

**MyECheck, Inc.**

**FINANCIAL STATEMENTS**

**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012**

**AND FOR THE**

**YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012**

**MyECheck, Inc.**  
**BALANCE SHEET**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>December 31, 2013</u> (Unaudited)	<u>December 31, 2012</u> (Unaudited)
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash	\$ 65	\$ -
Accounts receivable	350,000	-
Total Current Assets	<u>350,065</u>	<u>-</u>
 Fixed Assets Net	 3,374	 -
 <b>Other Assets</b>	 <u>-</u>	 <u>1,710</u>
 <b>Total Assets</b>	 <u><u>\$ 353,439</u></u>	 <u><u>\$ 1,710</u></u>
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 478,188	\$ -
Deffered revenue	2,000	-
<b>Total Current Liabilities</b>	<u>480,188</u>	<u>1,198,883</u>
 <b>Stockholders' Deficit</b>		
Common stock, \$0.00001 par value, 4,900,000,000 shares authorized. 3,787,470 and 3,262,470 shares issued and outstanding, respectively	37,875	32,625
Additional paid in capital	3,609,577	3,563,096
Accumulated deficit	<u>(3,774,201)</u>	<u>(4,792,894)</u>
<b>Total Stockholders' Deficit</b>	<u>(126,749)</u>	<u>(1,197,173)</u>
 <b>Total Liabilities and Stockholders' Deficit</b>	 <u><u>\$ 353,439</u></u>	 <u><u>\$ 1,710</u></u>

See accompanying notes to the financial statements

**MyECheck, Inc.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<b>For the Quarter Ended December 31,</b>		<b>For the Years Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Processing Revenues</b>	\$ 361,402	\$ -	\$ 439,496	\$ -
<b>General and administrative</b>	64,558	37,852	91,263	52,230
<b>Research and Development</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating Expenses</b>	64,558	37,852	91,263	52,230
<b>Loss from Operations</b>	<u>296,844</u>	<u>(37,852)</u>	<u>348,233</u>	<u>(52,230)</u>
<b>Other (Income)/Expense</b>				
Derivative expense	-	-	-	-
Change in fair value of derivative liabilities	-	-	-	-
Interest expense	-	-	-	-
Other income cost recovery	(168,239)		(670,459)	
Other income	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
<b>Total Other (Income)/Expense</b>	<u>(168,239)</u>	<u>-</u>	<u>(670,460)</u>	<u>-</u>
<b>Net (Loss) or Income</b>	<u><u>\$ 465,083</u></u>	<u><u>\$ (37,852)</u></u>	<u><u>\$ 1,018,693</u></u>	<u><u>\$ (52,230)</u></u>

See accompanying notes to the financial statements

**MyECheck, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>For the Quarter Ended December</u>		<u>For the Years Ended December</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities:</b>				
Net loss	\$ 465,083	\$ (52,230)	\$ 1,018,693	\$ (52,230)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Amortization of debt discount	177	-	177	-
Stock based Compensation		30,000		30,000
Changes in operating assets and liabilities:		-		-
(Increase) Decrease in:				
Accounts receivable	(350,000)	-	(350,000)	-
Forfeiture of rent deposit	1,710	-	1,710	-
Increase in:				
Accounts payable and accrued expenses	176,152	-	478,189	-
Deferred revenue	2,000	-	2,000	-
Accrued compensation - related parties	-	-	-	-
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>295,122</u>	<u>(22,230)</u>	<u>1,150,769</u>	<u>(22,230)</u>
<b>Cash Flows from Financing Activities:</b>				
Cash overdraft	-	-	-	-
Cash paid as debt issue costs	-	-	-	-
Advances provided by stockholders	-	22,230	-	22,230
Proceeds from loan payable - related parties	-	-	-	-
Reclassification of notes payable	(391,876)	-	(1,198,883)	-
Proceeds from convertible	48,982	-	51,731	-
<b>Net Cash Provided by Financing Activities</b>	<u>(342,894)</u>	<u>22,230</u>	<u>(1,147,152)</u>	<u>22,230</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of computer equipment	<u>(3,552)</u>		<u>(3,552)</u>	
Net Increase or (Decrease) in Cash	(51,324)	-	65	-
Cash at Beginning of Period	<u>51,389</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash at End of Period</b>	<u><u>\$ 65</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 65</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements

**MyECheck, Inc.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid -in Capital	Deficit	Total
<b>Balance, December 31, 2011</b>	<b>\$ 2,470,000</b>	<b>\$ 25</b>	<b>\$ 3,563,096</b>	<b>\$ (4,740,664)</b>	<b>\$ (1,177,543)</b>
Income or loss September 30,2012	-	-	-	(14,378)	(14,378)
<b>Balance, September 30, 2012</b>	<b>\$ 2,470,000</b>	<b>\$ 25</b>	<b>\$ 3,563,096</b>	<b>\$ (4,755,042)</b>	<b>\$ (1,191,921)</b>
Management Stock	3,000,000,000	30,000	-	-	30,000
Stock Issued December 31, 2012	260,000,000	2,600	-	-	2,600
Income or Loss	-	-	-	(37,852)	(37,852)
<b>Balance, December 31, 2012</b>	<b>\$ 3,262,470,000</b>	<b>\$ 32,625</b>	<b>\$ 3,563,096</b>	<b>\$ (4,792,894)</b>	<b>\$ (1,197,173)</b>
Issue of Shares reorganizational services, January 09, 2013	275,000,000	2,750	-	-	2,750
Net Income or Loss	-	-	-	553,610	553,610
<b>Balance, Septemer 30, 2013</b>	<b>3,537,470,000</b>	<b>35,375</b>	<b>3,563,096</b>	<b>(4,239,284)</b>	<b>(640,813)</b>
Issue of Share buy out of Tangier's Convertible note, October 30,2013	250,000,000	2,500	46,481	-	48,981
Net Income, 2013	-	-	-	465,083	465,083
<b>Balance, December 31, 2013</b>	<b>\$ 3,787,470,000</b>	<b>\$ 37,875</b>	<b>\$ 3,609,577</b>	<b>\$ (3,774,201)</b>	<b>\$ (126,749)</b>

See accompanying notes to the financial statements

**MyECheck, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - ORGANIZATION**

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

**Basis of Presentation**

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting) are the financial statements are presented in US dollars. The Company has adopted a December 31 fiscal year end.

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of assets requires management to make estimates and assumptions that affect the reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and the expenses during the reporting period. Actual results could differ from those estimates.

**Financial Instruments**

The carrying value of the Company's financial instruments approximates their fair value because of the short maturity of these instruments.

**Income Taxes**

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Use of net operating loss carry forwards for income tax purposes may be limited by Internal Revenue Code section 382 if a change of ownership occurs.

**Basic Income (Loss) Per Share**

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of December 31, 2012.

**MyECheck, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Dividends**

The Company has not adopted any policy regarding payment of dividends. No dividends have been paid during any of the periods shown.

**Impairment of Long-Lived Assets**

The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long lived assets by determining whether the carrying value of such assets will be recovered. Impairment of Long-Lived Assets (Continued) through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

**Advertising Costs**

The Company's policy regarding advertising is to expense advertising when incurred. Revenue Recognition. The Company recognizes revenue when products are fully delivered or services have been provided and collection is reasonably assured.

**Stock-Based Compensation**

Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 (R) (ASC 718). To date, the Company has not adopted a stock option plan and has not granted any stock options.

**New Authoritative Accounting Guidance**

On July 1, 2009, the Accounting Standards Codification ("ASC") became the Financial Accounting Standards Board ("FASB") officially recognized source of authoritative U.S. generally accepted accounting principles applicable to all public and non-public nongovernmental entities, superseding existing FASB, AICPA, EITF and related literature. Rules and interpretive releases of the SEC under the authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All other accounting literature is considered non-authoritative. The switch to the ASC affects the way companies refer to U.S. GAAP in financial statements and accounting policies. Citing particular content in the ASC involves specifying the unique numeric path to the content through the Topic, Subtopic, Section and Paragraph structure. *FASB ASC Topic 260, "Earnings Per Share."*

**MyECheck, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**New Authoritative Accounting Guidance (Cont.)**

On January 1, 2009, the Company adopted new authoritative accounting guidance under FASB ASC Topic 260, "Earnings Per Share," which provides that unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method.

FASB ASC Topic 820, "Fair Value Measurements and Disclosures." New authoritative accounting guidance under ASC Topic 820, "Fair Value Measurements and Disclosures," affirms that the objective of fair value when the market for an asset is not active is the price that would be received to sell the asset in an orderly transaction, and clarifies and includes additional factors for determining whether there has been a significant decrease in market activity for an asset when the market for that asset is not active.

ASC Topic 820 requires an entity to base its conclusion about whether a transaction was not orderly on the weight of the evidence.

The new accounting guidance amended prior guidance to expand certain disclosure requirements. The Company adopted the new authoritative accounting guidance under ASC Topic 820 during the first quarter of 2009. Adoption of the new guidance did not significantly impact the Company's consolidated financial statements. Further new authoritative accounting guidance (Accounting Standards Update

No. 2009-5) under ASC Topic 820 provides guidance for measuring the fair value of a liability in circumstances in which a quoted price in an active market for the identical liability is not available. In such instances, a reporting entity is required to measure fair value utilizing a valuation technique that uses (i) the quoted price of the identical liability when traded as an asset, (ii) quoted prices for similar liabilities or similar liabilities when traded as assets, or (iii) another valuation technique that is consistent with the existing principles of ASC Topic 820, such as an income approach or market approach. The new authoritative accounting guidance also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The foregoing new authoritative accounting guidance under ASC Topic 820 will be effective for the Company's consolidated financial statements beginning October 1, 2009 and is not expected to have a significant impact on the Company's consolidated financial statements FASB ASC Topic 825 "Financial Instruments." New authoritative accounting guidance under ASC Topic 825, "Financial Instruments," requires an entity to provide disclosures about the fair value of financial instruments in interim



**MyECheck, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

financial information and amends prior guidance to require those disclosures in summarized financial information at interim reporting periods.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**New Authoritative Accounting Guidance (Cont.)**

New Authoritative Accounting Guidance (continued) FASB ASC Topic 855, "*Subsequent Events*." New authoritative accounting guidance under ASC Topic 855, "Subsequent Events," establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued.

ASC Topic 855 defines (i) the period after the balance sheet date during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the balance sheet date. The new authoritative accounting guidance under ASC Topic 855 became effective for the Company's financial statements for periods ending after June 15, 2009. Effective February 24, 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09, "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements" which revised certain disclosure requirements. ASU No. 2010-09 did not have a significant impact on the Company's consolidated financial statements. The company evaluated subsequent events, which are events or transactions that occurred after March 31, 2011 through the issuance of the accompanying consolidated financial statements. Management does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have an effect on the accompanying consolidated financial statements.

**Revenue Recognition**

MyEChecks' revenue recognition policy is based on SOP 97-2 as amended by SOP 98-4 and SOP 98-9. MyECheck recognizes revenue when persuasive evidence of an arrangement exists. MyECheck has delivered the product or performed the service, the fee is fixed or determinable and collection is reasonably assured. If any of these criteria are not met, MyECheck defers revenue until such time as all criteria are met.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

On September 1, 2013, the Company entered into a licensing agreement with another company that was originally founded by the Company's major shareholder. The Company's major shareholder is no

**MyECheck, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED DECEMBER 31, 2013 AND 2012**  
**AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

longer a part owner of that company and is not a manager, officer or official of that other company. The major shareholder is in the process of legally removing himself entirely from all relationships with that entity.

**NOTE 3 - RELATED PARTY TRANSACTIONS (CONT.)**

There is no conflict of interest created, to the contrary the relationships have served to facilitate the sale of a license to the other company and revenue for MyECheck. There are no outside or third party agreements related to this transaction, and the major shareholder will not benefit or be compensated from the transaction in the in any other way.

**NOTE 4- SUBSEQUENT EVENT**

Management continues to negotiate debt and one transaction that was completed on February 28, 2014 reduced accounts payable by \$53,252 in exchange for six million shares of free trading stock.