



# Annual Report

2013

MyECheck, Inc.

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## Executive Summary

A re-birth. 2013 was the year MyECheck re-tooled its business model and successfully restarted growing revenue. It was a year of modernizing our payment platform and developing services that create multiple revenue streams. 2013 was the year we shifted focus from internet originated transactions to mobile payments. MyECheck also in 2013 introduced and successfully deployed a software and patent sub-licensing revenue model. 2013 also marked the development of a person-to-person payment system, electronic bank accounts, a downloadable merchant commerce solution, and the nation's first and only electronic funds transfer system for government use.

The mobile payments industry currently presents historic opportunities, the size and scale of which have never before been seen. We believe there is a revolution taking place that is fundamentally changing the way the payments and banking industries function. Technology now enables transitioning away from traditional brick and mortar banking into fully electronic banking, and transitioning away from all paper and high fee transactions to low cost fully electronic transfers authorized through mobile devices. MyECheck is positioning itself to be a significant participant in the mobile payments and banking industries.

2013 marks the beginning of a very promising future for our company. Strategies and systems planned in 2013 are becoming reality in 2014. We plan to continue to be the innovative leader in the payments industry and will be deploying a number of new large scale initiatives in 2014, along with a dramatic increase in our sales and marketing activities starting in the summer of 2014.

We expect 2014 to be a high growth year for MyECheck, particularly in the third and fourth quarters when transaction revenue from current licensing deals starts to be realized.

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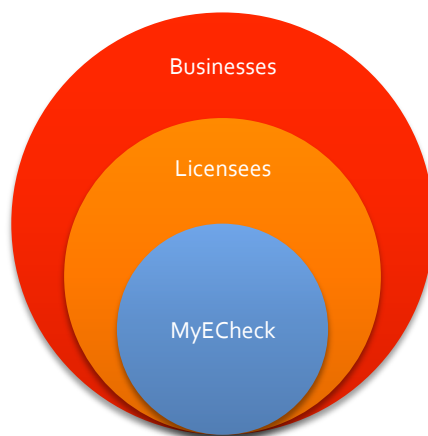
## 2013 Financial Highlights

For the twelve months ended December 31, 2013, net profit was \$1,018,693 with revenue from operations at \$439,233. Total liabilities were reduced by \$718,365. For the 3 months ended December 31, 2013 (Q4), net profit was \$465,083 with revenue from operations at \$361,402 and total liabilities were reduced by \$168,239.

### Revenue Restart

#### System Licensing

MyECheck started licensing its software and systems in 2013. The new business model is designed to facilitate rapid distribution of our services. MyECheck sold two licenses in 2013 and will be deploying licensed systems throughout 2014 and beyond. Licensees can own a private branded system and still MyECheck as a back-end processor



### Wholesale Services

MyECheck has relationships with value added partners that will be using MyECheck services as an integral part of their payment platform. Additionally, some of these partners have services that can benefit MyECheck. The Company has sought out these relationships to forge strong alliance with technology leaders to deliver combined services. MyECheck also seeks to provide core data processing services to large volume operations in all industries.

#### Q4

	Q4 2013	Q4 2012
NET INCOME	\$465,083	\$-37,852
GROSS REVENUE	\$361,402	\$0
NET REVENUE	\$296,844	\$-37,852
TOTAL EXPENSES	\$64,558	\$-37,852

The forth quarter of 2013 saw MyECheck revenue starting to increase primarily due to system licensing fees

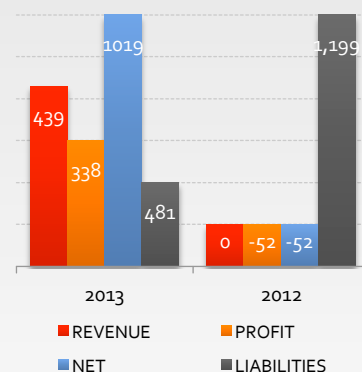
#### MYECHK 2013

▲ REVENUE FROM OPERATIONS  
\$439,496

▲ GROSS PROFIT  
\$348,233

▲ NET PROFIT  
\$1,018,693

▼ DEBT  
\$718,365



# Financial Statements

## Balance Sheet

	<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	350,065	-
Fixed Assets Net	3,374	-
<b>Other Assets</b>	-	1,710
<b>Total Assets</b>	<u>\$ 353,439</u>	<u>\$ 1,710</u>
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 478,188	\$ -
Deferred revenue	2,000	-
<b>Total Current Liabilities</b>	480,188	1,198,883
<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	(3,774,201)	(4,792,894)
<b>Total Stockholders' Deficit</b>	(126,749)	(1,197,173)
<b>Total Liabilities and Stockholders' Deficit</b>	<u>\$ 353,439</u>	<u>\$ 1,710</u>

## Income Statement

	For the Quarter Ended December 31,		For the Years Ended December 31,	
	2013	2012	2013	2012
<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>	-	-	-	-
<b>Total Operating Expenses</b>	64,558	37,852	91,263	52,230
<b>Loss from Operations</b>	296,844	(37,852)	348,233	(52,230)
<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	-	-	(1)	-
<b>Total Other (Income)/Expense</b>	(168,239)	-	(670,460)	-
<b>Net (Loss) or Income</b>	<u>\$ 465,083</u>	<u>\$ (37,852)</u>	<u>\$ 1,018,693</u>	<u>\$ (52,230)</u>

## Cash Flow

	<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>	
<b>Net Increase or (Decrease) in Cash</b>	<u>(51,324)</u>	<u>-</u>	<u>65</u>	<u>-</u>
Cash at Beginning of Period	<u>51,389</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash at End of Period</b>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ -</u>

# Equity

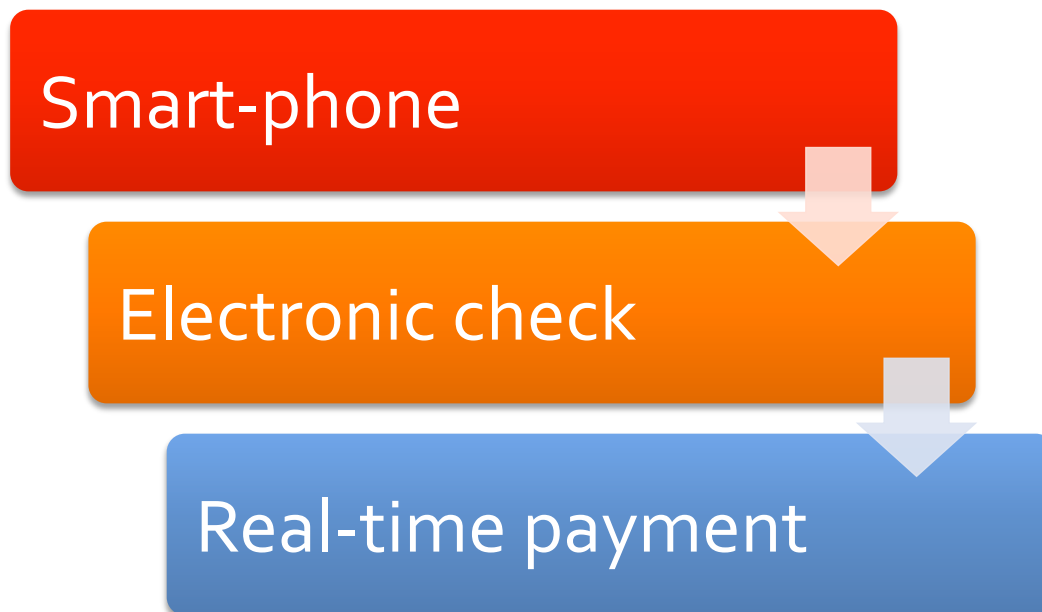
	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid -in Capital	Deficit	Total
Balance, December 31, 2011	\$ 2,470,000	\$ 25	\$ 3,563,096	\$ (4,740,664)	\$ (1,177,543)
Income or loss September 30,2012	-	-	-	(14,378)	(14,378)
Balance, September 30, 2012	<u>\$ 2,470,000</u>	<u>\$ 25</u>	<u>\$ 3,563,096</u>	<u>\$ (4,755,042)</u>	<u>\$ (1,191,921)</u>
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)
Balance, December 31, 2012	<u>\$ 3,262,470,000</u>	<u>\$ 32,625</u>	<u>\$ 3,563,096</u>	<u>\$ (4,792,894)</u>	<u>\$ (1,197,173)</u>
Issue of Shares reorganizational services, January 09, 2013	275,000,000	2,750	-	-	2,750
Net Income or Loss	-	-	-	553,610	553,610
Balance, Septemer 30, 2013	<u>3,537,470,000</u>	<u>35,375</u>	<u>3,563,096</u>	<u>(4,239,284)</u>	<u>(640,813)</u>
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
Balance, December 31, 2013	<u>\$ 3,787,470,000</u>	<u>\$ 37,875</u>	<u>\$ 3,609,577</u>	<u>\$ (3,774,201)</u>	<u>\$ (126,749)</u>



## Management Discussion and Analysis

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### Looking Ahead at Mobile Payments



### Business Description:

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- MyECheck, Inc. ("MyECheck" or the "Company") is an early stage company engaged in the electronic payment processing industry; specifically MyECheck is a provider of proprietary electronic check services. MyECheck was founded and incorporated in Delaware in October 2004 to capitalize on opportunities created by the passing of The Check Clearing for the 21st Century Act ("Check 21"). MyECheck commenced formal business operations in 2005, experienced a period of strong growth 2007 through 2009, followed by a collapse during bank closures of 2009 and 2010, and has recently restarted revenue growth in the second quarter of 2013.
- MyECheck was created to satisfy the demand for an alternative payment solution to credit and debit cards, and ACH e-checks for electronic commerce. MyECheck uses a patented method of creating and clearing fully electronic checks, providing software and services that enable real-time electronic payments from consumers, businesses and government entities either online, at a point of sale, on a mobile device or over a telephone.
- MyECheck provides additional services to support its electronic payment service including fraud loss prevention services. MyECheck also provides a number of services such as custom software and system development and licensing.
- Revenue has been generated from transaction fees charged to companies that contract with MyECheck to utilize the Company's services.
- MyECheck entered into a merger agreement with Sekoya Holdings Ltd., a Nevada corporation in November 2007, amended and restated February 4, 2008. The merger was effective March 14, 2008. Shareholders of Sekoya at the time of the merger would own approximately 40% of the shares of the surviving company and shareholders of MyECheck would own approximately 60% of the surviving company. Through this merger, shares of MyECheck stock became publicly traded on the OTC:BB exchange under the symbol ("MYEC")
- Check 21 was signed into law on October 28, 2003, and became effective on October 28, 2004. Check 21 is designed to foster innovation in the payments system and to enhance its efficiency by reducing some of the legal impediments to check truncation. The law facilitated check truncation by creating a new negotiable instrument called a substitute check, which permits banks to truncate original checks, and to process check information electronically.
- MyECheck started processing transactions on version one of its software platform in July of 2005 and continued through March of 2006, after which it ceased processing in order to further develop and refine its service offerings.
- During the period from March of 2006 through September 2007, MyECheck redesigned and developed its software platform to better suit the demands of its prospective customers and to ensure the accurate performance of the software.
- MyECheck has been sponsored by First Regional Bank, and successfully completed approval and check image file (ANSI X9.37) testing with the Federal Reserve Bank in the second quarter of 2007.
- Version two of its software platform was launched in September of 2007 and MyECheck has been steadily ramping up transaction volume on the system since then.

- MyECheck offers comprehensive, easily implemented solutions that include real-time check authorization, payment guarantee, electronic check creation and clearing and complete online reporting. Set out below are services that MyECheck provides and intends to provide as part of its business plan.

### **Electronic Check Web Service**

- Internet merchants and other companies wishing to accept payments online or over a telephone ("Merchants") can directly integrate with MyECheck's payment engine. Payer check data is collected by the Merchant either at the Merchant's website or over the telephone, and is transmitted in real-time to MyECheck for processing.
- MyECheck uses patented technology to generate electronic checks in accordance with the Federal Reserve Check 21 specification. Electronic checks are formatted and are transmitted in near real-time to banks, or directly to the Federal Reserve for clearing on behalf of MyECheck's customers.
- Electronic checks are not subject to many of the shortcomings of Automated Clearing House ("ACH") based e-check systems and cost-effectively provide higher transaction success rates, faster funds clearing and fewer returned items.
- Compared to other online payment methods, MyECheck's Electronic Check Web Services works with more payers, is more secure with less fraud, and is lower cost with flat fee pricing.

### **Check Authorization Service**

MyECheck offers Check Authorization Service, which enables merchants to verify consumer provided data, check the status of the customer's bank account, provide evidence that the consumer has authorized the check and predict the likelihood of a check being returned unpaid. Businesses that accept payments online through MyECheck utilize this service to provide greater assurance that the check will clear. Transactions can be approved or declined based upon the results of the Check Authorization Service.

### **Check Guarantee Service**

MyECheck co-markets with Check Guarantee Providers to offer Check Guarantee Service. The Check Guarantee Provider warrants all approved checks and reimburses the Payee for financial losses incurred as a result of returned checks. The Check Guarantee Provider buys the returned checks that have been warranted from merchants for the full face value of the returned checks. MyECheck merchants utilize Check Guarantee Service so that they can ship products or provide services immediately without having to wait for the check to clear. The Check Guarantee Service also eliminates the need for Merchants to collect on returned items from their customers. The Check Guarantee Providers are independent third parties whose services are offered to Merchants separately from the MyECheck service. MyECheck is not

compensated by, and does not compensate, Check Guarantee Providers. MyECheck may in the future enter into compensated arrangements with Check Guarantee Providers.

### **Personal Mobile Payment Service**

MyECheck is developing and will be launching a mobile Person to Person (P2P) payment system in 2014. The system will include User downloadable apps that can be registered to a bank account to enable real time payments to and from any other user on the system.

### **Electronic Bank Account Service**

Registered Users of the Personal Mobile Payment Service can obtain an Electronic Bank Account on the system that can be funded directly from any checking account or from a cash loading station. Anyone *with* or *without* a checking account will be able to use the Mobile Payment Service and obtain an Electronic Bank Account.

Real time payments can be authorized from mobile devices and paid with cleared funds from the Electronic Bank Account to any US bank account, to another User account, to a mobile number, or to a Merchant Point of Sale Payment System.

### **One Time Secure Registration and Authentication**

After downloading and installing a User app, a User can register their bank account to a specific business (Merchant POS Mobile Payment System) from a drop down menu. Merchants can be found by location and business type. MyECheck collects the User's name, address, phone, bank account and routing numbers, and validates the User data and bank account in real time. A User only has to register one time to make payments to any Merchant Point of Sale application on the system.

A User can also choose to register with the Personal Mobile Payment Service that requires a one-time third party registration authentication.

Once registered, a User app is issued a unique secure token that is transmitted by the User to authorize transactions on the systems.

### **Merchant Point of Sale Mobile Payment System**

Later in 2014, MyECheck will launch a downloadable merchant mobile payment acceptance application. The only requirements to become a merchant on the system are a computer running Intuit Quickbooks software and an Internet or wireless connection. The application enables real-time authorized point of sale payments from any User app. Merchant invoice data is captured by the User on their mobile device via Quick Response (QR) code and

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displayed on the User app. The User authorizes payment from their pre-registered bank account by entering their PIN or biometric. The unique User token is transmitted to prove authorization, the bank account is verified again prior to transaction approval and processing.

## **Government Services**

MyECheck G-Pay enables real-time government account to government account payments, in addition to business and individual payment acceptance. MyECheck G-Pay service is the only fully electronic payment service that is capable of processing fully electronic transfers from government owned bank accounts.

G-Pay application provides easily implemented security and payment capabilities for government entities to process authorized funds transfers to and from any government owned checking account.

The MyECheck G-Pay system has been developed to facilitate an easily implemented solution for government entities to transition from paper items to real-time fully electronic payments. G-Pay works with governments existing check payment issuance and tracking systems that are designed to issue and report paper check transactions. Other system features include secure system access and transaction authorization verification, and customizable automated reporting.

## **Company Competition**

- Other new alternative payment brands have emerged and have experienced tremendous success in recent years. Management believes that MyECheck services are in many ways more viable, and possess greater revenue potential than other alternative payment services that have emerged.
  - Most other alternative payment services enable consumers to pay with either payment cards or ACH based e-checks. One of the shortcomings of many of these payment brands is that the consumer is redirected off of the merchant's site in order to complete the transaction.
  - The check is the largest non-cash payment method in the US, demonstrating that people often prefer to use checks over cards. The number of electronic transactions per quarter has continued to grow. In spite of this, many merchants and businesses offer no alternative to cards, resulting in lost sales due to many consumers' inability or unwillingness to purchase cards.
  - Because MyECheck does not use the ACH network, transactions are not subject to National Automated Clearing House Association ("NACHA") regulation, including their rules, fees and fines. MyECheck RCCs are governed by Uniform Commercial Code (State check laws), and Check 21 law, which is more favorable to the Payee than NACHA rules and facilitates higher returned item collection rates. The lower number of returns and higher return collection rates
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translates to fewer losses, lower fees for payment guarantee and higher profit margins for MyECheck Merchants.

## **Leases**

The Company has no current leases.

## **Regulation**

MyECheck is not currently subject to direct federal, state or local regulation, and laws or regulations applicable to access to or commerce on the Internet, other than regulations applicable to businesses generally. MyECheck provides transaction processing services and does not conduct transactions or hold or transfer cash itself. However, there can be no assurances that MyECheck will not be subject to such regulation in the future.

## **Cost of Compliance with Environmental Regulation**

MyECheck currently has no costs associated with compliance with environmental regulations.

## **Software Development**

In April 2006, MyECheck entered into an open ended software development agreement with R Systems International Ltd., a software product development company, and that agreement was in effect through 2009. During that period and since then, MyECheck develops most of its own software in-house and utilizes independent contractors.

MyECheck own proprietary software and intellectual property, and licenses patented technology from the Company founder Edward R Starrs.

## **Business Partners**

MyECheck has entered into a Processor Agreement with First Regional Bank. First Regional Bancorp (NASDAQ: FRGB) is a bank holding company headquartered in Century City, California. First Regional Bank sponsored MyECheck at the Federal Reserve Bank, and MyECheck was permitted to use First Regional Bank's FedLine account to electronically access the Federal Reserve check clearing system.

- During 2008 and 2009, the Company expanded its relationships with larger customers and as a result of their banking requirements, the Company implemented processing of Check 21 files directly to the bank instead of entering into agreements to use their bank's FedLine account to electronically access the Federal Reserve check clearing system. As more banks have implemented Check 21 clearing processes with the Federal Reserve, the need to use a bank's FedLine to process transactions directly to the Federal Reserve has diminished.
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- On January 29, 2010, the Company's sponsoring bank, First Regional Bank, was closed by the Federal Deposit Insurance Corporation (FDIC). The new bank acquiring the old bank from the FDIC obtained all rights to accept or reject former contracts. The new bank elected to reject the Company's agreement with the old bank.
- In 2007, MyECheck entered into an Agreement with Cardinal Commerce Corporation, a global leader in enabling authenticated payments, secure transactions and alternative payment brands for both eCommerce and mobile commerce. CardinalCommerce enables payment brands such as Verified by Visa, MasterCard SecureCode, PayPal, eBillme, Bill Me Later, Google Checkout, MyECheck, and NetCash (with Western Union and NACHA Secure Vault Payments coming soon) to a network of over 30,000 merchants and thousands of Banks.
- The Cardinal mobile platform leverages its merchant network, bank network and payment brands by linking them with end users' mobile phones through an integrated mobile platform. Cardinal's proprietary and easily deployable technology provides consumers, merchants, card issuers, and processors the ability to conduct authenticated Internet, wireless and mobile transactions safely and securely. Headquartered in Cleveland, Ohio, with facilities in the United States, Europe and Africa, CardinalCommerce services a global customer base.
- In 2008 and 2009 the Company announced agreements with several customers including Forever Living Products, Regal Entertainment Group, Simon Property Group, and CalSTRS.
- In 2009, MyECheck announced a partnership with Morse Data Corporation. Morse Data's InOrder solution is a leading enterprise management system for multi-channel merchants, fulfillment service providers and publishers. Easily deployed as an off-the-shelf system, InOrder accommodates all sales channels, including web, phone, fax, EDI, POS and catalog sales in real time for immediate and accurate inventory and order processing.
- Additionally, MyECheck announced it had entered into a definitive agreement with Simplifile, the leading provider of electronic recording services. The agreement facilitates the MyECheck Electronic Check solution into the Simplifile e-recording service which allows Simplifile customers to make payments for recording and submission fees using an online check imaging process.
- MyECheck also announced several other new merchants during the course of 2009. MyECheck was substantially reliant on these agreements for its business.

## The Merger Agreement

MyECheck, Inc., a Delaware corporation and Sekoya Holdings, Limited (a Nevada corporation) entered into a Merger Agreement in November 2007, which was amended and restated as of February 4, 2008, and was filed as an exhibit to the Report on Form 8-K filed on February 7, 2008. The merger was effective March 14, 2008.

The company's Primary SIC code is 6199 - Finance Services The company's Secondary SIC code is 7389 - Business Services

The company is an operational company with existing sales and is also a development stage company developing new products.

The company is not now, nor do we believe that it will fall under governmental regulations.

The amount of money spent over the last year on research and development is estimated at zero.

There has been no cost of compliance with environmental laws.

MyECheck, Inc. Facilities.

Leased Co-Location Data Center

### **QTS Data Center**

1100 N. Market St.

Sacramento, CA 95762

92,000 square foot facility with 46,000 square feet of raised floor space and 9.0 megawatts (MW) of power capacity in seismically-neutral Sacramento. With the finest in physical and electronic security, fully redundant, uninterruptible power and carrier-neutral connectivity, this state-of-the-art facility provides superior colocation and disaster recovery options.

#### **1. POWER**

- Total power capacity of 9.0MW is provided by a dedicated, on-site, 69kV Sacramento Municipal Utility District (SMUD) substation; Substation is fed by redundant substations located a quarter mile away at the regional Natomas-Area SMUD complex
- Ten (10) UPS units; N+1 configuration
- 10 battery strings capable of holding critical load for 25 minutes
- Four (4) 2.0MW diesel generators in an N+1 configuration
- 16,000 gallon fuel tank; Fuels tanks are serviced by two fuel suppliers with four-hour priority response contracts; Under the current load, the facility can fully operate on generator power for over 3 days

### **ENVIRONMENTAL CONTROLS**

- Six (6) 500 ton water cooled chiller units provide 3,000 tons of cooling capacity for the facility
- 24 foot ceiling height designed as cooling reservoir
- Seventy-two (72), 30-ton CRAH units cool raised floor areas. Thirteen (13) of the CRAH units are for redundancy at full load



## SECURITY

- All building entrances require card key access; Data center floor and secured areas require card key and two-factor biometric authentication (finger print and iris scan) with a “man-trap” entrance
- Guards on-site 24x7x365; Active patrols both inside and outside the facility
- Seventy-two (72) fixed or pan and tilt cameras monitor the interior and exterior access points. Multiple monitors display all the cameras at the front guard desk and in the Network

### Operations Center

- The glass near the entrance to the facility is all armor-plated riot glass. It would take an individual with a sledge hammer over 35 minutes to penetrate

## CONNECTIVITY

- Carrier-neutral facility providing access to multiple providers for local, fiber and Internet connectivity; Available carriers include:

- - AT&T
- - CenturyLink
- - Cogent
- - Comcast
- - Integra Telecom
- - Surewest
- - TW Telecom
- - Verizon
- - XO Communications
- Dual entry, dual fiber vault with diverse-path fiber
- Connectivity provided to customers within the facility via dual self-healing SONET rings which enter the building through diverse underground conduits.

## FIRE DETECTION AND PROTECTION

- A Very Early Smoke Detection System (“VESDA”) deployed throughout the facility provides primary fire monitoring
- Fire suppression is achieved via a double interlock, pre-action dry pipe system

## FACILITY MONITORING AND MANAGEMENT

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- An advanced Automated Building Management System (“ABMS”) provides information from more than 18,000 hardwired nodes located throughout the facility
- Nodes monitor temperature and other key operating parameters of all critical infrastructure components

## Management and Control Structure

The name of the chief executive officer, members of the board of directors, as well as control persons

### A. Officers and Directors

#### 1. Full Name Edward Starrs President and CEO, Director

Business Address: 6026 Ladero Way  
El Dorado Hills, CA 95762

#### Employment History:

Edward R Starrs  
Founder, Chairman & CEO, MyECheck Inc.

Mr. Starrs is an experienced, success driven innovator with a deep understanding of the payments industry and its markets. Mr. Starrs has more than 20 years experience as an international business executive with management experience in multiple industries. He has been an officer and director of MyECheck since its formation in 2004, founding the company to overcome shortcomings of existing card and ACH payment systems, and to meet market demand for a lower cost, faster and more secure online payment option.

Starrs has designed and successfully implemented a fundamentally new payment method enabling for the first time, reliable, fast, secure and inexpensive end-to-end electronic check processing. Starrs has more than 9 years experience in the Check 21 industry and has spoken at Industry trade shows as a leading Check 21 expert. Starrs has extensive experience working with contacts within multiple areas of the US Federal Reserve Bank. Starrs has recruited and trained management and employees, oversaw software development and testing, secured bank relationships, strategic partners and customers; and took the company public through an acquisition and merger.

Areas of expertise include: Strategy planning and implementation; legal, regulatory and compliance; software and systems development; process development; fund raising; human resources management; negotiating; sales; marketing; contracting; vendor sourcing; cash management and

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accounting; partner, customer and investor relations; brand positioning; complex decision making; and corporate culture setting.

Previously, Mr. Starrs was President of Starnet Systems International, Inc., a wholly owned subsidiary of a public company that was processing more than \$2 billion annually in Internet transactions.

Mr. Starrs has owned and operated several successful companies including, ERS Marketing, Inc., where he produced over \$20 million in annual revenue, and Bay Distributing, Inc. a major distributor of over 800 product categories to Fortune 500 accounts.

Mr. Starrs served as CEO of Digency, Inc., an online payment processing company engaged in credit card and eCheck transaction processing. Starrs has also held senior management positions with Fortune 100 companies including McCaw Communications, Inc. (AT&T), and AMF, Inc., the world's largest sporting goods conglomerate.

Recent Accomplishments Include:

- Awarded US Patent for 'Method and Apparatus for Online Check Processing'
- Founded and led start-up company from inception to cash flow positive operations
- Architect of software system that successfully processed more than 6 million transactions
- Forged numerous strategic alliances and value added reseller agreements
- Negotiated and closed multiple major corporate and government accounts

Compensation \$56,000 per year

Number of issuer's shares owned Common Shares. 2,000,956,970

Preferred Shares. One

Legal/Disciplinary: None

Disclosure of Family Relationships: None

Disclosure of Related Party Transactions: None

Disclosure of Conflicts of Interest: None

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2. Full Name Robert S. Blandford, Vice President of Technology, CTO, Director and Secretary

2. Business Address: 6026 Ladero Way  
El Dorado Hills, CA 95762

3. Employment History: R Stephen Blandford

Mr. Blandford possesses more than 15 years experience as a Senior Information Technology Professional including serving as CTO for companies in the online entertainment and gaming industries.

Mr. Blandford's professional experience includes i2 Corp, MXM Media, Maxum Entertainment Group, Perspective Technologies, WinStreak and others.

From January 2002 through October 2004, Mr. Blandford was Chief Technology Officer for Digency, Inc., an online payment processing company engaged in credit card and eCheck transaction processing for Internet Merchants.

Mr. Blandford has expertise in the design and implementation of Java streaming media solutions for multiple platforms, using Coldfusion, PHP, & SQL DBs. For more than a decade Blandford has architected systems featuring virtually every emerging technology

Compensation \$40,000 per year

Number of issuer's shares owned Common Shares 92,314 Preferred Shares. None

Item XII Financial information for the companies most recent fiscal period.

See Attached Statements

Item XIV. Beneficial Owners

Principal Stockholder's Name Number of Shares Owned Percentage

Edward R Starrs 2,000,000,000 55%

3941 Park Drive, Suite 20-179  
El Dorado Hills, Ca 95762

Accountant or Auditor : Berman and Company LP, LL Bradford

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Public Relations Consultant None

Investor Relations Consultant None

Managements Discussion and Analysis or Plan of Operation.

- MyECheck, Inc. ("MyECheck" or the "Company") is an early stage company engaged in the payment processing industry; specifically MyECheck provides electronic check ("e-check") services to merchants, payment services providers, banks and other businesses. MyECheck was founded and incorporated in Delaware in October 2004 to capitalize on opportunities created by the passing of The Check Clearing for the 21st Century Act ("Check 21"). MyECheck has commenced formal business operations and is generating revenue.
- MyECheck was created to satisfy the demand for an alternative payment solution to credit and debit cards for online commerce. MyECheck has developed and utilizes a proprietary method of creating and clearing fully electronic checks on behalf of its customers, having successfully implemented its proprietary electronic check service that enables companies to accept real-time electronic payments from consumers and businesses remotely, via mobile device, online or over a telephone.
- MyECheck provides additional services to support its electronic check service including fraud loss prevention services.
- MyECheck has discontinued a number of services such as check remittance processing and remote deposit capture ("RDC") services for brick and mortar companies, such as banks and retailers.
- MyECheck entered into a merger agreement with Sekoya Holdings Ltd., a Nevada corporation in November 2007, amended and restated February 4, 2008. The merger was effective March 14, 2008. Shareholders of Sekoya at the time of the merger would own approximately 40% of the shares of the surviving company and shareholders of MyECheck would own approximately 60% of the surviving company.
- Revenue is generated from transaction fees charged to companies that contract with MyECheck to utilize the Company's services.
- Check 21 was signed into law on October 28, 2003, and became effective on October 28, 2004. Check 21 is designed to foster innovation in the payments system and to enhance its efficiency by reducing some of the legal impediments to check truncation. The law facilitates check truncation by creating a new negotiable instrument called a substitute check, which permits banks to truncate original checks, to process check information electronically, and to deliver substitute checks to banks that want to continue receiving paper checks. A substitute check is the legal equivalent of the original check and includes all the information contained on the original check. The law does not require banks to accept checks in electronic form nor does it require banks to use the new authority granted by the Act to create substitute checks.
- MyECheck started processing transactions on version one (MyECheck Version 1.0) of its software platform in July of 2005 and continued through March of 2006, after which it ceased processing in order to further develop and refine its service offerings.

- MyECheck had been sponsored at the Federal Reserve by First Regional Bank, and successfully completed software approval and check image file (ANSI X9.37) testing with the Federal Reserve Bank in the second quarter of 2007.
- Version two of MyECheck's software platform was launched in September of 2007 and MyECheck signed a number of customers, including Regal Entertainment Group, Simon Property Group, a large school district and many internet retailers to use the system. Volume on the system and revenue steadily ramped up for 8 consecutive quarters.
- Beginning in the fall of 2009, customer account applications at First Regional bank were being declined, and some larger customer accounts were closed and their account balances were refunded. The company was not made aware that the bank was under federal audit preparing the bank for closure. The federal government, due to illiquidity issues that were unrelated to the company, closed First Regional Bank in January 2010. The major of the company's highest revenue generating customers were dependent on the First Regional bank relationship, and when the bank was suddenly closed, the company was unable to continue to provide services to those customers.
- The Company engaged with other banks in 2010 and 2011 including Chase, Meridian and others but was unable to successfully launch operations with any of those banks, due to different reasons ranging operational and technical incompatibility, risk concerns on the part of banks and regulators, additional bank closures, and the company's lack of resources.
- In 2012, MyECheck engaged with Bank of Kentucky and subsequently entered into an agreement with the bank that would enable the company to provide services to customers who would open an account at Bank of Kentucky.
- MyECheck signed services agreements with few companies in 2012 and 2013, the company had insufficient resources for the effective sales and implementation of new customers.
- In 2013, in order to facilitate widespread adoption of the payment method, MyECheck made significant changes to its business model and focus from the Internet to mobile commerce, government payments, corporate payments and system customization and licensing. The company also began development on a range of new products that would enable real-time frictionless adoption of its services by anyone with a smartphone, downloadable merchant point of sale systems, a specialized government payments application, and an enhanced payment data processing platform (MyECheck Version 3.0) with innovative new security technologies.

### **Sales, Marketing and Distribution**

During 2013, the Company has had limited sales and marketing resources and intends on hiring a Vice President of Sales and Marketing in April 2014. The VP Sales & Marketing will be responsible for recruiting and managing the sales and marketing personnel. The primary function of the sales personnel is to promote the sales and distribution of MyECheck's services through Resellers such as Payment Software as a Service (SaaS) Providers, Merchant Service Providers (MSPs); and Independent Sales Organizations (ISOs). The primary function of the marketing personnel is to present the Company's services to its target markets through a variety of effective methods.

## System Licensing

MyECheck is pursuing an aggressive system-licensing plan. We believe that system licensing is the key to rapid adoption and use of our services. The licensing model is a distinct competitive differentiator therefore details of the plans and licenses are confidential trade secrets and not subject to public disclosure.

Forward-looking statements in this release are made pursuant to "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties, including, without limitation, continued acceptance of mentioned products, increased levels of competition, new products and technological changes, dependence upon third-party suppliers, intellectual property rights, and other risks detailed from time to time in reports filed with the SEC.

