0.25	11/7/16	12 Mos. Restricted Legend
12/04/14	Pat. A. Seifert, Trustee of the Ray E. and Pat A. Seifert Family Trust	Convertible Debenture Extension	150,000	150,000	\$0.06	N/A	N/A	N/A	03/27/16	Registered at time of conversion
12/09/14	Wayne Kaul	Securities Act Rule 230.215	270,000	270,000	\$0.05	\$13,500	100,000	\$0.25	12/09/16	12 Mos. Restricted Legend
1/26/15	Michael Abney	Securities Act Rule 230.215	28,572	28,572	\$0.05	\$1,429	14,286	\$0.25	1/26/17	12 Mos. Restricted Legend
1/26/15	Leroy D. Love Revocable Living Trust	Securities Act Rule 230.215	100,000	100,000	\$0.05	\$5,000	50,000	\$0.25	1/26/17	12 Mos. Restricted Legend
02/04/15	Angela Burke	Securities Act Rule 230.215	100,000	100,000	\$0.05	\$5,000	50,000	\$0.25	1/26/17	12 Mos. Restricted Legend
2/23/15	Pat. A. Seifert, Trustee of the Ray E. and Pat A. Seifert Family Trust	Convertible Debenture Extension	200,000	200,000	\$0.06	N/A	N/A	N/A	N/A	12 Mos. Restricted Legend
03/03/15	Gary and Terry Williams JT TEN	Convertible Debenture Extension	100,000	100,000	\$0.06	N/A	N/A	N/A	N/A	12 Mos. Restricted Legend

## Issuance History Continued.

<u>Date</u>	<u>Person-Entity</u>	<u>Offering Type</u>	<u>No. Shares Offered</u>	<u>No. Shares Sold/Issued</u>	<u>Share Price or Loan Rate</u>	<u>Amount Paid</u>	<u>Warrant or Convertible Shares</u>	<u>Warrant or Convertible Share Price</u>	<u>Due/Expiration Date</u>	<u>Trading Status</u>
03/06/15	David J. Berwick	Securities Act Rule 230.215	416,667	416,667	\$0.06	\$25,000	208,334	\$0.25	03/06/2017	12 Mos. Restricted Legend
03/06/15	James A. Berwick	Securities Act Rule 230.215	416,667	416,667	\$0.06	\$25,000	208,334	\$0.25	03/06/2017	12 Mos. Restricted Legend
03/18/15	Craig Schoepke	Securities Act Rule 230.215	200,000	200,000	\$0.05	\$10,000	100,000	\$0.25	03/18/17	12/Mo. Restricted Legend
03/25/15	Lisa Lynn Edgar	Securities Act Rule 230.215	150,000	150,000	0.06	\$9,000	75,000	\$0.25	03/25/17	12/Mo. Restricted Legend
03/31/15	Lisa Lynn Edgar	Securities Act Rule 230.215	50,000	50,000	0.06	\$3,000	25,000	\$0.25	03/31/17	12/Mo. Restricted Legend
03/24/15	Lisa Lynn Edgar	Securities Act Rule 230.215	83,333	83,333	0.06	\$5,000	41,667	\$0.25	03/24/17	12/Mo. Restricted Legend
06/05/15	Mike Hannley and Ruth I. Hannley	Securities Act Rule 230.215	200,000	200,000	0.06	\$11,000	100,000	\$0.25	6/5/17	12/Mo. Restricted Legend
06/05/15	Dengler Enterprises LLC	Developer Contractor Agreement	733,290	733,290	0.067	\$33,557	N/A	N/A	N/A	12/Mo. Restricted Legend
06/18/15	David M. Montijo	Convertible Debenture	166,667	166,667	0.08	\$50,000	416,667	\$0.25	06/18/2017	12/Mo. Restricted Legend
07/24/15	Rhinestones & Rattlesnakes LLC	Securities Act Rule 230.215	200,000	200,000	0.05	\$10,000	100,000	\$0.25	7/24/17	12/Mo. Restricted Legend
8/11/15	Scharf, William & Judith B.	Securities Act Rule 230.215	100,000	100,000	0.05	\$5,000	5,000	\$0.25	8/11/17	12/Mo. Restricted Legend
8/27/15	Lee, Sheila A.	Securities Act Rule 230.215	400,000	400,000	0.05	\$20,000	200,000	\$0.25	8/27/17	12/Mo. Restricted Legend
9/1/15	Ramani, Arash Tony	Securities Act Rule 230.215	100,000	100,000	0.05	\$5,000	50,000	\$0.25	9/1/17	12/Mo. Restricted Legend
9/10/15	Dollar Mark, LLC	Promissory Note	300,000	300,000	0.05	\$50,000	N/A	\$0.25	N/A	N/A

## Issuance History Continued

<u>Date</u>	<u>Person-Entity</u>	<u>Offering Type</u>	<u>No. Shares Offered</u>	<u>No. Shares Sold/Issued</u>	<u>Share Price or Loan Rate</u>	<u>Amount Paid</u>	<u>Warrant or Convertible Shares</u>	<u>Warrant or Convertible Share Price</u>	<u>Due/Expiration Date</u>	<u>Trading Status</u>
11/16/15	Wendy A Marquez	Securities Act Rule 230.215	100,000	100,000	0.05	\$5,000	50,000	\$0.25	11/16/17	12/Mo. Restricted Legend
11/25/15	Thomas & Pamela & Anne Adler	Promissory Note	1,100,000	1,100,000	0.02	\$55,000	500,000	\$0.25	N/A	12/Mo. Restricted Legend
12/28/15	Marc Mausest	Securities Act Rule 230.215	2,000,000	2,000,000	0.025	\$50,000	1,000,000	\$0.25	12/28/17	12/Mo. Restricted Legend
12/31/15	The 1990 Benkert Family Trust	Securities Act Rule 230.215	333,333	333,333	0.03	\$10,000	166,666	\$0.25	12/31/17	12/Mo. Restricted Legend
1/6/16	Farhang Keller Family Trust	Securities Act Rule 230.215	1,000,000	1,000,000	0.03	\$30,000	500,000	\$0.25	1/6/2018	12/Mo. Restricted Legend
2/22/16	ZBG Enterprise-Mark Dunbar	Securities Act Rule 230.215	1,428,572	1,428,572	0.04	\$50,000	714,286	\$0.25	2/22/18	12/mo. Restricted Legend
3/3/16	Carolyn Luciano	Securities Act Rule 230.215	200,000	200,000	0.02	\$4,000	100,000	\$0.25	3/3/18	12/mo. Restricted Legend
3/11/16	Jerry Berman	Consulting Agreement	1,000,000	1,000,000	\$0.035	N/A	N/A	N/A	N/A	12 mos. Restricted Legend
4/21/16	Gregory Seifert And Gina Butcher Trustees Of The Ray E. And Pat A. Seifert Family Trust	Convertible Debenture Addendum Extension	700,000	700,000	\$0.01	N/A	N/A	N/A	N/A	12 mos. Restricted Legend
4/28/16	Greg Seifert	Convertible Debenture	1,000,000	1,000,000	0.05	\$50,000	N/A	\$0.15	3/27/18	12/mo. Restricted Legend
4/28/16	The Gregory Seifert Profit Sharing Plan	Convertible Debenture	550,000	550,000	0.027	\$15,000	N/A	\$0.027	3/27/17	12 mos. Restricted Legend
4/28/16	Bret Johnston	Convertible Debenture	450,000	450,000	\$0.01	\$25,000	166,667	\$0.16	4/28/17	12/mo. Restricted Legend

## Issuance History Continued

<u>Date</u>	<u>Person-Entity</u>	<u>Offering Type</u>	<u>No. Shares Offered</u>	<u>No. Shares Sold/Issued</u>	<u>Share Price or Loan Rate</u>	<u>Amount Paid</u>	<u>Warrant or Convertible Shares</u>	<u>Warrant or Convertible Share Price</u>	<u>Due/Expiration Date</u>	<u>Trading Status</u>
6/2/16	David Huey	Consulting Agreement	13,333,330	133,333,330	\$0.01	N/A	N/A	N/A	N/A	12 mos. Restricted Legend
8/9/16	1598768 Alberta LTD	Securities Act Rule 230.215	3,000,000	3,000,000	\$0.05	\$150,000	1,500,000	\$0.25	8/9/18	12/mo. Restricted Legend
8/19/16	Anthony Myers	Convertible Debenture	350,000	350,000	\$0.05	\$20,000	N/A	\$0.15	8/19/17	12 mos. Restricted Legend
8/19/16	Gregory Seifert And Gina Butcher Trustees Of The Ray E. And Pat A. Seifert Family Trust	Convertible Debenture	700,000	700,000	0.05	\$50,000	N/A	\$0.15	8/19/17	12 mos. Restricted Legend
8/22/16	Conquest Holdings LLC	Convertible Debenture	800,000	800,000	0.05	\$50,000	333,333	\$0.15	8/22/17	12/mo. Restricted Legend
8/31/16	Bruce Vincent	Convertible Debenture	400,000	400,000	0.05	\$25,000	166,667	\$0.15	8/31/17	12/mo. Restricted Legend
9/9/2016	Cathie Ernst	Convertible Debenture	480,000	480,000	0.05	\$30,000	200,000	\$0.15	9/9/17	12/mo. Restricted Legend
9/22/16	Bret Johnston	Convertible Debenture	150,000	150,000	0.05	\$10,000	66,667	\$0.15	9/22/17	12/mo. Restricted Legend
9/22/16	Gary Payne	Convertible Debenture	150,000	150,000	\$0.05	\$10,000	66,667	\$0.15	9/22/17	12 mos. Restricted Legend
9/27/16	Greg Seifert	Consulting Agreement	1,250,000	1,250,000	\$0.02	N/A	N/A	N/A	N/A	12 mos. Restricted Legend
10/3/16	Wayne M. Kaul	Securities Act Rule 230.21	130,000	130,000	\$0.05	\$6,500	65,000	\$0.25	10/3/18	12 mos. Restricted Legend
10/3/16	Brad Nichol	Consulting Agreement	300,000	300,000	\$0.05	N/A	N/A	N/A	N/A	12 mos. Restricted Legend



## Issuance History Continued

<u>Date</u>	<u>Person-Entity</u>	<u>Offering Type</u>	<u>No. Shares Offered</u>	<u>No. Shares Sold/Issued</u>	<u>Share Price or Loan Rate</u>	<u>Amount Paid</u>	<u>Warrant or Convertible Shares</u>	<u>Warrant or Convertibl e Share Price</u>	<u>Due/Expirat ion Date</u>	<u>Trading Status</u>
10/4/16	Larry Desmond	Convertible Debenture Conversion	1,652,000	1,652,000	\$.0165	N/A	N/A	N/A	N/A	N/A
10/17/16	Thomas A. Curti, PC Profit Sharing Plan	Convertible Debenture	560,000	560,000	0.05	\$35,000	233.333	\$0.15	10/17/17	12/mo. Restricted Legend

5) Financial Statements

GAINCLIENTS, INC.  
Balance Sheets (Unaudited) As of September 30, 2016 and December 31, 2015

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 123,297	\$ 9,244
Accounts receivable	18,660	28,145
Prepaid expenses & other current assets	53,342	7,605
Total current assets	195,299	44,994
Property and equipment, net	2,012	2,701
Capitalized & acquired software costs:		
Acquired software - SMS	858,269	858,269
Software development costs	1,638,331	1,521,938
	2,496,600	2,380,207
Less: accumulated amortization	(2,155,182)	(1,885,035)
Capitalized & acquired software costs, net	341,418	495,172
Total assets	<u>\$ 538,729</u>	<u>\$ 542,867</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 5,714	\$ 2,214
Accrued expenses	30,593	3,168
Accrued interests	1,080,730	909,779
Notes payable	1,146,545	801,545
Due to shareholder - related party	-	44,888
Total current liabilities	2,263,582	1,761,594
Long term liabilities, net of current maturities:	1,605,905	1,511,160
Total liabilities	3,869,487	3,272,754
Shareholders' equity:		
Series A preferred stock, no par value; 10,000,000 shares authorized as of September 30, 2016 and December 31, 2015; 1,600,000 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	500,000	500,000
Common stock, no par value; 1,000,000,000 shares authorized as of September 30, 2016 and December 31, 2015; 299,785,986 and 271,915,512 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	7,030,929	6,679,824
Accumulated deficit	(10,861,687)	(9,909,711)
Total shareholders' deficit	(3,330,758)	(2,729,887)
Total liabilities and shareholders' equity	<u>\$ 538,729</u>	<u>\$ 542,867</u>

GAINCLIENTS, INC.  
Statements of Operations (Unaudited)  
For the Quarters Ending September 30, 2016 and 2015

	For Three Months Ended		For Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
<b>Revenue</b>	\$ 23,530	\$ 14,256	\$ 56,404	\$ 54,852
<b>Cost of Revenue (exclusive of amortization)</b>	30,190	11,777	71,068	32,177
Gross profit (loss)	(6,660)	2,479	(14,664)	22,675
<b>Operating Expenses:</b>				
Sales and marketing	-	502	1,127	1,182
Technology and development	179,128	50,199	278,954	156,035
Depreciation and amortization	90,945	85,013	270,636	252,118
General and administrative	46,282	51,731	195,073	162,744
Total operating expenses	316,355	187,445	745,790	572,079
Loss from operations	(323,015)	(184,966)	(760,454)	(549,404)
<b>Other Expense:</b>				
Interest expense - convertible debt	38,962	60,557	170,951	177,701
Interest expense - other	11,541	4,974	20,571	11,510
Total other expense	50,503	65,531	191,522	189,211
Loss before income taxes	(373,518)	(250,497)	(951,976)	(738,615)
Income tax provisions	-	-	-	-
Net loss	<u>\$ (373,518)</u>	<u>\$ (250,497)</u>	<u>\$ (951,976)</u>	<u>\$ (738,615)</u>
Weighted average number of shares outstanding (basic)	270,006,955	257,745,924	262,196,095	255,739,214
Net loss per shares (basic and diluted)	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

The accompanying notes are integral part of these unaudited financial statements.

GAINCLIENTS, INC.  
Statements of Cash Flows  
For The Nine Months Ending September 30, 2016 and 2015  
(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Net Loss	\$ (951,976)	\$ (738,615)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	270,636	252,118
Changes in operating assets and liabilities:		
Accounts receivable	9,485	(1,797)
Prepaid and other current assets	(70,737)	(46)
Accounts payable	3,500	4,365
Accrued expenses & interests	198,376	166,861
Due to shareholders	(44,888)	(92)
Net cash used in operating activities	(585,604)	(317,206)
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	-	(2,560)
Capitalized software development costs	(20,593)	(165,549)
Net cash used in investing activities	(20,593)	(168,109)
<b>Cash Flows from Financing Activities:</b>		
Cash overdraft	-	2,601
Proceeds from convertible notes payable	675,505	336,094
Principal payments of notes payable	(135,755)	(61,000)
Proceeds from issuance of common stock	180,500	206,868
Net cash provided by financing activities	720,250	484,563
<b>Net Increase in Cash</b>	114,053	(752)
<b>Cash, Beginning of Period</b>	9,244	752
<b>Cash, End of Period</b>	\$ 123,297	\$ -
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid for interest	\$ 11,541	\$ 14,826
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these unaudited financial statements.

**GAINCLIENTS, INC.**  
**Notes to Unaudited Financial Statements**  
**September 30, 2016 and 2015**

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS**

GainClients, Inc. (the "Company") was incorporated under the laws of the State of Florida on January 3, 2001 as e-Video Network, Inc. e-Video changed its name to Foster Community, Inc. in March of 2003 and subsequently changed its name to GainClients, Inc.

GainClients, Inc. is a software service provider to the real estate industry. Its primary product, the SikkU GCard, is a web and mobile real estate networking service that connects professionals (real estate agents, loan officers, title agents) and consumers where home search behavior is tracked and reported.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP").

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Estimates are used for the allowance for doubtful accounts, acquired software and website development costs, recoverability of intangible assets with definite lives and other long-lived assets, valuation of deferred tax assets, and for share-based compensation. These assumptions may prove incorrect as facts change in the future. Actual results may differ materially from these estimates under different assumptions or conditions.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to significant concentration of credit risk consist of its cash and accounts receivable. As of September 30, 2016 and December 31, 2015, the Company held all of its cash in deposit accounts with its financial institutions, which management assesses to be of high credit quality, in order to limit exposure of potential risk.

Credit risk with respect to accounts receivable is dispersed due to the large number of customers. In addition, the Company's credit risk on accounts receivable is largely mitigated by the short payment terms that it offers. Collateral is not required for accounts receivable. The Company maintains an allowance for doubtful accounts such that receivables are stated at net realizable value.

**Accounts Receivable**

Accounts receivable are uncollateralized customer obligations which generally require payment within the terms determined by management. Accounts receivable are stated at the invoice amount. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Allowance for Doubtful Accounts

Accounts receivable are generally due within 30 days and are recorded net of the allowance for doubtful accounts. The Company considers accounts outstanding longer than the contractual terms past due. Management reviews accounts receivable on a regular basis and estimates an amount of losses for uncollectible accounts based on our historical collections experience, age of the receivable, knowledge of the customer.

Based on the management's reviews, the amount of uncollectible accounts receivable at September 30, 2016 and December 31, 2015 is considered negligible; thus, no valuation allowance has been recognized.

### Revenue Recognition

The Company recognizes revenue in accordance with the provisions of Accounting Standards Codification ("ASC") 605, "Revenue Recognition", which states that revenue is realized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured. The Company considers a signed agreement, a binding insertion order or other similar documentation reflecting the terms and conditions under which products or services will be provided to be persuasive evidence of an arrangement. Collectability is assessed based on a number of factors, including payment history and the creditworthiness of a customer. The Company generates revenue from the sale of data subscriptions to businesses and professionals mainly associated with the real estate and mortgage industries.

### Property and Equipment

The Company records property and equipment at cost and depreciates using the straight-line method over the estimated useful lives of the related assets. The useful lives are as follows:

Computer equipment	3 years
Office equipment, furniture, and fixtures	5 years
Software	10 years

Ordinary maintenance and repair costs are charged to expense as incurred. Replacements and betterments, which extend the useful life of the related asset, are capitalized. When assets are retired or otherwise disposed of, the Company records gains or losses based on the differences between the proceeds received and the net book value of the disposed assets.

### Software Development Costs and Acquired Software

The costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental and deemed by management to be significant, are capitalized and amortized on a straight-line basis over their estimated useful lives. Maintenance and enhancement costs, including those costs in the post-implementation stages, are usually expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the website or software that result in added functionality, in which case the costs are capitalized and amortized on a straight-line basis over the estimated useful lives. Amortization expense related to the capitalized website and software development costs is included in operating expenses.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Software Development Costs and Acquired Software (continued)**

The estimated useful lives of website and software development activities are reviewed frequently and adjusted as appropriate to reflect upcoming development activities that may include significant upgrades and enhancements to the existing functionality.

### **Impairment of Long-Lived Assets**

The Company periodically evaluates its long-lived assets for impairment whenever events or circumstances indicate that they may not be recoverable. Under the provision of ASC 360, "Long-Lived Assets", recoverability is measured by comparing the carrying amount of an asset group to future undiscounted net cash flows expected to be generated. Management groups assets for purposes of such review at the lowest level for which identifiable cash flows of the asset group are largely independent of the cash flows of the other groups of assets and liabilities. If the anticipated undiscounted cash flows of the long-lived assets are less than the carrying amount, their carrying amounts are reduced to fair value, and an impairment loss is recognized.

### **Cost of Revenue**

Cost of revenue consists of expenses related to purchasing data to operate the Company's web and mobile applications, including listing data and other home and neighborhood related data.

### **Share-Based Compensation**

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation – Stock Compensation" ("ASC 718"), which establishes an accounting for stock-based awards in exchange for employee services. Under the provisions of ASC 718, share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the employee's requisite service period (generally the vesting period of the equity grant). The fair value of the Company's common stock options are estimated using a Black Scholes valuation model with the following assumptions: stock price, exercise price, expected volatility, dividend rate, risk free interest rate and the expected life. The Company expenses stock-based compensation by using the straight-line method. In accordance with ASC 718, excess tax benefits realized from the exercise of stock-based awards are classified in cash flows from financing activities. The future realization of the reserved deferred tax assets related to these tax benefits associated with the exercise of stock options will result in a credit to additional paid in capital if the related tax deduction reduces tax payable. The Company has selected a "with-and-without" approach regarding the accounting for the tax effects of share-based compensation awards.

### **Warrants**

The Company values its warrants using the Black-Scholes option-pricing model. The warrants are not subject to any form of vesting schedule and, therefore, are exercisable by the holders anytime at their discretion during the life of the warrants. No discounts are applied to the valuation determined by the option-pricing model provide that in determining volatility the Company utilizes the lesser of the 90-day volatility as reported by nationally recognized provider of financial market data.

### **Income (Loss) per Share**

Basic income (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed using weighted-average number of common shares and excludes employee options and warrants as their effect is anti-dilutive.

### **Fair Value of Financial Instruments**

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments include cash, accounts receivable, prepayments and other receivables, accounts payable and accrued expenses and other payables. The carrying amounts of cash, accounts receivable, prepayments and other receivables, short-term loans, accounts payable and accrued expenses approximate their fair value due to the short term maturities of these instruments.

The Company adopted ASC 820, Fair Value Measurements and Disclosures as of January 1, 2009 for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability. ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company holds. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Valuation based on quoted prices in markets that are not active for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

### Income Taxes

The Company accounts for income taxes according to ASC 740 "Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities at the applicable enacted tax rates. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

The Company follows the provision of ASC 740-1 "Accounting for Uncertainty in Income Taxes" ("ASC 740-10") effective of 2007. ASC 740-10 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more likely than not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more likely than not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more likely than not recognition threshold should be derecognized in the first subsequent



## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

financial reporting period in which that threshold is no longer met. ASC 740-10 also provides guidance on the accounting for and disclosure of unrecognized tax benefits, interest and penalties. The Company has not been subject to U.S. federal income tax examination by neither tax authorities nor state authorities since its inception in 2001.

### **Reclassifications**

N/A

### **Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties to be cash equivalents.

### **Advertising**

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising and promotion costs were \$438 and \$502 for the six months ending September 30, 2016 and September 30, 2015, respectively.

### **Recently Issued Accounting Standards**

In May 2011, the Financial Accounting Standards Board ("FASB") amended existing rules covering fair value measurement and disclosure to clarify guidance and minimize differences between GAAP and International Financial Reporting Standards ("IFRS"). The guidance requires entities to provide information about valuation techniques and unobservable inputs used in Level 3 fair value measurements and provide a narrative description of the sensitivity of Level 3 measurements to changes in unobservable inputs. The guidance is effective during interim and annual periods beginning after December 15, 2011. The Company adopted this guidance on January 1, 2012. The adoption of this guidance did not have any impact on the Company's financial position, results of operations or cash flows.

In September 2011, the FASB issued guidance on the presentation of comprehensive income to increase the prominence of other comprehensive income in the financial statements. An entity has the option to present the components of net income and comprehensive income in either one or two consecutive financial statements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2011, with earlier adoption permitted, and must be applied retrospectively. The Company adopted this guidance on January 1, 2012. The adoption of this guidance did not have any impact on the Company's financial position, results of operations or cash flows as the Company does not have any items of other comprehensive income in any period presented, and therefore, the Company is not required to disclose other comprehensive income or comprehensive income.

In September 2011, the FASB issued guidance on testing goodwill for impairment to permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill application permitted. The Company adopted this guidance on January 1, 2012. The adoption of this guidance did not have any impact on the Company's financial position, results of operations or cash flows.

### **Presentation of Sales Taxes**

The State of Arizona and counties within the State impose sales taxes on certain items the Company sells to nonexempt customers. The Company's accounting policy is to exclude the sales tax billed to and collected from

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

customers from revenues and cost of sales and record the sales tax charged to customers as accrued liabilities until remitted to the appropriate state taxing authority.

### Operating lease

For the months ending September 30, 2016 and 2015, the Company was continuing the lease agreement for its main office space on a month-to-month basis in the approximate amount of \$468. The Company is not responsible for utilities, other common areas and maintenance expenses.

## NOTE 3 - PROPERTY AND EQUIPMENT, NET

The following table presents the detail of property and equipment as of September 30, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
Computer equipment	\$17,918	\$17,918
Office equipment & furniture	8,431	8,631
Property and equipment	26,349	26,549
Less: accumulated depreciation	(24,337)	(23,848)
Property and equipment, net	2,012	\$2,701

The Company recorded depreciation expense of \$489 and \$141 during the nine months ending September 30, 2016 and 2015, respectively.

## NOTE 4 - INTANGIBLE ASSETS, NET

The following table presents the detail of intangible assets subject to amortization as of the following quarters presented.

	September 30, 2016		
	Cost	Accumulated Amortization	Net
Acquired software – Short Message Service	858,269	\$(815,355)	\$42,914
Software development costs	1,638,331	(1,339,827)	298,504
Intangible assets	2,496,600	(2,155,182)	341,418
	December 31, 2015		
	Cost	Accumulated Amortization	Net
Acquired software – Short Message Service	\$858,269	\$(686,613)	\$171,656
Software development costs	1,521,938	(1,198,422)	323,516
Intangible assets	\$2,380,207	\$(1,885,035)	\$495,172

Amortization expense recorded for intangible assets was \$270,147 and \$251,951 for the nine months ending September 30, 2016 and 2015, respectively. On an annual basis the Company evaluates the carrying value of long-lived assets and determines if impairment has occurred and if so, records a charge for impairment. Management has not performed the evaluation as of September 30, 2016 and December 31, 2015.

## NOTE 5 - INCOME TAXES

The Company is subject to federal and state income taxes in the United States. The Company has provided a full valuation allowance against its net deferred tax assets as of September 30, 2016 because, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

**NOTE 5 - INCOME TAXES (CONTINUED)**

Therefore, no tax liability or expense has been recorded in the financial statements. The Company has filed its 2015 income tax returns as of the date of this report. The Company filed its 2015 income tax returns and the accumulated tax losses were \$6,092,135 for the year ended December 31, 2015.

**NOTE 6 –LONG-TERM LIABILITIES**

Convertible notes and notes payable consist of the following as of the dates presented.

<u>Convertible notes payable to related party</u>		
	30-Sep-16	31-Dec-15
Note payable #2240 to a shareholder bearing interest at 12% due on May 19, 2017 convertible to common stock at \$0.02 per share	42,405	-
Note payable #2232 to a shareholder bearing interest at 12% due on November 1, 2016, convertible to common stock at \$0.04 per share	533,500	481,160
Note payable #2232 to a shareholder bearing interest at 12% due on November 1, 2016, convertible to common stock at \$0.04 per share	500,000	500,000
Note payable #2227 to a shareholder bearing interest at 12%; due date extended and maturity date not determined; convertible to common stock at \$0.04 per share	500,000	500,000
Total convertible notes payable to related party	1,575,905	1,481,160
<u>Convertible notes payable</u>		
Note payable #2245 bearing interest at 10% due dates extended and extended maturity dates not determined; convertible to common stock at \$0.25 per share	25,000	25,000
Note payable #2221 bearing no interest, due date extended and extended maturity date not determined, and convertible to common stock at \$0.20 per share	7,000	7,000
Notes payable (2204; 2205; 2229) bearing interest at 12% due dates extended and extended maturity date not determined, extended notes convertible from \$0.10 to \$0.15 per share	136,045	136,045
Note payable #2207 bearing interest at 10%, due date extended and extended maturity date not determined, and convertible to common stock at \$0.25 per share	18,000	18,000
Note payable #2209 bearing interest at 26% due date extended to undetermined maturity date and convertible to common stock at \$0.25 per share	50,000	50,000
Note payable #2224 bearing interest at 10% due date extended to March 27, 2016, and convertible to common stock at \$0.15 per share	25,000	25,000
Note payable #2215 bearing interest at 10% due date extended to September 1, 2014, and convertible to common stock at \$0.15 per share	24,000	24,000
Note payable #2225 bearing interest at 12% due date extended to October 28, 2015 and convertible to common stock at \$0.15 per share	25,000	25,000
Notes payable #2218, 2219, 2220 bearing interest at 10% due dates extended and extended maturity dates not determined, extended notes convertible from \$0.10 to \$0.25 per share	147,500	147,500
Notes payable #2231 bearing interest at 12% with due date of August 15, 2015 convertible to common stock at \$0.10 per share	65,000	65,000
Note payable #2233 bearing interest at 10% due on February 6, 2016 and convertible to common stock at \$0.10 per share	25,000	25,000
Note payable #2234 bearing interest at 6% due dates extended and extended maturity dates not determined; convertible to common stock at \$0.25 per share	50,000	50,000
Note payable #2235 with interest rate of 10% due date extended and extended maturity date not determined.	29,000	29,000
Notes payable #2236, 2237, 2238, 2239 bearing interest at 10% with due dates in 2017; convertible to common stock at \$.15 per share	115,000	-
Notes payable #2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253 bearing interest at 10% with due dates in 2017; convertible to common stock at \$.15 per share	230,000	-
Note payable #2228 bearing interest at 10%; due on June 30, 2017 and convertible to common stock at \$0.15 per share	30,000	30,000

<b>NOTE 6 –LONG-TERM LIABILITIES CONTINUED</b>			
Total convertible notes payable		1,001,545	656,545
<u>Promissory notes</u>			
Note payable #2206 with an interest rate of 10%, due date extended and extended maturity date not determined		125,000	125,000
Note payable #2221 bearing an interest at 10%, due on February 26, 2016		50,000	50,000
Total Promissory notes payable		175,000	175,000
Total Notes		2,752,450	2,312,705
Less current portion of convertible notes and notes payable (convertible notes payable and promissory notes)		1,146,545	801,545
Total convertible notes and notes payable, net of current portion		\$1,605,905	\$1,511,160

## NOTE 7 - GOING CONCERN

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company commenced operations in 2001. Since inception, it has incurred losses and negative cash flows from operations. The Company has been dependent upon external financing, including private sales of securities and borrowings from its CEO to fund operations. For the nine months ended September 30, 2016 and 2015 the Company had revenue of \$56,404 and \$54,852 with an inception to date accumulated deficit of \$10,861,687 and \$9,692,165 respectively. This raises doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty. Management continues to seek additional funding. There is no assurance that its efforts will be successful, or that the Company will be able to obtain additional debt or equity financing on terms acceptable to the Company. Failure to raise needed funds on satisfactory terms could have a material adverse impact on the Company's business, operating results or financial condition.

## NOTE 8 – STOCKHOLDERS' EQUITY

### Subscription Agreement Warrants

On July 1, 2016 the Company agreed to honor the Class A Warrant purchase terms of Subscription Agreements dated February 20, 2007 and May 1, 2007 for an indefinite period.

In October 2014, the Company extended the warrant purchase dates for all shareholders for two additional years from the original expiration date.

### Common Stock Issuances

On October 17, 2016, the Company issued 560,000 shares of Common Stock as a provision of a \$35,000 convertible note with an exercise price of \$0.15 per share.

On October 4, 2016, the Company issued 1,625,000 shares of Common Stock as a provision of the conversion of the convertible note #2205 with a conversion rate of \$0.165.

On October 3, 2016, the Company issued 300,000 shares of Common Stock as a provision of a Consulting Agreement dated July 1, 2016 with a cost basis of \$0.05 per share.

## NOTE 8 – STOCKHOLDERS' EQUITY CONTINUED

### Common Stock Issuances (continued)

On October 3, 2016, the Company issued 130,000 shares of Common Stock as a provision of a \$6,500 with 65,000 warrants that have an exercise price of \$0.025 and expire on October 3, 2018.

On September 27, 2016, the Company issued 1,250,000 shares of Common Stock as a provision of a Consulting Agreement dated August 2, 2016 with a cost basis of \$0.02 per share.

On September 22, 2016, the Company issued 150,000 shares of Common Stock as a provision of a \$10,000 convertible note with an exercise price of \$0.15 per share.

On September 22, 2016, the Company issued 150,000 shares of Common Stock as a provision of a \$10,000 convertible note with an exercise price of \$0.15 per share.

On September 9, 2016, the Company issued 480,000 shares of Common Stock as a provision of a \$30,000 convertible note with an exercise price of \$0.15 per share.

On August 31, 2016, the Company issued 400,000 shares of Common Stock as a provision of a \$25,000 convertible note with an exercise price of \$0.15 per share.

On August 22, 2016, the Company issued 800,000 shares of Common Stock as a provision of a \$50,000 convertible note with an exercise price of \$0.15 per share.

On August 19, 2016, the Company issued 700,000 shares of Common Stock as a provision of a \$50,000 convertible note with an exercise price of \$0.15 per share.

On August 19, 2016, the Company issued 350,000 shares of Common Stock as a provision of a \$20,000 convertible note with an exercise price of \$0.15 per share..

On June 2, 2016, the Company issued 13,333,330 shares of Common Stock as a provision of the consulting agreement dated July 1, 2015 with a cost basis of \$0.02.

On April 28, 2016, the Company issued 450,000 shares of Common Stock as a provision of a \$25,000 convertible note with an exercise price of \$0.15 per share.

On April 28, 2016, the Company issued 550,000 shares of Common Stock as a provision of a \$15,000 convertible note with an exercise price of \$0.15 per share.

On April 19, 2016, the Company issued 500,000 shares of Common Stock as a provision of a \$25,000 convertible note with an exercise price of \$0.15 per share.

On March 11, 2016, the Company issued 1,000,000 shares of Common Stock for \$30,000 with 500,000 warrants that have an exercise price of \$0.025 and expire on March 11, 2018.

On March 3, 2016, the Company issued 200,000 shares of Common Stock for \$4,000 with 100,000 warrants that have an exercise price of \$0.025 and expire on March 3, 2018.

## NOTE 8 – STOCKHOLDERS' EQUITY CONTINUED

### Common Stock Issuances (continued)

On February 22, 2016, the Company issued 1,428,572 shares of Common Stock for \$50,000 with 714,286 warrants that have an exercise price of \$0.025 and expire on February 22, 2018.

On December 31, 2015 the Company issued 300,000 shares of Common Stock for \$10,000 with 150,000 warrants that have an exercise price of \$0.025 and expire on December 31, 2017.

On December 28, 2015 the Company issued 2 Million shares of Common Stock for \$50,000 with 1 Million warrants that have an exercise price of \$0.025 and expire on December 28, 2017.

On November 16, 2015 the Company issued 100,000 shares of Common Stock for \$5,000 with 50,000 warrants that have an exercise price of \$0.025 and expire on November 16, 2017.

On September 10, 2015, the Company issued 300,000 shares of Common Stock for \$50,000 with no warrants.

On September 1, 2015, the Company issued 100,000 shares of Common Stock for \$5,000 with 50,000 warrants that have an exercise price of \$0.025 and expire on September 1, 2017.

On August 27, 2015, the Company issued 400,000 shares of Common Stock for \$20,000 with 200,000 warrants that have an exercise price of \$0.025 and expire on August 27, 2017.

On August 11, 2015, the Company issued 100,000 shares of Common Stock for \$5,000 with 50,000 warrants that have an exercise price of \$0.025 and expire on August 11, 2017.

On July 24, 2015, the Company issued 200,000 shares of Common Stock for \$11,000 with 100,000 warrants that have an exercise price of \$0.25 and expire on July 31, 2017.

On September 15, 2015, the Company issued 166,667 shares of Common Stock for the convertible debenture #2224.

On September 5, 2015, the Company issued 200,000 shares of Common Stock for \$11,000 with 25,000 warrants that have an exercise price of \$0.25 and expire on September 5, 2017.

On September 5, 2015, the Company issued 733,290 shares of Common Stock for services performed in accordance with the May 14, 2014 Contractor Agreement.

On June 22, 2015, the BOD approved the issuance of stock for services to the company's officer(s) for the years 2016-2020.

On June 16, 2015, the Company issued 166,667 bonus shares of Common Stock for a \$50,000 note.

On March 31, 2015, the Company issued 50,000 shares of Common Stock for \$3,000 with 25,000 warrants that have an exercise price of \$0.25 and expire on March 31, 2017.

On March 25, 2015, the Company issued 150,000 shares of Common Stock for \$9,000 with 75,000 warrants that have an exercise price of \$0.25 and expire on March 25, 2017.

On March 24, 2015, the Company issued 83,333 shares of Common Stock for \$50,000 with 25,000 warrants that have an exercise price of \$0.25 and expire on March 18, 2017.

## NOTE 8 – STOCKHOLDERS' EQUITY CONTINUED

### Common Stock Issuances (continued)

On March 23, 2015, the Company issued 200,000 shares of Common Stock for the extension of debenture #2224.

On March 18, 2015, the Company issued 200,000 shares of Common Stock for \$10,000 with 100,000 warrants that have an exercise price of \$0.25 and expire on March 24, 2017.

On March 6, 2015, the Company issued 416,667 shares of Common Stock for \$25,000 with 208,334 warrants that have an exercise price of \$0.25 and expire on March 6, 2017.

On March 6, 2015, the Company issued 416,667 shares of Common Stock for \$25,000 with 208,334 warrants that have an exercise price of \$0.25 and expire on March 6, 2017.

On March 3, 2015, the Company issued 100,000 shares of Common Stock for \$10,000 with no warrants.

On February 4, 2015 the Company issued 100,000 shares of Common Stock for \$5,000 with 50,000 warrants that have an exercise price of \$0.25 and expire on January 26, 2017.

On January 26, 2015 the Company issued 100,000 shares of Common Stock for \$5,000 with 50,000 warrants that have an exercise price of \$0.25 and expire on January 26, 2017.

On January 26, 2015 the Company issued 28,572 shares of Common Stock for \$1,429 with 14,286 warrants that have an exercise price of \$0.25 and expire on January 26, 2017.

On December 4, 2014 the Company issued 200,000 shares of Common Stock for \$10,000 with 100,000 warrants that have an exercise price of \$0.25 and expire on November 7, 2016.

### Share-Based Compensation

On September 27, 2016, the Company issued 1,250,000 shares of Common Stock as a provision of a Consulting Agreement dated August 2, 2016 with a cost basis of \$0.02 per share.

On October 3, 2016, the Company issued 300,000 shares of Common Stock as a provision of a Consulting Agreement dated July 1, 2016 with a cost basis of \$0.05 per share.

On March 14, 2016, the Company issued 1,000,000 shares of restricted Common Stock for the consulting agreement, Work Order #2 dated December 31, 2015 valued at \$0.035 per share.

On January 7, 2015, the Company issued 300,000 shares of restricted Common stock for the consulting agreement dated October 1, 2014 valued at \$0.05 per share.

On December 1, 2014, the company awarded 3,450,000 shares of Common stock for compensation to its employees to be exercised at each employee's discretion with a cost basis of \$0.02 per share.

In January 2014, the Company issued 150,000 shares of restricted Common Stock to its employees valued at \$0.034 per share.

## NOTE 9 – COMMITMENT AND CONTINGENCY

The Company is subject to various legal proceedings from time to time as part of its business. When the Company is aware of such legal proceedings, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of loss can be reasonably estimated, the Company will record a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the contingencies if the likelihood of a potential loss is reasonably possible and the amount involved could be material. As of December 31, 2015, the Company does not have any pending legal proceedings.

## NOTE 10 – RELATED PARTY TRANSACTIONS

On May 19, 2016, the Company transferred \$47,160 from the convertible debenture agreement #2232 held by the Company's CEO and dated May 19, 2016 to the convertible debenture #2240 also held by the Company's CEO.

On November 21, 2014, the Company transferred \$36,626.53 from the convertible debenture #2226 and \$196,600 from convertible debenture #2227 held by the Company's CEO and dated November 14, 2012 and March 18, 2013 to the convertible debenture #2232 also held by the Company's CEO. Also on November 21, 2014, the Company transferred \$184,127 from the convertible debentures held by the Company's CEO dated November 11, 2012 and March 18, 2013 both for \$500,000 each to the convertible debenture dated November 21, 2014 for \$500,000 also held by the Company's CEO.

## NOTE 11 – SUBSEQUENT EVENTS

In accordance with ASC 855-10, the Company evaluated all events and transactions that occurred subsequent to September 30, 2016, through the date these financial statements were available to be issued and noted the following.

On July 20, 2016, the board of directors approved establishing an advisory board and appointed David Huey as its first member.

On June 20, 2016, the company updated an expired Employee Agreement with the company's corporate secretary and operations manager to extend through 12/31/2018.

On June 8, 2016, the operations manager reallocated \$44,980 from the Opening Balance Equity account to the Common Stock account to increase opening balance to equal the ending balance in the legacy 2015 QB Company File, which was ended on 12/31/2015.

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

### Description of the Issuer's Business, Products and Services:

GainClients, Inc. is a marketing software provider for the real estate industry. Its primary product, the GCard, is an online and mobile real estate networking service that connects professionals (real estate, lenders, and title agents) to consumers as they shop to buy or sell a home.

### A. Date and State (or Jurisdiction) of Incorporation:



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

GainClients, Inc. was incorporate in January 2001 in the state of Florida and remains a Florida corporation doing business in Arizona.

### **B. Primary and secondary SIC Codes:**

7370 – Services – Computer Programing, Data Processing, etc.

7389 – Services – Business Services

### **C. Fiscal year end date:**

December 31

### **D. Principal products or services, and their markets:**

The Company is in the sales cycle of its recently released and upgraded service, The GCard, a multi-platform (web, text, mobile web and iPhone/Android App) electronic business card that builds and promotes relationships among real estate professionals including real estate agents/brokerages, loan officers/mortgage brokerages and title and escrow officers/companies, insurance agents/companies and consumers.

A progressive marketing and relationship-building system, the GCard gives lenders, retailers, title reps, and/or insurance agents the information consumers want and need to search for homes, involving these professionals the home buy/sell process from the start. When participating professionals share their clients with each other, relationships become fluid, are virally grown and developed within each team's network.

Similar to other popular online networks, professional users can invite clients and their industry partners to join their GCard network and be featured as a trusted team member. Teams can then provide real estate, lending and title services and information as they do in real life with the use of technology, a preferred method of consumers.

The GCard is a new way to create, build, and continue relationships between real estate professionals and consumers in a preferred environment with accurate real estate data that is accessible via smart phones and the web. It is currently available in 300 cities across the U.S.

## **7) Describe the Issuer's Facilities**

GainClients, Inc. entered into a sublease agreement on October 1, 2011 for office space located in Tucson, AZ. The lease continues on month-to-month basis, is for approximately 500 square feet of space and its permitted use is for mortgage operations. The monthly rent is \$467.50 annualized at \$5,610.00.

The lease also includes access and usage of common areas inside and outside of the building and other administrative services. GainClients, Inc. has no ownership or other rights to the office building or leased space.

## **8) Officers, Directors, and Control Persons**

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

## Officers, Directors, and Control Persons Continued

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Officer and Directors

Raymond Desmond, President/Director  
6245 E. Broadway, Suite 400  
Tucson, AZ 85711

Patty Freeman, Corporate Secretary  
6245 E. Broadway, Suite 400  
Tucson, AZ 85711

Karen Fisher, Corporate Treasurer/Director  
6245 E. Broadway, Suite 400  
Tucson, AZ 85711

Control Persons:

Raymond Desmond  
6245 E. Broadway, Suite 400  
Tucson, AZ 85711

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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.

## Officers, Directors, and Control Persons Continued

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

<u>Name</u>	<u>Secondary Name</u>	<u>Address</u>	<u>Percentage of Shares</u>	<u>Share Class</u>
Raymond Desmond		6245 E. Broadway #400 Tucson, AZ 85711	13.4%	Common
Raymond Desmond		6245 E. Broadway #400 Tucson, AZ 85711	100%	Preferred Series A

## 9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Legal Counsel

Name: Eric Littman  
Firm: Eric P. Littman, P.A.  
Address 1: 7695 SW 104th Street, Suite 210  
Address 2: Miami, FL 33156  
Phone: (305) 663-3333  
Email: [littmanlaw@gmail.com](mailto:littmanlaw@gmail.com)

### Accountant

Name: John G. Cho  
Firm: JC Accounting & Consulting, PLLC  
Address 1: P.O. Box 30127  
Address 2: Tucson, AZ 85751  
Phone: (520) 338-2838  
Email: [jcho.jccpas@gmail.com](mailto:jcho.jccpas@gmail.com)

## 10) Issuer Certification

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, Raymond Desmond certify that:

1. I have reviewed this Third Quarter, 2016 report of GainClients, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by the First Quarter, 2016 report; and
3. Based on my knowledge, the financial statements, and the 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 GainClients, Inc. as of, and for, the periods presented in this First Quarter, 2016 report.

Date: November 21, 2016.

*GainClients, Inc.*

*By: /s/ Raymond Desmond*

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Raymond Desmond, Principle Financial Officer