

5629 American Circle
Delray Beach, FL 33484
561-499-5280
561-499-5536
lyndhae@msn.com

**Atlantic Avenue D.B.
Financial/Legal
Support Group, Inc.**

Fax

To:	Mark Fleisher	From:	Lyndha E. Evensen
Fax:	305-358-7095	Pages:	Multiple
Phone:	305-539-3300	Date:	December 10, 2010
Re:	ELM Technologies, Inc.	cc:	Jennifer Martin

☒ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

● **Comments:** As requested please find financial information concerning ELM TECHNOLOGIES, INC. for the quarters commencing with September 30, 2009 through and including September 30, 2010. Please note that the Statement of Changes in Stockholders' Equity as at September 30, 2009 is not being duplicated for the subsequent quarters since such changes are de minimus and will likely be restated post merger once the merged companies file audited financial statements with the appropriate regulatory bodies. Also please note that there is no change in the footnotes to financial statements post September 30, 2009 since there have been no changes during the subsequent periods of time with the exception of the reverse merger between Elm Technologies and your client.

Please arrange for the payment to us of the \$2,500.00 balance due us as agreed.

Very truly yours,

Lyndha E. Evensen

**ELM TECHNOLOGIES, INC
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED FINANCIAL STATEMENTS
SECOND QUARTER ENDED JUNE 30, 2009**

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET
- Unaudited -

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 9	\$ 9
Accounts Receivable	-	-
TOTAL CURRENT ASSETS	<u>9</u>	<u>9</u>
FIXED ASSETS, Net of accumulated depreciation	1,489	1,738
SOFTWARE LICENSE, Net of accumulated amortization	960,000	1,020,000
OTHER ASSETS	<u>18,174</u>	<u>35,022</u>
	<u>\$ 979,673</u>	<u>\$ 1,056,769</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 272,984	\$ 206,565
Loan payable- related party	15,013	13,276
Loan payable- Other	5,000	5,000
Current Portion of Note payable - Software License	<u>500,000</u>	<u>500,000</u>
TOTAL CURRENT LIABILITIES	<u>792,997</u>	<u>724,841</u>
OTHER LIABILITIES		
Notes payable - related party	150,000	150,000
Notes payable - Software License	700,000	700,000
Subordinated 12% working capital notes payable	<u>32,000</u>	<u>32,000</u>
TOTAL OTHER LIABILITIES	<u>882,000</u>	<u>882,000</u>
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Class A Preferred stock, \$001 par value, 100,000,000 shares authorized; issued and outstanding; liquidation preference of \$0.0015 per share; voting right of 100,000 common shares for each preferred share	100,000	100,000
Common stock, \$.01 par value, 500,000,000 shares authorized; 91,548,564 shares issued and outstanding	915,486	915,486
Additional paid-in capital	(472,986)	(472,986)
Deficit accumulated during the development stage	<u>(1,237,824)</u>	<u>(1,092,530)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>(695,324)</u>	<u>(550,030)</u>
	<u>\$ 979,673</u>	<u>\$ 1,056,811</u>

See accompanying notes to financial statements

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS AND DEFICIT
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2009
- Unaudited -

	Three Months Ended <u>June 30, 2009</u>	Three Months Ended <u>June 30, 2008</u>	Six Months Ended <u>June 30, 2009</u>	Six Months Ended <u>June 30, 2008</u>
REVENUES	\$ <u>-</u>	\$ <u>28,800</u>	\$ <u>-</u>	\$ <u>28,800</u>
COST OF REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Consulting Fees	-	14,134	-	17,316
Depreciation and Amortization	30,124	30,124	60,248	60,248
General and Administrative	1,613	3,342	18,502	5,250
Interest Expense	33,333	34,363	66,543	68,157
	<u>65,070</u>	<u>81,963</u>	<u>145,294</u>	<u>150,972</u>
NET LOSS	\$ <u>(65,070)</u>	\$ <u>(53,163)</u>	\$ <u>(145,294)</u>	\$ <u>(122,172)</u>
NET LOSS PER COMMON SHARE - basic	\$ <u>(0.001)</u>	\$ <u>(0.001)</u>	\$ <u>(0.002)</u>	\$ <u>(0.001)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - basic	<u>91,548,564</u>	<u>91,548,564</u>	<u>91,548,564</u>	<u>91,548,564</u>

See accompanying notes to financial statements.

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2009
- Unaudited -

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (145,294)	\$ (122,172)
Adjustments to reconcile net loss to net cash used in operations:		
Amortization and depreciation	60,248	60,248
Common stock issued for services	-	-
Increase in accounts receivables	-	(15,047)
Increase in other assets	16,847	(4,404)
Increase in accounts payable and accrued expenses	66,420	77,463
	<u>143,516</u>	<u>118,260</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(1,778)</u>	<u>(3,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	-	-
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from other	-	5,000
Borrowings from related party	1,737	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>1,737</u>	<u>5,000</u>
NET INCREASE IN CASH	(42)	1,089
CASH - beginning of period	<u>51</u>	<u>2,378</u>
CASH - end of period	<u>\$ 9</u>	<u>\$ 3,467</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
PERIOD FROM INCEPTION MAY 2, 2007 TO JUNE 30, 2009
- Unaudited -

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Amount	Shares	Amount	Paid-in	Accumulated	Total
					Capital	during Development	
						Stage	
Balance May 2, 2007	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
May 23, 2007 reverse merger and reorganization agreement with Ubuynetworks.com	100,000,000	100,000	40,698,564	406,986	23,014	(530,000)	-
May 23, 2007 Common Shares issues to Emlogis, Inc. per the terms of reverse merger and agreement with Ubuynetworks.com			50,000,000	500,000	(500,000)		-
May 31, 2007 Common Stock issued for services rendered by outside consultants			750,000	7,500			7,500
Net loss						(312,902)	(312,902)
Balance November 30, 2007	100,000,000	100,000	91,448,564	914,486	(476,986)	(842,902)	(305,402)
March 2008 Common Shares sold			100,000	1,000	4,000		5,000
Net loss						(249,628)	(249,628)
Balance December 31, 2008	100,000,000	100,000	91,548,564	915,486	(472,986)	(1,092,530)	(550,030)
Net loss						(145,294)	(145,294)
Balance June 30, 2009	100,000,000	\$ 100,000	91,548,564	\$ 915,486	\$ (472,986)	\$ (1,237,824)	\$ (695,324)

See accompanying notes to financial statements

ELM TECHNOLOGIES, INC
(A DEVELOPMENT STAGE COMPANY)
Notes to Unaudited Financial Statements
Second Quarter Ended June 30, 2009

1. ORGANIZATION AND BASIS OF PRESENTATION

Elm Technologies, Inc. ("Elm" and "Company"), a Minnesota corporation, was formed on May 2, 2007, as a wholly owned subsidiary of EmLogis, Inc. ("EmLogis") to be a marketing company with the exclusive license to sell the EmLogis *Generator* workforce modeling/scheduling solution to the Long Term Care industry for the North American continent. The Company was incorporated with 100,000 shares of common stock authorized at \$0.01 par value.

On May 23, 2007, the Company was acquired by Ubuynetwork.com, Inc. ("Ubuynetwork"), a Nevada corporation, in a stock-for-stock exchange and recapitalized pursuant to an Agreement for Reorganization between Elm and Ubuynetwork (the "Exchange"). The Exchange has been accounted for as a reverse acquisition under the purchase method for business combinations. Accordingly, the combination of the two companies is recorded as a recapitalization of Elm, pursuant to which Elm is treated as the continuing entity. Subsequent to the Exchange, with the approval of the Board of Directors, Ubuynetwork changed its name to Elm Technologies, Inc.

The outstanding shares of the newly merged entity as of May 23, 2007 resulting from the Exchange was 406,985,640 shares of common stock, par value \$0.01 per share, and 100,000,000 shares of Class A preferred stock, par value \$0.001 per share.

On May 23, 2007, contemporaneous with the merger with Ubuynetwork, the Board of Directors of Ubuynetwork declared a 1:10 reverse stock split on its common stock which resulted in 40,698,564 shares outstanding with a par value of \$.01 per share.

Additionally, the Exchange agreement required the issuance of 50,000,000 shares of common stock of the newly merged entity to EmLogis in exchange for the purchase of an exclusive software license valued at \$1,200,000 and a note payable of the same amount (see Note 3).

The accompanying unaudited consolidated financial statements of Elm (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the unaudited financial statements and related footnotes included in the Company's Annual Report for the year ended December 31, 2008.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation have been included. The results for the three months ended March 31, 2009 and 2008 are not necessarily indicative of financial information for the full year.

2. SOFTWARE LICENSE

On May 23, 2007 the Company entered into a Software Purchase and Servicing Agreement ("Agreement") with EmLogis for the purchase of a perpetual license covering a proprietary employee scheduling software developed by and under the trademark of EmLogis and; the exclusive sales and marketing of the EmLogis products in North America and offerings to the market of Long Term Care facilities. The terms of the agreement required the Company to purchase from EmLogis a software license valued at \$1,200,000 payable \$500,000 cash on or before six (6) months from the date of the agreement, and a promissory note payable for \$700,000. The promissory note has a maturity of ten (10) years and payable in ten (10) equal annual installments of principal and accrued simple interest at a rate of 10% per annum

In addition to the software license purchase, the Company is to pay EmLogis (a) a Servicing fee of 40% of the gross revenue received by Elm for all product subscriptions and (b) a Servicing fee of 10% of the gross revenues received by Elm in connection with consulting services provided to customers who are evaluating or using the product.

Commencing after the first anniversary of the agreement for each twelve month period thereafter the agreement requires a minimum of \$250,000 in servicing fees from sale of products and consulting services in order to maintain the exclusivity provision. If the servicing fees are not sufficient to meet the minimum amount for any twelve month period, Elm's exclusivity to market to the Long Term Care market for the products shall lapse. Elm may reacquire the exclusive right if it resumes payment and pays the accrued minimum. The exclusivity from EmLogis shall continue in perpetuity provided that Elm makes the required minimum servicing fee payments

3. RELATED PARTY TRANSACTIONS

As of May 31, 2007 the Company has a note payable of \$150,000 due to an individual and original holder of 100,000,000 shares representing all the issued and outstanding shares of the Class A Preferred Stock ("Class A Shares") of Ubuynetworks.com, Inc., n/k/a Elm Technologies, Inc. The Class A Shares represents the controlling shares of ELM and the Company shall have a right to redeem the Class A Shares for a three year period. The note bears an interest rate of 6% per annum and the entire principal and interest is due on May 23, 2010. The face value of this obligation was recorded and expensed as a merger costs in the accompanying financial statements.

As of November 30, 2007 EmLogis owns a 54.6% interest in the Company and is the developer of the primary software license product purchased by the Company from EmLogis. Additionally EmLogis maintains the servicing and warranty of the software license product sold by ELM pursuant to a servicing agreement.

The Company entered into a business consulting agreement dated May 18, 2007 for a term of one year with related parties to advise the Company on matters relating to strategic corporate planning and development, acquisitions, board governance, business development and marketing and other various related business affairs.

4. STOCKHOLDERS' EQUITY

In March, 2008, the Company sold 100,000 shares of common stock at \$.05 per share for total proceeds of \$5,000 to a third party.

5. COMMITMENTS

Consulting Agreements:

On May 15, 2007, the Company entered into a one (1) year consulting agreement with a consultant to provide the services of interim Chief Financial Officer, including financial planning, corporate strategy development, budgeting, financial reporting and governance. The agreement provides for an initial consulting fee of \$5,000 monthly, to be adjusted August 2007 and the grant of 3,000,000 shares of common stock payable (i) 250,000 shares to be issued upon commencement of services, (ii) 250,000 shares vested monthly over a one year period, and (iii) a warrant to purchase 2,500,000 shares of common stock at an exercise price of \$.01 per share vested equally monthly over three (3) years.

The company entered into a business consulting agreement dated May 18, 2007 for a term of one year with consultants to consult the Company on matters relating to assisting with strategic corporate planning and development, advice on acquisitions, board governance, business development and marketing and other assistance on various related business affairs. The company is affiliated through common ownership with the holder of the note payable and preferred stock.

6. GOING CONCERN

As shown in the accompanying financial statements, the Company is a development stage company and as of March 31, 2009 has not incurred any significant operating activity. There is no guarantee whether the Company will be able to generate enough revenue and/or raise capital to support their operations. This raises substantial doubt about the Company's ability to continue as a going concern.

Management believes that the Company's capital requirements will depend on many factors including the success of its capital raising and marketing efforts. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

7. SUBSEQUENT EVENTS

During the fourth quarter of 2009 the Company's management elected to abandon its existing business model and plans to be a marketing company selling workforce modeling/scheduling solutions to the Long Term Care industry. The Company remains as a public shell and is pursuing plans to seek profitable operating entities for merger.

**ELM TECHNOLOGIES, INC
(A DEVELOPMENT STAGE COMPANY)
UNAUDITED FINANCIAL STATEMENTS
THIRD QUARTER ENDED SEPTEMBER 30, 2009**

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET
- Unaudited -

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 549	\$ 9
Accounts Receivable	-	-
TOTAL CURRENT ASSETS	<u>549</u>	<u>9</u>
FIXED ASSETS, Net of accumulated depreciation	1,365	1,738
SOFTWARE LICENSE, Net of accumulated amortization	930,000	1,020,000
OTHER ASSETS	<u>22,024</u>	<u>35,022</u>
	<u>\$ 953,939</u>	<u>\$ 1,056,769</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 305,801	\$ 206,565
Loan payable- related party	20,073	13,276
Loan payable- Other	5,000	5,000
Current Portion of Note payable - Software License	<u>500,000</u>	<u>500,000</u>
TOTAL CURRENT LIABILITIES	<u>830,875</u>	<u>724,841</u>
OTHER LIABILITIES		
Notes payable - related party	150,000	150,000
Notes payable - Software License	700,000	700,000
Subordinated 12% working capital notes payable	<u>32,000</u>	<u>32,000</u>
TOTAL OTHER LIABILITIES	<u>882,000</u>	<u>882,000</u>
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Class A Preferred stock, \$001 par value, 100,000,000 shares authorized; issued and outstanding; liquidation preference of \$0.0015 per share; voting right of 100,000 common shares for each preferred share	100,000	100,000
Common stock, \$.01 par value, 500,000,000 shares authorized; 91,548,564 shares issued and outstanding	915,486	915,486
Additional paid-in capital	(472,986)	(472,986)
Deficit accumulated during the development stage	<u>(1,301,436)</u>	<u>(1,092,530)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>(758,936)</u>	<u>(550,030)</u>
	<u>\$ 953,939</u>	<u>\$ 1,056,811</u>

See accompanying notes to financial statements

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS AND DEFICIT
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
- Unaudited -

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
REVENUES	\$ -	\$ -	\$ -	\$ 28,800
COST OF REVENUES	-	-	-	-
OPERATING EXPENSES				
Consulting Fees	-	14,000	-	31,316
Depreciation and Amortization	30,124	30,124	90,372	90,372
General and Administrative	128	2,533	18,630	7,783
Interest Expense	33,360	33,360	99,903	101,517
	<u>63,613</u>	<u>80,018</u>	<u>208,906</u>	<u>230,989</u>
NET LOSS AND DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE	<u>\$ (63,613)</u>	<u>(80,018)</u>	<u>(208,906)</u>	<u>(202,189)</u>
NET LOSS PER COMMON SHARE - basic	<u>\$ (0.001)</u>	<u>(0.001)</u>	<u>(0.002)</u>	<u>(0.002)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - basic	<u>91,548,564</u>	<u>91,548,564</u>	<u>91,548,564</u>	<u>91,548,564</u>

See accompanying notes to financial statements.

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2009
- Unaudited -

	<u>September 30, 2009</u>	<u>September 30, 2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (208,906)	\$ (202,189)
Adjustments to reconcile net loss to net cash used in operations:		
Amortization and depreciation	90,372	90,372
Increase in accounts receivables	-	(9,047)
Increase in other assets	12,997	(4,404)
Increase in accounts payable and accrued expenses	99,237	103,020
	<u>202,607</u>	<u>179,941</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(6,299)</u>	<u>(22,247)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	-	-
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from other	-	5,000
Borrowings from related party	6,797	14,956
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>6,797</u>	<u>19,956</u>
NET INCREASE IN CASH	498	(2,291)
CASH - beginning of period	<u>51</u>	<u>2,378</u>
CASH - end of period	<u>\$ 549</u>	<u>\$ 87</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

ELM TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
PERIOD FROM INCEPTION MAY 2, 2007 TO SEPTEMBER 30, 2009
- Unaudited -

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Amount	Shares	Amount	Paid-in	Accumulated	Total
					Capital	during Development	
						Stage	
Balance May 2, 2007	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
May 23, 2007 reverse merger and reorganization agreement with Ubunetworks.com	100,000,000	100,000	40,698,564	406,986	23,014	(530,000)	-
May 23, 2007 Common Shares issues to EmLogis, Inc. per the terms of reverse merger and agreement with Ubunetworks.com			50,000,000	500,000	(500,000)		-
May 31, 2007 Common Stock issued for services rendered by outside consultants			750,000	7,500			7,500
Net loss						(312,902)	(312,902)
Balance November 30, 2007	100,000,000	100,000	91,448,564	914,486	(476,986)	(842,902)	(305,402)
March 2008 Common Shares sold			100,000	1,000	4,000		5,000
Net loss						(249,628)	(249,628)
Balance December 31, 2008	100,000,000	100,000	91,548,564	915,486	(472,986)	(1,092,530)	(550,030)
Net loss						(208,906)	(208,906)
Balance September 30, 2009	100,000,000	\$ 100,000	91,548,564	\$ 915,486	\$ (472,986)	\$ (1,301,436)	\$ (758,936)

See accompanying notes to financial statements

ELM TECHNOLOGIES, INC
(A DEVELOPMENT STAGE COMPANY)
Notes to Unaudited Financial Statements
Third Quarter Ended September 30, 2009

1. ORGANIZATION AND BASIS OF PRESENTATION

Elm Technologies, Inc. ("Elm" and "Company"), a Minnesota corporation, was formed on May 2, 2007, as a wholly owned subsidiary of EmLogis, Inc. ("EmLogis") to be a marketing company with the exclusive license to sell the EmLogis *Generator* workforce modeling/scheduling solution to the Long Term Care industry for the North American continent. The Company was incorporated with 100,000 shares of common stock authorized at \$0.01 par value.

On May 23, 2007, the Company was acquired by Ubuynetwork.com, Inc. ("Ubuynetwork"), a Nevada corporation, in a stock-for-stock exchange and recapitalized pursuant to an Agreement for Reorganization between Elm and Ubuynetwork (the "Exchange"). The Exchange has been accounted for as a reverse acquisition under the purchase method for business combinations. Accordingly, the combination of the two companies is recorded as a recapitalization of Elm, pursuant to which Elm is treated as the continuing entity. Subsequent to the Exchange, with the approval of the Board of Directors, Ubuynetwork changed its name to Elm Technologies, Inc.

The outstanding shares of the newly merged entity as of May 23, 2007 resulting from the Exchange was 406,985,640 shares of common stock, par value \$0.01 per share, and 100,000,000 shares of Class A preferred stock, par value \$0.001 per share.

On May 23, 2007, contemporaneous with the merger with Ubuynetwork, the Board of Directors of Ubuynetwork declared a 1:10 reverse stock split on its common stock which resulted in 40,698,564 shares outstanding with a par value of \$.01 per share.

Additionally, the Exchange agreement required the issuance of 50,000,000 shares of common stock of the newly merged entity to EmLogis in exchange for the purchase of an exclusive software license valued at \$1,200,000 and a note payable of the same amount (see Note 3).

The accompanying unaudited consolidated financial statements of Elm (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the unaudited financial statements and related footnotes included in the Company's Annual Report for the year ended December 31, 2008.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation have been included. The results for the three months ended September 30, 2009 and 2008 are not necessarily indicative of financial information for the full year.

2. SOFTWARE LICENSE

On May 23, 2007 the Company entered into a Software Purchase and Servicing Agreement ("Agreement") with EmLogis for the purchase of a perpetual license covering a proprietary employee scheduling software developed by and under the trademark of EmLogis and; the exclusive sales and marketing of the EmLogis products in North America and offerings to the market of Long Term Care facilities. The terms of the agreement required the Company to purchase from EmLogis a software license valued at \$1,200,000 payable \$500,000 cash on or before six (6) months from the date of the agreement, and a promissory note payable for \$700,000. The promissory note has a maturity of ten (10) years and payable in ten (10) equal annual installments of principal and accrued simple interest at a rate of 10% per annum

In addition to the software license purchase, the Company is to pay EmLogis (a) a Servicing fee of 40% of the gross revenue received by Elm for all product subscriptions and (b) a Servicing fee of 10% of the gross revenues received by Elm in connection with consulting services provided to customers who are evaluating or using the product.

Commencing after the first anniversary of the agreement for each twelve month period thereafter the agreement requires a minimum of \$250,000 in servicing fees from sale of products and consulting services in order to maintain the exclusivity provision. If the servicing fees are not sufficient to meet the minimum amount for any twelve month period, Elm's exclusivity to market to the Long Term Care market for the products shall lapse. Elm may reacquire the exclusive right if it resumes payment and pays the accrued minimum. The exclusivity from EmLogis shall continue in perpetuity provided that Elm makes the required minimum servicing fee payments

3. RELATED PARTY TRANSACTIONS

As of May 31, 2007 the Company has a note payable of \$150,000 due to an individual and original holder of 100,000,000 shares representing all the issued and outstanding shares of the Class A Preferred Stock ("Class A Shares") of Ubuynetworks.com, Inc., n/k/a Elm Technologies, Inc. The Class A Shares represents the controlling shares of ELM and the Company shall have a right to redeem the Class A Shares for a three year period. The note bears an interest rate of 6% per annum and the entire principal and interest is due on May 23, 2010. The face value of this obligation was recorded and expensed as a merger costs in the accompanying financial statements.

As of November 30, 2007 EmLogis owns a 54.6% interest in the Company and is the developer of the primary software license product purchased by the Company from EmLogis. Additionally EmLogis maintains the servicing and warranty of the software license product sold by ELM pursuant to a servicing agreement.

The Company entered into a business consulting agreement dated May 18, 2007 for a term of one year with related parties to advise the Company on matters relating to strategic corporate planning and development, acquisitions, board governance, business development and marketing and other various related business affairs.

4. STOCKHOLDERS' EQUITY

In March, 2008, the Company sold 100,000 shares of common stock at \$.05 per share for total proceeds of \$5,000 to a third party.

5. COMMITMENTS

Consulting Agreements:

On May 15, 2007, the Company entered into a one (1) year consulting agreement with a consultant to provide the services of interim Chief Financial Officer, including financial planning, corporate strategy development, budgeting, financial reporting and governance. The agreement provides for an initial consulting fee of \$5,000 monthly, to be adjusted August 2007 and the grant of 3,000,000 shares of common stock payable (i) 250,000 shares to be issued upon commencement of services, (ii) 250,000 shares vested monthly over a one year period, and (iii) a warrant to purchase 2,500,000 shares of common stock at an exercise price of \$.01 per share vested equally monthly over three (3) years.

The company entered into a business consulting agreement dated May 18, 2007 for a term of one year with consultants to [REDACTED] the Company on matters relating to assisting with strategic corporate planning and development, advice on acquisitions, board governance, business development and marketing and other assistance on various related business affairs. The company is affiliated through common ownership with the holder of the note payable and preferred stock.

6. GOING CONCERN

As [REDACTED] in the accompanying financial statements, the Company is a development stage company and as of March 31, 2009 has not incurred any significant operating activity. There is no guarantee whether the Company will be able to generate [REDACTED] revenue and/or raise capital to support their operations. This raises substantial doubt about the Company's ability to continue as a going concern.

Management believes that the Company's capital requirements will depend on many factors including the success of its capital raising and marketing efforts. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

7. SUBSEQUENT EVENTS

During the fourth quarter of 2009 the Company's management elected to abandon its existing business model [REDACTED] to be a marketing company selling workforce modeling/scheduling solutions to the Long Term Care industry. The Company remains as a public shell and is pursuing plans to seek profitable operating entities for merger.

ELM TECHNOLOGIES INC
Profit & Loss
October - December, 2009

	<u>Total</u>
Income	
Total Income	
Expenses	
Bank Service Charges	39.00
Interest Expense	1,186.60
Professional Fees	4,000.00
Total Expenses	<u>\$5,225.60</u>
Net Operating Income	<u>\$ -5,225.60</u>
Net Income	<u><u>\$ -5,225.60</u></u>

Thursday, Dec 09, 2010 06:42:14 PM GMT-5 - Accrual Basis

ELM TECHNOLOGIES INC
Profit & Loss
January - March, 2010

	<u>Total</u>
Income	
Total Income	
Expenses	
Interest Expense	<u>232.84</u>
Total Expenses	<u>\$232.84</u>
Net Operating Income	<u>\$ -232.84</u>
Net Income	<u><u>\$ -232.84</u></u>

Thursday, Dec 09, 2010 06:43:33 PM GMT-5 - Accrual Basis

ELM TECHNOLOGIES INC
Profit & Loss
April - June, 2010

	<u>Total</u>
Income	
Total Income	
Expenses	
Bank Service Charges	39.00
Interest Expense	406.60
Total Expenses	<u>\$445.60</u>
Net Operating Income	<u>\$ -445.60</u>
Net Income	<u><u>\$ -445.60</u></u>

Thursday, Dec 09, 2010 06:44:49 PM GMT-5 - Accrual Basis

ELM TECHNOLOGIES INC
Profit & Loss
July - September, 2010

	<u>Total</u>
Income	
Total Income	
Expenses	
Bank Service Charges	33.00
Interest Expense	234.82
Total Expenses	<u>\$267.82</u>
Net Operating Income	<u>\$ -267.82</u>
Net Income	<u><u>\$ -267.82</u></u>

Thursday, Dec 09, 2010 06:46:03 PM GMT-5 - Accrual Basis

ELM TECHNOLOGIES INC
Balance Sheet
As of September 30, 2010

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Chase Checking 0935	0.00
Chase Checking 6050	5,067.00
Chase Savings 9408	0.00
Total Bank Accounts	<u>\$5,067.00</u>
Accounts Receivable	
Accounts Receivable	0.00
Total Accounts Receivable	<u>\$0.00</u>
Other Current Assets	
Due from Barbara Rivera	16,847.42
Undeposited Funds	0.00
Total Other Current Assets	<u>\$16,847.42</u>
Total Current Assets	<u>\$21,914.42</u>
Fixed Assets	
EmLogis Software License	1,200,000.00
Furniture and Equipment	0.00
Total Fixed Assets	<u>\$1,200,000.00</u>
Other Assets	
Startup Costs	29,089.48
Total Other Assets	<u>\$29,089.48</u>
TOTAL ASSETS	<u><u>\$1,251,003.90</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	28,594.88
Total Accounts Payable	<u>\$28,594.88</u>
Other Current Liabilities	
Due to EmLogis	1,821.00
Due to Perla Group Int'l	5,000.00
EmLogis Note Payable	1,260,175.04
Loan-Dahl, P.A.	5,000.00
Total Other Current Liabilities	<u>\$1,271,996.04</u>
Total Current Liabilities	<u>\$1,300,590.92</u>
Long Term Liabilities	
Investors Notes Payable	32,100.00
Total Long Term Liabilities	<u>\$32,100.00</u>
Total Liabilities	<u>\$1,332,690.92</u>
Equity	

	<u>Total</u>
Retained Earnings	-80,740.76
Net Income	<u>-946.26</u>
Total Equity	\$ -81,687.02
TOTAL LIABILITIES AND EQUITY	<u>\$1,251,003.90</u>

Thursday, Dec 09, 2010 04:03:38 PM PST GMT-8 - Accrual Basis

ELM TECHNOLOGIES INC
Profit & Loss
January 1 - December 9, 2010

	<u>Total</u>
Income	
Total Income	
Expenses	
Bank Service Charges	150.00
Interest Expense	1,198.16
Professional Fees	7,000.00
Total Expenses	<u>\$8,348.16</u>
Net Operating Income	<u>\$ -8,348.16</u>
Net Income	<u><u>\$ -8,348.16</u></u>

Thursday, Dec 09, 2010 06:51:21 PM GMT-5 - Accrual Basis

ELM TECHNOLOGIES INC
Balance Sheet
As of December 9, 2010

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Chase Checking 0935	0.00
Chase Checking 6050	4,290.30
Chase Savings 9408	0.00
Total Bank Accounts	<u>\$4,290.30</u>
Accounts Receivable	
Accounts Receivable	0.00
Total Accounts Receivable	<u>\$0.00</u>
Other Current Assets	
Due from Barbara Rivera	16,847.42
Undeposited Funds	0.00
Total Other Current Assets	<u>\$16,847.42</u>
Total Current Assets	<u>\$21,137.72</u>
Fixed Assets	
EmLogis Software License	1,200,000.00
Furniture and Equipment	0.00
Total Fixed Assets	<u>\$1,200,000.00</u>
Other Assets	
Startup Costs	29,089.48
Total Other Assets	<u>\$29,089.48</u>
TOTAL ASSETS	<u><u>\$1,250,227.20</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	14,896.18
Total Accounts Payable	<u>\$14,896.18</u>
Other Current Liabilities	
Due to EmLogis	2,144.90
Due to Perla Group Int'l	25,000.00
EmLogis Note Payable	1,260,175.04
Loan-Dahl, P.A.	5,000.00
Total Other Current Liabilities	<u>\$1,292,319.94</u>
Total Current Liabilities	<u>\$1,307,216.12</u>
Long Term Liabilities	
Investors Notes Payable	32,100.00
Total Long Term Liabilities	<u>\$32,100.00</u>
Total Liabilities	<u>\$1,339,316.12</u>
Equity	

	<u>Total</u>
Retained Earnings	-80,740.76
Net Income	<u>-8,348.16</u>
Total Equity	<u>\$ -89,088.92</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$1,250,227.20</u></u>

Thursday, Dec 09, 2010 04:03:10 PM PST GMT-8 - Accrual Basis