

PAYCHEST, INC.

INFORMATION STATEMENT

**For Broker-Dealer Due Diligence
Pursuant to Rule 15c2-11
under the Securities Exchange Act of 1934**

February 6, 2006
(Date of this Information Statement)

PAYCHEST, Inc.
(Exact name of issuer as specified in its charter)

ARIZONA
(State of incorporation or organization)

**Gavillero 32
Residencial Coapa
Mexico City, DF 14390
Mexico**
(Address of Principal Executive Office)

The number of shares outstanding of each of the Registrant's classes of common equity, as of the date of this Information Statement, are as follows:

Common Stock, \$.001 par value
(Class of Securities Quoted)

15,000,000,000
(Number of Shares Outstanding
for period ending Dec 31, 2005)

704289107
(CUSIP Number)

PYCT
(Trading Symbol)

PAYCHEST, INC.

Information and Disclosure Statement

2/7/2006

All information furnished herein has been prepared from the books and records of Paychest, Inc., in accordance with rule 15c2-11 (a) (5) promulgated under the Securities and Exchange Act of 1934, as amended, and is intended as information to be used by broker-dealers.

No dealer, salesman or any other person has been authorized to give any information or to make any representations not contained herein in connection with Paychest, Inc. Any representations not contained herein must not be relied upon as having been made or authorized by Paychest, Inc.

Delivery of this information and disclosure statement does not imply that the information contained herein is correct as of any time subsequent to the date first written above.

Item (1): The exact name of the issuer and its predecessor (if any).

The exact name of the issuer is Paychest, Inc. ("PYCT") (the "Company," "Issuer" or "Paychest").

The issuer was originally incorporated on May 4, 2000 under the laws of the State of Arizona under the name "Mellon Research, Inc."

Item (2): Address of principal executive offices.

Address:

Gavillero 32
Residencial Coapa
Mexico City, DF 14390
Mexico

Website: <http://www.paychest.com>

Phone: +5255-5673-2364

Business Description: Online payment system (see paychest.com) designed to compete with industry dominant, "Paypal".

State of Incorporation: AZ

Officers:

Alejandro Cerda, Pres. & CEO

Fiscal Year End: December 31

Item (3): The state of incorporation.

Paychest was incorporated in the State of Arizona on May 4, 2000.

Item (4): The exact title and class of the security to be quoted.

Common Stock.

Item (5): The par or stated value of the security.

The par value of the Issuer's common stock is \$.001 per share.

Item (6):

A. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year:

1. Common Stock – 100,000,000,000 shares authorized par value \$.001 per share -
2. Shares Issued and Outstanding - 15,000,000,000 common shares as of December 31, 2005.
3. Freely tradable (public float) – approximately 7,000,000,000 common shares
4. The shares are held by a total of 3,758 beneficial shareholders.

B. List of Securities Offerings in the past two years:

On April 27 2004 the Company executed a 200:1 forward stock split. The shares issued and price per share have been retroactively adjusted to the following offering descriptions to give affect to the split. The Company issued (a) 2,600,000,000 post-split common shares at a price of .0000806 cents per share between November 23, 2003 and December 31, 2003 for services, (b) 3,154,300,000 post-split common shares at an average price of \$.00014012 per share between January 1, 2004 and December 31, 2004 in reliance on the exemption provided by Rule 504 of the Securities Act of 1933 and received \$454,055 cash, (c) 1,468,714,285 shares of common stock at an average price of \$.0006736 per share between January 1, 2004 and December 31, 2004 for services in reliance on the exemption provided by Rule 504 of the Securities Act of 1933

The Company exchanged 5,000,000,000 post-split shares of its common stock for 10,000,000 shares of common stock of RRBK on November 23, 2003. The Company exchanged 500,000,000 shares of its common stock for 200,000,000 shares of common stock of Western Pacific Minerals, Ltd, which owns 50 silver mining claims located in Slocan, B.C., Canada, on December 15, 2004. Further the Company exchanged 50,000,000 of its common stock for 35,000,000 common shares of Hee Corporation on December 27, 2004.

Item (7): The name and address of the transfer agent.

The transfer agent for the shares of common stock of the Company is

Holladay Transfer Agent
2939 N. 67th Place
Scottsdale, AZ 85251 USA
480-481-3940
480-481-3941 Fax
Hstransfer1@qwest.net

The transfer agent is registered under the Securities Exchange Act of 1934.

Item (8): The nature of the issuer's business.

The issuer was organized under the laws of the State of Arizona under the name Mellon Research, Inc. on May 5, 2000. Mellon was a development stage company with no operations seeking business opportunities when Mario Pino purchased 86% of its issued and outstanding common stock on November 23, 2003 and formulated the former business plan of the Company.

On December 2004, the Company executed a spin-off of its wholly owned subsidiary, Wall Street Securities, Inc. through a unilateral distribution of its equity to shareholders of record as of November 24, 2004.

On February 6, 2006 the Company acquired a 60% equity interest in Paychest, Inc., an Oregon corporation, and changed its name from Mellon Research, Inc. to Paychest, Inc. The company revised its business model to provide online payment services.

Paychest is required to comply with both federal and state securities laws. These laws impose certain requirements relating to distributions or dividends to shareholders. These regulatory requirements apply to the shares of Wall Street Securities and Xxstream Entertainment, distributed to the Company's shareholders in executing the spin-off of its equity interests in those entities. The distributed shares may not be traded in the public market unless under certain exemptions are available under regulatory requirements.

The Securities and Exchange Commission ("SEC") is conducting a formal investigation of the Company. The Company and Mario Pino, its former officer, director and a 9% beneficial shareholder, claims to have fully cooperated in such investigation. The SEC's investigation has continued and the Company can offer no assurances or predictions regarding the outcome of such investigation.

The Company has one full time employee.

The Company received various restricted and free trading securities of other companies in connection with its past activities. Certain of these shares were issued to the Company for services rendered or to be rendered and certain were issued in exchange for the Company's securities. See note 2 to the financial statements attached as Exhibit A.

Item (9): The nature and extent of the issuer's facilities.

The Company leases offices are located at:
Gavillero 32
Residencial Coapa
Mexico City, DF 14390
Mexico

Item (10): The name of the chief executive officer, members of the board of directors, as well as counsel, accountant and public relations consultant.

a. Executive Officers:

Officers:

Alejandro Cerda, Pres. & CEO
Gavillero 32
Residencial Coapa
Mexico City, DF 14390
Mexico

b. Director:

Alejandro Cerda, Pres. & CEO

c. Promoters:

None

e. Counsel:

LAW OFFICE OF M. Nehmeh
Attorney At Law
19061 Milford Circle
Huntington Beach California 92646
Tel: 714-222-2242 Fax: 714-593-9270

None of the above Officers or Directors has in the last 5 years been:

1. With the exception of traffic violations, has not been convicted of any criminal proceedings;

2. Has not had an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities;
3. Has not had a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. Has not had an entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

Certain Relationships

There are no related party transactions between the issuer and its officers, directors and principal shareholders.

BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table sets forth as of February 20, 2006 certain information regarding the ownership of our common stock by (i) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our executive officers and directors as a group.

Directors & Officers:

<u>Number of Shares</u>	<u>Beneficially Owned</u>	<u>% Beneficially Owned</u>
Mario A. Pino (Resigned)	1,772,267,227 shares	11%
Alex Cerda	500,000,000 Restricted 144	3% CEO
Riverbank Investment Corp	5,000,000,000 shares	30%
Internet Holdings	1,000,000,000 Restricted 144	6%
Wall Street Securities	1,000,000,000 Restricted 144	6%

Forward-Looking Statements

This Information Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based largely on Paychest's expectations or forecasts of future events, can be affected by inaccurate assumptions and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the Company's control. Therefore, actual results could be differ materially from the forward-looking statements contained herein. A wide variety of factors could cause or contribute to such differences and could adversely impact revenues, margins, profitability, cash flows and capital needs.

Item (12): The issuer's most recent balance sheet and profit and loss and retained earnings statements.

See Unaudited Financial Statements attached as Exhibit A.

Item (13): Similar financial information for such part of the 2 preceding fiscal years as the issuer or its predecessor has been in existence.

See Unaudited Financial Statements attached as Exhibit A.

Item (14): Whether any quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, or at the request of any promoter for the issuer, and, if so, the name of such person, and the basis for any exception under the federal securities laws for any sales of such securities on behalf of such person.

To the best knowledge of the issuer, there is no quotation being submitted indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding shares of any equity security of the issuer, or at the request of any promoter for the issuer.

Item (15): Whether a broker-dealer or any associated person is affiliated, directly or indirectly, with the Company.

To the best of the knowledge of the Company, no broker-dealer or any associated person is affiliated, directly or indirectly, with the Company.

Item (16): Whether a quotation is being published for submitted on behalf of any other broker-dealer, and, if so, the name of such Broker-Dealer.

The Company is not aware of any broker-dealer who is submitting or proposes to submit quotations with respect to the Company's common stock on behalf of any other broker-dealer.

PAYCHEST, INC.

By: _____
Alejandro Cerda, Pres. & CEO

President

2/10/2006

**PAYCHEST, INC.
INFORMATION STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2005**

TABLE OF CONTENTS

UNAUDITED FINANCIAL INFORMATION	PAGE
Financial Statements	8
Consolidated Comparative Balance Sheets	
as of December 31, 2005, 2004	8
Consolidated Statements of Operation	
Consolidated Statement of Stockholders' Equity	
Inception May 4, 2000 to December 31, 2005	9
for Twelve Months Ended December 31, 2004 and 2005	10
Consolidated Statements of Cash Flows	
for the Twelve Months Ended December 31, 2004 and 2005	11
Notes to the Consolidated Financial Statements.....	12-17

ITEM XII AND XIII – FINANCIAL INFORMATION

PAYCHEST, INC. (Formerly Mellon Research, Inc.)

Consolidated Balance Sheets (Unaudited)

	<u>ASSETS</u>	December 31, 2005	December 31, 2004
Current Assets			
Cash and Cash Equivalents		\$ 0	\$ 284,061
Total Current Assets		<u>0</u>	<u>284,061</u>
Equipment, Net		10,615	11,253
Equity Investments, Net		<u>1,951,060</u>	<u>1,931,061</u>
Total Assets		<u>\$ 1,961,060</u>	<u>\$ 1,931,061</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Bank Overdraft		\$ 3,113	\$ 0
Notes Payable		115,000	100,000
Total Liabilities		<u>118,113</u>	<u>100,000</u>
Stockholders' Equity			
Common Stock, authorized 100,000,000,000 shares, Par value \$0.001, issued and outstanding on December 31, 2005 and 2004 is 15,000,000,000 and 12,773,014,285 respectively		15,000,000	12,773,014
Additional Paid In Capital		35,608,405	37,594,551
Accumulated Deficit		(48,764,843)	(48,241,190)
Total Stockholders' Equity		<u>1,843,562</u>	<u>2,126,375</u>
Total Liabilities and Stockholders' Equity		<u>\$ 1,961,675</u>	<u>\$ 2,226,375</u>

The accompanying notes are an integral part of these statements

PAYCHEST, INC.
(Formerly Mellon Research, Inc.)

Consolidated Statements of Operations
(Unaudited)

	<u>Year Ended</u>	
	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Income		
Sales	\$ <u>0</u>	<u>\$1,156,000</u>
Operating Expenses		
Selling Expense		1,766,332
General and Administrative	523,015	757,670
Depreciation	<u>638</u>	<u>638</u>
Total Expenses	<u>523,653</u>	<u>2,524,640</u>
Operating (Loss)	(523,653)	(1,368,640)
Other Income		
Other Income		132,5830
Impairment Loss	<u>0</u>	<u>(1,000,000)</u>
(Loss) before Provision for Income Taxes	<u>(523,653)</u>	<u>(2,236,057)</u>
Provisions for Income Taxes	<u>0</u>	<u>0</u>
Net (Loss)	<u>\$(523,653)</u>	<u>\$(2,236,057)</u>
Basic and Diluted (Loss) per Share:	<u>a</u>	<u>a</u>
Weighted Average Number of Shares	<u>13,895,659,112</u>	<u>9,930,149,244</u>
A = Less than (\$0.01) per share		

The accompanying notes are an integral part of these statements

PAYCHEST, INC.
(Formerly Mellon Research, Inc.)

Consolidated Statement of Stockholders' Equity

(Unaudited)

May 4, 2004 (Inception) to December 31, 2005

	<u>Common Stock</u>		<u>Paid in</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>(Deficit)</u>	<u>Equity</u>
Balance, May 4, 2000 (Inception)	-	\$ -	\$ -	\$ -	\$ -
Net (Loss)				(4,561)	(4,561)
Balance, December 31, 2000	-	-	-	(4,561)	(4,561)
Net (Loss)				(36,850)	(36,850)
Balance, December 31, 2001	-	-	-	(41,411)	(41,411)
Net (Loss)				(43,782)	(43,782)
Balance, December 31, 2002	-	-	-	(85,193)	(85,193)
Common Shares issued to founders for services	2,600,000,000	2,600,000	(2,390,470)		209,530
Common Shares issued for equity investment	5,000,000,000	5,000,000	41,875,000		46,875,000
Net (Loss)				(45,919,940)	(45,919,940)
Balance, December 31, 2003	7,600,000,000	7,600,000	39,484,530	(46,005,133)	1,079,397
Common Shares issued for Cash	3,154,300,000	3,154,300	(2,700,245)		454,055
Common Shares issued for service	1,468,714,285	1,468,714	(479,324)		989,390
Common Shares issued for equity investment	550,000,000	550,000	1,289,590		1,839,590
Net (Loss)				(2,236,057)	(2,236,057)
Balance, December 31, 2004	12,773,014,285	12,773,014	37,594,551	(48,241,190)	2,126,375
Common Shares issued for service	500,000,000	500,000	(400,000)		100,000
Common Shares issued for Cash	1,726,985,715	1,726,986	(1,586,146)		140,840
Net (Loss)				(523,653)	(523,653)
Balance, December 31, 2005	<u>15,000,000,000</u>	<u>\$15,000,000</u>	<u>\$35,608,405</u>	<u>\$(48,764,843)</u>	<u>\$1,843,562</u>

On April 27, 2004 the Company executed a 200 to 1 forward stock split that has been retroactively applied to this schedule.

The accompanying notes are an integral part of these statements

PAYCHEST, INC.
(Formerly Mellon Research, Inc.)

Consolidated Statements of Cash Flows
(Unaudited)

	<u>Year Ended</u>	
	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
Operating Activities		
Net (Loss)	\$ (523,653)	\$ (2,236,057)
Adjustments to reconcile net income to net/(Loss)		
Bank Overdraft	3113	-
Depreciation	638	638
Impairment Loss		1,000,000
Stock issued for Services	<u>100,000</u>	<u>989,930</u>
Net Cash (Used) by Operating Activities	<u>(419,902)</u>	<u>(246,029)</u>
Investment Activities		
Equity Investments	(19,999)	
Purchase of Equipment	<u>-</u>	<u>(11,891)</u>
Net Cash (Used) by Investment Activities	<u>(19,999)</u>	<u>(11,891)</u>
Financing Activities		
Proceeds from Notes Payable	15,000	100,000
Proceeds from Sale of Stock	<u>140,840</u>	<u>441,981</u>
Net Cash Provided by Financing Activities	<u>155,840</u>	<u>541,981</u>
Net Increase / (Decrease) in Cash	(284,061)	284,061
Cash, Beginning of Period	<u>284,061</u>	-
Cash, End of Period	<u>\$ -</u>	<u>\$284,061</u>
Supplemental Information:		
Interest Paid	\$ -	\$ -
Income Taxes Paid	\$ -	\$ -

The accompanying notes are an integral part of these statements

Paychest, Inc.
(Formerly Mellon Research, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(December 31, 2005 and 2004)

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

Paychest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to Paychest, Inc. in anticipation of acquiring the controlling interest in PayChest, Inc. an Oregon corporation. On February 6, 2006 the Company acquired 60% interest in PayChest, Inc. (See Note 9. "Subsequent Events" for details).

The Company operated its wholly owned subsidiary Wall Street Securities, Inc. (Wall Street) until December 15, 2004 when it executed a spin-off of Wall Street through a unilateral distribution of its equity to shareholders of record as of November 24, 2004. The spun off operations have not been eliminated from the 2004 consolidated statements. Accordingly substantial restatement may be made to these statements to appropriately account for and present the spin-off and could result in substantial dilution of booked equity per share to shareholders acquiring investment in Paychest subsequent to that date.

Prior to these statements the Company provided investor relations and joint venture services. Under its new business plan the Company will provide online payment services.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

Accounting Basis

The statements were prepared following generally accepted accounting principles of the United States of America consistently applied.

Management Certification

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term liquid investments that are readily convertible to know amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits.

Earnings (Loss) per Share

The basic earnings (loss) per share are calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share are calculated by dividing the Company's net income (loss) 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 as of the first of the year for any potentially dilutive debt or equity

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Equipment

Equipment is stated at cost. Depreciation is compute using the straight-line method over their estimated useful lives ranging from five to seven to years. Maintenance and repairs are charged to expense as incurred. Fixed assets consist of the following

<u>December 31,</u>	<u>2005</u>	<u>2004</u>
Office Equipment	\$11,891	\$11,891
Less Accumulated Depreciation	<u>(1,276)</u>	<u>(638)</u>
Equipment, net	<u>\$10,615</u>	<u>\$11,253</u>

Other Assets – Equity Investments

The company has invested in common stock and the related warrants of seven publicly traded companies through the issuance of cash and Company stock. Some of these entities are not reporting companies with the SEC. Therefore, financial information is not readily available. Management has made a best efforts attempt to value these thinly traded securities at fair value. Following is the Company's summary for the Impaired Fair Value of these Investments:

<u>December 31,</u>	<u>2005</u>	<u>2004</u>
Book Value	\$48,714,590	\$46,875,000
Gains	0	0
Unrealized Loss	<u>46,763,530</u>	<u>44,943,939</u>
Net Impaired Fair Value	<u>\$ 1,951,060</u>	<u>\$ 1,931,061</u>

Revenue Recognition

Because collection for investor relation services for new companies is quite unpredictable The Company has elected to recognize revenue upon collection of billed services.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Earnings Per Share

Basic earnings per share are computed by dividing net income by the average number of common shares outstanding during the period. Diluted earnings per share takes into consideration the potentially dilutive effect of common stock equivalents, such as outstanding stock options and warrants, which if exercised or converted into common stock would then share in the earnings of the Company. In computing diluted earnings per share, the Company utilizes the treasury stock method and anti-dilutive securities are excluded.

The Company has no outstanding option, warrants or other potential dilutive instruments.

Stock Based Compensation

The Company accounts for its stock based compensation based upon provisions in SFAS No. 123, *Accounting for Stock-Based Compensation*. In this statement stock based compensation is divided into two general categories, based upon who the stock receiver is, namely: employees/directors and non-employees/directors. The employees/directors category is further divided based upon the particular stock issuance plan, namely compensatory and non-compensatory. The employee/directors non-compensatory

securities are recorded at the sales price when the stock is sold. The compensatory stock is calculated and recorded at the securities' fair value at the time the stock is given. SFAS 123 also provides that stock compensation paid to non-employees be recorded with a value which is based upon the fair value of the services rendered or the value of the stock given, whichever is more reliable. The Company has selected to utilize the fair value of services rendered.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has accumulated a loss of \$48,764,843 during its development stage. This raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

The Company has survived only by raising funds. The company must continue to raise funds in the near future to survive. There is no assurance that management can continue to find investors to cover the losses generated.

Management's Plans

Management has a developed system whereby both new and established businesses can link website pages to PayChest's website www.paychest.com and obtain secure payment and collection services. The Company plans to increase its share of the online payment and collections market through aggressively promoting its services online.

NOTE 4. NOTES PAYABLE

Notes payable as of December 31, 2005 and 2004 consist of the following:

<u>December 31,</u>	<u>2005</u>	<u>2004</u>
Demand note, Unsecured, no due date, 0% interest, Shareholder	\$115,000	\$100,000

NOTE 5. STOCKHOLDERS' EQUITY

Common Stock

Paychest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to Paychest, Inc. in anticipation of acquiring the controlling interest in PayChest, Inc., an Oregon corporation.

The Company is authorized to issue 100,000,000,000 common shares with a par value of \$0.001. On April 27, 2004 the Company executed a 200:1 forward stock split which has been retroactively applied to these statements and accompanying notes.

During the year 2003, the Company issued 2,600,000,000 post split common shares to its founders for \$221,604 cash and 5,000,000,000 common shares to acquire equity securities valued on the date of investment at \$46,875,000.

During 2004 the Company issued 3,154,300,000 common shares for \$441,981 cash in a Rule 504 offering and an additional 1,468,714,285 common shares for services valued at \$989,390. On December 15, 2004 the Company issued 500,000,000 common shares to acquire equity securities valued at \$1,600,000. On December 27, 2004, the Company issued 50,000,000 common shares to acquire equity securities valued at \$239,590.

During 2005 the Company issued 500,000,000 common shares for services valued at \$100,000 and 1,726,985,715 common shares for \$140,840 cash.

The total issued and outstanding common stock at December 31, 2005 is 15,000,000,000 shares.

NOTE 6. PROVISION FOR INCOME TAXES

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No. 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is \$7,314,726, which is calculated by multiplying a 15% estimated tax rate by the items making up the deferred tax account, the estimated NOL of \$48,764,843. The total valuation allowance is a comparable \$7,314,726.

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below for the years ended December 31, 2005 and 2004:

<u>December 31,</u>	<u>2005</u>	<u>2004</u>
Deferred Tax Asset	\$ 78,548	\$ 335,409
Valuation account	(78,548)	(335,409)
Current taxes payable	<u>0</u>	<u>0</u>
Provision for Income Taxes	<u>\$ 0</u>	<u>\$ 0</u>

Below is a chart showing the federal net operating losses and the years in which they will expire:

<u>Year</u>	<u>Amount</u>	<u>Expiration</u>
2000	\$ 4,561	2020
2001	36,850	2021
2002	43,782	2022
2003	45,919,940	2023
2004	2,236,057	2024
2005	<u>523,653</u>	2025
Total NOL	<u>\$48,764,843</u>	

The Company has not filed any federal income returns since inception.

NOTE 7. CONTINGENCIES

The Securities and Exchange Commission (SEC) is conducting a formal investigation of the Company. The Company cooperated fully, however the review continues and the Company can offer no assurances or predictions regarding the outcome.

NOTE 8. THE EFFECT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Below is a listing of the most recent accounting standards SFAS 150-154 and their effect on the Company.

Statement No. 150 Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity (Issued 5/03)

This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity.

Statement No. 151 Inventory Costs—an amendment of ARB No. 43, Chapter 4 (Issued 11/04)

This statement amends the guidance in ARB No. 43, Chapter 4, *Inventory Pricing*, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that “...under some circumstances, items such as idle facility expense, excessive spoilage, double freight and re-handling costs may be so abnormal as to require treatment as current period charges...” This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of “so abnormal.” In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities.

Statement No. 152 Accounting for Real Estate Time-Sharing Transactions (an amendment of FASB Statements No. 66 and 67)

This Statement amends FASB Statement No. 66, *Accounting for Sales of Real Estate*, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, *Accounting for Real Estate Time-Sharing Transactions*.

This Statement also amends FASB Statement No. 67, *Accounting for Costs and Initial Rental Operations of Real Estate Projects*, states that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2.

Statement No. 153 Exchanges of Non-monetary Assets (an amendment of APB Opinion No. 29)

The guidance in APB Opinion No. 29, *Accounting for Non-monetary Transactions*, is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, includes certain exceptions to the principle. This Statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange.

Statement No. 154 – *Accounting Changes and Error Corrections (a replacement of APB Opinion No. 20 and FASB Statement No. 3)*

This Statement replaces APB Opinion No. 20, *Accounting Changes*, and FASB Statement No. 3, *Reporting Accounting Changes in Interim Financial Statements*, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed.

The adoption of these new Statements is not expected to have a material effect on the Company’s current financial position, results or operations, or cash flows.

NOTE 9. SUBSEQUENT EVENTS

On February 6, 2006 the Company paid \$16,500 and issued 1,000,000,000 common shares to Walltreet Securities, Inc. to acquire a 30% interest in Paychest, Inc., an Oregon corporation. The Company issued an additional 1,000,000,000 common share to the major shareholders of PayChest, Inc. (Oregon) in exchange for an additional 30% interest. With its 60% equity ownership of PayChest, Inc. (Oregon) the Company changed its name to PayChest, Inc.

On February 6, 2005, the Company executed a spin-off of its ownership of Xxtream Entertainment, Inc. through a unilateral distribution of equity to its shareholders of record.