

**LOANS4LESS.COM, INC. (Issuer)**  
**ANNUAL REPORT FOR PERIOD ENDED**  
**DECEMBER 31, 2010**

**LOANS4LESS.COM, INC. - A Delaware Corporation**

210 Avenue I, Suite F,  
Redondo Beach, CA 90277-5921  
(310) 540-0157 Phone (310) 316-1573 Fax  
URL: [www.Loans4Less.com](http://www.Loans4Less.com)

**Part B. Share Structure Authorized, Issued & Outstanding**

Common Stock Authorized: 250,000,000

Common Stock \$0.00001 Par Value: 27,741,092

Trading Symbol: LFLS

CUSIP Number: 53945X 104

Primary SIC number: 6163

Preferred Stock Authorized 25,000,000

Preferred A Stock: \$0.00001 Par Value: 21,500,000

Preferred B Stock: \$0.00001 Par Value: 0

Public Float: 961,080

Number of Shareholders of Record: 54

For further details pertaining to the legalities of our authorized, issued and outstanding securities please refer to:

<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2008	Feb 09, 2009
<u>Initial Company Information and Disclosure Statement</u> -	Dec 31, 2007	Jan 08, 2008
Regulation A Offering Circular SEC Qualified March 29, 2007 -		
Offering Closed September 25, 2007	Dec 31, 2007	Jan 08, 2008
<u>Corporate Bylaws</u> - Loans4Less.com, Inc. By-Laws and Amendment		

## **Part C. Business Information**

Registered Transfer Agent:  
StockTrans, Inc.  
44 West Lancaster Ave.  
Ardmore, PA 19003  
(800) 733-1121 [www.stocktrans.com](http://www.stocktrans.com)

### **Item VII: The Nature of the Issuer's Business**

#### **A. Business Development**

For full disclosure please refer to:

	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report		
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2008	Feb 09, 2009
<u>Initial Company Information and Disclosure Statement</u> - Regulation A Offering Circular SEC Qualified March 29, 2007 - Offering Closed September 25, 2007	Dec 31, 2007	Jan 08, 2008
<u>Corporate Bylaws</u> - Loans4Less.com, Inc. By-Laws and Amendment	Dec 31, 2007	Jan 08, 2008

#### **B. Business of Issuer**

1. Primary SIC number: 6163
2. Currently conducting operations
3. The Issuer has never been a "shell company."

Loans4Less.com, Inc. is an online mortgage loan brokerage, which intends to develop into a national advertising platform for standard "A" paper Conforming residential mortgage programs and other service providers. Loans4Less.com maintains a A+ TrustLink rating with the Better Business Bureau, provides very competitive CA rates, terms & costs, daily rate updates, other market information and prides itself on excellent and honest service. Loans4Less.com does not operate a warehouse line of credit, hold trust funds, lend directly or service loans. We are not exposed to the risks and/or problems associated with Sub-Prime or Alt "A" lending. Loans4Less.com relies on various wholesale lenders for its retail CA home loan programs. Loans4Less.com, Inc. has survived the 'Credit Crisis' that has destroyed much of our competition. Our main focus is to rapidly grow our gross revenues via smart and cost effective advertising, licensing and or third

party agreements that effectively build the Loans4Less brand name in order to maximize shareholder values.

**Item X. The Nature and Extent of Issuer's Facilities.**

LOANS4LESS.COM, INC.  
210 Avenue I, Suite F,  
Redondo Beach, CA 90277-5921

For full disclosure of lease details please review Financial Statements, Item D Page 8 of Annual Report for Period Ended December 31, 2010.

**Part D. Management Structure and Financial Information**

**Item XI.** [http://www.loans4less.com/management team.html](http://www.loans4less.com/management%20team.html)

**A. Officers, Directors and Control Person Shareholdings.**

**Common Stock shares as a percentage of outstanding issuance.**

Steven Hershman**	23,598,149
Martin W. Genis	240,000
Daniela Haynie	602,622
Justin Jasper	719,981
Hannah Robertson*	119,643
Marc Phelps, CPA	167,500
Julia Leah Greenfield, Esq.	220,000
Jack Haynie*	2,000

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<b>Total Common:</b>	<b>25,669,895 92.534%</b>
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**Preferred Stock holdings as a percentage of outstanding capital issuance.**

Steven Hershman** Series A Preferred	21,500,000 100%
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**Notes:**

Steven Hershman\*\* is the beneficial owner of the Steven M. Hershman Revocable Trust which holds 23,278,989 shares of Record and 307,160 Common shares held in Street Name and 12,000 Common shares at Charles Schwab as Custodian FBO Steven Hershman IRA A/C.\*Jack Haynie is the husband of Daniela Haynie.\*Hannah Robertson is an Affiliate.

### **Compensation by the Issuer**

Please see Notes to Financial Statements for Period Ended December 31, 2010 on page 12, Item I Re: Control Persons redeem common stock.

Steven Hershman	As disclosed
Daniela Haynie	As disclosed
Justin Jasper	As disclosed
Hannah Robertson	As disclosed
Martin W. Genis	As disclosed
Marc Phelps, CPA	As disclosed
Julia Leah Greenfield, Esq.	As disclosed

### **LEGAL/Disciplinary History/Conflicts of Interest**

The Company and its subsidiaries, Control Persons, Officers and Directors are not involved in any legal or pending legal proceedings; nor have they been in the past five years. There are no conflicts of interest pertaining to the Officers of the Company.

### **DEFAULTS UPON SENIOR SECURITIES OR CREDIT LINES**

The Company and its wholly owned subsidiaries are not in default upon any of its securities or unsecured credit lines.

### **DIVIDENDS ON COMMON STOCK**

The Company has not declared or paid a dividend on its common stock.

### **DIVIDENDS ON PREFERRED B STOCK NOW REDEEMED**

The Company paid dividends on its Preferred Series B Stock at a rate of 6.75% per annum. This issue is fully redeemed.

### **OTHER INFORMATION AND EXHIBITS**

The Company is not in possession of any other information or exhibits. All information about the Company and its events are disclosed on the OTC Disclosure & News Service.

## **Item XV. OUTSIDE PROVIDERS**

Legal Counsel that issued Current Information Letter(s) and counsel to our Reg. A Offering.

Cassidy & Associates <http://www.cassidylawoffices.com/>  
Att: James M. Cassidy, Esq.  
1504 R Street N.W.  
Washington, DC 20009  
202.387.5400 tel.  
202.745.1920 fax email: Cassidylaw@aol.com

Officer & Director acts as accounting consultant.

Marc C. Phelps, CPA  
222 N. Sepulveda Blvd., Suite 2000  
El Segundo, CA 90245  
310.874.9889 email: [mphelps@phelpsaccounting.com](mailto:mphelps@phelpsaccounting.com)

Officer & Director acts as legal consultant.

Julia Leah Greenfield, Attorney-At-Law  
339 San Marino  
Irvine, CA 92614  
949.230.3241 tel. email: [juliegreenfield@cox.net](mailto:juliegreenfield@cox.net)

## **Item XII.**

### **SECURITIES OFFERINGS AND SHARES ISSUED/REDEEMED IN THE PAST THREE YEARS.**

For full disclosure of all share issuances and/or redemptions please specifically review the Financial and Disclosure Statements as in:

<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2008	Feb 09, 2009
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**C. OFF BALANCE SHEET ARRANGEMENTS**

None.

For past details about the Company and its background please review:

	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report		
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
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<u>Corporate Bylaws</u> - Loans4Less.com, Inc. By-Laws and Amendment		

For current details and specifics pertaining to all matters relating to all material events, stock issuances, redemptions and financial statements please review:

<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2008	Feb 09, 2009

**Item XVIII. MATERIAL CONTRACTS**

None/Not applicable.

**Item XX.****PURCHASES/REDEMPTIONS OF EQUITY SECURITIES BY THE ISSUER AND/OR AFFILIATE CONTROL PERSONS.**

For the most recent transactions please review Annual Report 2010 Financial Statements Pages 9-11

<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2010	Feb 08, 2011
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2009	Jan 18, 2010
<u>Annual Report</u> - Loans4Less.com, Inc. Annual Report	Dec 31, 2008	Feb 09, 2009
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For further information about Loans4Less.com, Inc. please visit <http://www.pinksheets.com/pink/quote/quote.jsp?symbol=lfls>

**Item XVI.**

**MANAGEMENT'S DISCUSSION & ANALYSIS OR PLAN OF OPERATIONS**

The Company survived the credit crisis that caused a significant slow down in mortgage loan applications over the past several years. The Company is able to service its approximate \$165,000 in revolving debt from current cash flows and remain in business. In order to expand, the Company plans to raise equity in the future. Steven Hershman, Chairman & President can sell up to 277,000 LFLS common stock shares into the open market, subject to the applicable filing of SEC Form 144 and use the proceeds raised to pay off/down the Company's indebtedness in exchange for a to be determined amount of Preferred Stock. If this materializes the Company's interest expense and cash flows are expected to improve significantly. However, any actions to sell shares by any Control Person will have to be gauged subject to market conditions. During 2010 the Company experienced a significant trend improvement in loan closings and increased consumer interest for refinancings. The Company believes this trend may continue for several years as interest rates are expected to remain low in order to stimulate the economy, especially housing. On a cautionary note, the market for mortgages remains illiquid as many commercial banks have cut off warehouse lending lines to mortgage bankers in general, thus leaving far fewer loan programs available to mortgage brokers. The Company does see opportunities for expansion and future growth as it believes a strong refinancing market may continue as a result of the US Government's economic stimulus plans. The Company has maintained excellent relationships with the most competitive wholesale lenders in the USA.

#### Forward-Looking Statement

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding our intended plans regarding activities. You are urged to consider statements that include words to be uncertain and forward-looking. Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. Loans4Less.com, Inc. undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



LOANS4LESS.COM, INC.  
Unaudited Financial Statements  
Twelve Month Period Ended  
December 31, 2010

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LOANS4LESS.COM, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2010  
(UNAUDITED)

ASSETS

CURRENT ASSETS:

Cash	\$ 19,967
Accounts receivable	0
Prepaid expenses	<u>3,600</u>

TOTAL CURRENT ASSETS	23,567
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PROPERTY AND EQUIPMENT:

Computer and equipment	39,198
Furniture and equipment	16,204
Leasehold improvements	22,869
Accumulated depreciation	<u>(78,270)</u>

TOTAL PROPERTY AND EQUIPMENT	0
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OTHER ASSETS:

Security deposits-office lease	<u>1,614</u>
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TOTAL OTHER ASSETS	<u>1,614</u>
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\$ 25,181
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LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:

Accounts Payable & Accrued Operating Expenses	\$ -
Credit Lines Payable	<u>164,735</u>

TOTAL CURRENT LIABILITIES	164,735
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LONG TERM LIABILITIES:

Put Option Liability	<u>75,000</u>
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TOTAL LONG TERM LIABILITIES	75,000
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STOCKHOLDER'S EQUITY:

Preferred Stock 25,000,000 shares authorized	
Series A Convertible, \$0.00001 Par Value	
21,500,000 Issued and Outstanding	215
Series B Convertible, \$0.00001 Par Value,	
0 Issued and Outstanding	-

Common Stock, \$0.00001 Par Value, 250,000,000 Authorized	277
27,741,092 Issued and Outstanding	

Additional Paid-In-Capital	857,565
Net Deficit	<u>(1,072,611)</u>

TOTAL STOCKHOLDERS EQUITY	<u>(214,554)</u>
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\$ 25,181
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LOANS4LESS.COM, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF INCOME (LOSS)  
TWELVE MONTHS ENDED  
DECEMBER 31, 2010  
(UNAUDITED)

REVENUES:		
Commissions Net of Rebates	\$	572,909
TOTAL REVENUES		<u>572,909</u>
OPERATING EXPENSES:		
Agent Commissions		36,283
General and Administrative		<u>140,170</u>
TOTAL OPERATING EXPENSES		<u>176,453</u>
INCOME FROM OPERATIONS		<u>396,456</u>
OTHER INCOME AND EXPENSE:		
Dividend income		-
Interest income		<u>-</u>
TOTAL OTHER INCOME AND EXPENSE		-
NET INCOME		396,456
EARNINGS PER SHARE		
Basic	\$	0.01
Diluted	\$	0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic		27,741,092
Diluted inclusive of Series A Preferred Stock		49,241,092

LOANS4LESS.COM, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY  
DECEMBER 31, 2010  
(UNAUDITED)

	Series A	Series B	Common	Additional	Retained	Total
	Convertible	Convertible	Stock	Paid-in-	Earnings	
	Preferred	Preferred		Capital	(Deficit)	
	Shares	Shares	Shares			
Balance-January 1, 2010	215	-	30,000,000	\$ 1,202,197	(\$1,469,067)	(266,355)
Preferred B shares redeemed by Hershman B shares redeemed this period	-	-	-	-	-	-
Issuance of Loans4Less.com, Inc. Common Stock as expensed	-	-	-	-	-	-
Loans4Less.com, Inc. Common Stock issued for services rendered as expensed	-	-	20,000	1,250	-	1,250
Redemption of Loans4Less.com, Inc. Common Stock pursuant to 7/1/09 Board Directive	-	-	(2,278,908)	(345,882)	-	(345,905)
Net Income for the twelve months ended December 31, 2010	-	-	-	-	396,456	396,456
Preferred stock dividends	-	-	-	-	-	-
Balance-December 31, 2010	215	-	27,741,092	\$ 857,565	\$ (1,072,611)	(214,354)

LOANS4LESS.COM, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED  
DECEMBER 31, 2010  
(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$ 396,456
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Adjustments to reconcile net income to net cash provided  
by operating activities:

Depreciation	0
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Increase (decrease) in operating assets:

Prepaid Expenses	1,900
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Increase (decrease) in operating liabilities

Accounts Payable and Accrued expenses	(3,200)
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NET CASH PROVIDED BY OPERATING ACTIVITIES	395,156
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CASH FLOWS FROM INVESTING ACTIVITIES:

Decrease in accounts receivable	8,923
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NET CASH PROVIDED BY INVESTING ACTIVITIES	8,923
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CASH FLOWS FROM FINANCING ACTIVITIES:

Increase (decrease) in credit lines payable	(40,124)
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Sale (Redemption) of common shares	(344,654)
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Redemption of Series B Stock	-
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Cash Dividends Paid	-
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NET CASH USED BY FINANCING ACTIVITIES	(384,778)
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NET INCREASE (DECREASE) IN CASH	19,301
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CASH-January 1, 2010	666
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CASH-September 30, 2010	\$ 19,967
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Supplemental Disclosure of Cash Flow Information:

Cash paid for:	
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Interest	23,168
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Income taxes	5,488
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LOANS4LESS.COM, INC. AND SUBSIDIARY  
CONSOLIDATED SCHEDULE OF  
GENERAL AND ADMINISTRATIVE EXPENSES  
DECEMBER 31, 2010  
(UNAUDITED)

Stock grants for third party services	\$ 500
Interest expense	23,168
Office Lease/Rent	20,916
Advertising	20,050
Professional fees	13,241
Automobile expense	8,159
Meals and entertainment	7,747
Insurance	7,996
Equipment lease & rental	7,453
Telephones	6,743
Credit Report factuals	5,635
Supplies	5,784
Taxes	2,464
Licensing	1,952
Communications	2,361
Processing	2,490
Utilities	1,421
Bank charges	521
Realtors board fees	445
Travel	396
Publications	131
Mail and shipping	123
Appraisals	475
	<u>\$ 140,170</u>

LOANS4LESS.COM, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) Description of Business

Loans4Less.Com, Inc. "the Company" was incorporated in Delaware on June 30, 1999 and was operationally inactive prior to its consolidation with Union Discount Mortgage, Inc. on January 1, 2005.

On January 1, 2005, the Company exchanged 25,000,000 shares of its common stock and 21,500,000 shares of Series A preferred stock for all of the shares (100) of Union Discount Mortgage, Inc. After the exchange Union Discount Mortgage, Inc. became a wholly owned subsidiary of the Company.

Prior period financial statements have been retroactively restated and renamed to show the capitalization of Loans4Less.com, Inc. while at the same time maintaining the historical financial data of the acquired company Union Discount Mortgage, Inc.

(2) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

(3) Marketable Securities

The Company may invest in various equity or debt instruments. The Company accounts for such investments in accordance with Statements of Financial Accounting Standards No. 115 and 130 "Accounting for Certain Investments in Debt and Equity Securities" and "Reporting Comprehensive Income," respectively.

Management determines the appropriate classification of its investments at the time of acquisition and reevaluates such determination at each balance sheet date. Trading securities are carried at fair value, with unrealized trading gains and losses included current period income. Available-for-sales securities are carried at fair value with unrealized gains and losses included in other comprehensive income. Realized gains and losses are included in current period income for both types of securities. Investments classified as held-to-maturity are carried at amortized cost. In determining realized gains and losses, the cost of the securities sold is based on the first in, first out method.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the balance sheet and the statement of income and stockholder's earnings.

LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(4) Property and Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments are capitalized, while expenditures for maintenance and repairs are charged to expense. The cost and related accumulated depreciation accounts are removed when items are sold, and the resulting gain or loss is reflected in income.

It is the policy of the Company to provide depreciation based on the estimated useful life of the individual units of property and equipment. The depreciation methods and the estimated useful lives used as the basis for the application of those methods are as follows:

<u>Description</u>	<u>Method</u>	<u>Estimated Useful Life</u>
Improvements	Straight-line	3 years
Computers	Straight-line	5 years
Furniture & equipment	Straight-line	5 years

(5) Revenue Recognition

The Company recognizes loan origination (85%), miscellaneous processing fees (5%) and real estate commissions (10%) according to industry standards, as income when the loan transaction is completed and the related documents are recorded by the appropriate statutory agency.

(6) Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles 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 revenues of expenses during the reporting period. Actual results could differ from those estimates.

(7) Income Taxes

The Company utilizes SFAS No.109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statements and tax basis assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets or liabilities.



LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(8) Consolidation

Union Discount Mortgage, Inc. is a wholly owned subsidiary of the Company. Accordingly, the financial statements are presented as a consolidation. Because the Company does not have material transactions of its own and all business is conducted through Union Discount Mortgage, Inc., management declined to show the two entities separately. There were no eliminating entries.

(9) Earnings per Common Share

Earnings per share are computed using the weighted average number of shares outstanding during the year.

B. LINE OF CREDIT AND OTHER CREDIT FACILITIES

As of December 31, 2010 the Company has a revolving line of credit at Bank of America with a maximum borrowing amount of \$50,000, bearing an interest rate of 3.5% over the Prime Rate with an outstanding principal balance of \$50,000. The Company also has other credit card balances of approximately \$114,735 outstanding which are accruing various annual interest costs.

C. RETIREMENT PLAN TERMINATED

The Company adopted a retirement plan for substantially all full-time employees. The plan did allow for discretionary Company contributions up to 25% of employee compensation. On March 10, 2008 the Company terminated this Plan.

D. OPERATING LEASE AGREEMENT MODIFIED

Effective March 1, 2010 the Company continued its contract as a month-to-month rental at a rate of \$1.75 per square foot or 996 square feet of space for \$1,743 per month.

LOANS4LESS.COM, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

E. CAPITAL STRUCTURE

The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of \$0.00001 per share.

The Board of Directors originally designated 1,000,000 shares of the Company's preferred stock as Series B (6.75%) Convertible Preferred Stock. As of December 31, 2009 all Series B shares have been fully redeemed. The following table shows proceeds and respective redemptions at \$0.50 per share unless otherwise notated:

<u>Share Balance</u>	<u>Date</u>	<u>Net Proceeds and Redemptions</u>
522,000	March 26, 2005	\$261,000
200,000	April 18, 2005	100,000
278,000	July 21, 2005	139,000
(435,859)	September 5, 2006	(217,930) * includes \$39,080 loan repaid.
( 10,000)	September 18, 2006	( 5,000)
( 6,000)	October 19, 2006	( 3,000)
( 8,000)	November 6, 2006	( 4,000)
( 4,000)	December 11, 2006	( 2,000)
( 30,000)	December 14, 2006	( 15,000)
( 20,141)	December 26, 2006	( 10,070)
( 8,000)	December 29, 2006	( 4,000)
( 10,000)	January 22, 2007	( 5,000)
( 10,000)	January 24, 2007	( 5,000)
( 6,000)	February 07, 2007	( 3,000)
(160,000)	August 31, 2007	( 80,000) * includes \$67,882 loan repaid.
( 10,000)	October 25, 2007	( 5,000)
( 20,000)	December 14, 2007	( 10,000)
( 5,000)	January 07, 2008	( 2,500)
( 10,000)	February 04, 2008	( 5,000)
( 20,000)	March 03, 2008	( 10,000)
( 27,000)	March 27, 2008	( 13,500)
( 27,500)	December 31, 2008	( 19,250) * Valued at \$0.70
( 25,000)	December 31, 2008	( 12,500)
( 40,000)	March 27, 2009	( 20,000) * Valued at \$0.50
( 55,000)	December 31, 2009	( 27,500)
( 8,000)	July 1, 2009	( 4,000)
( 5,000)	August 20, 2009	( 2,500)
( 39,500)	December 31, 2009	( 19,750)
0		\$0

LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

The Series B preferred stock is entitled to dividend payments at a rate of 6.75% per annum based on the principal amount paid to the Company for each share. This preferred stock ranks senior as to rights upon liquidation, dissolution or winding up of the Company and has no voting rights. Each share of the Series B preferred stock is convertible into one share of common stock at any time. The Board of Directors has designated 21,500,000 shares of the Company's preferred stock as Series A Convertible Preferred Stock. All 21,500,000 shares of Series A stock have been issued and are outstanding. The Series A stock is not entitled to any regular dividend payments. The preferred stock ranks senior to common stock as to rights upon liquidation, dissolution or winding up of the Company. The Series A stock is entitled to ten votes for each share on matters involving amendments to the Company's charter, merger or dissolution of the Company or any disposition of the Company's assets requiring special authorization of the shareholders. Each share of the Series A preferred stock can be converted into one share of the Company's common stock. These shares are subject to a lock-up agreement effective two years after the start of public trading in the common stock.

The Board of Directors has authorized 250,000,000 shares of Common Stock of which 27,741,092 shares are issued and outstanding. Pursuant to the Reg A Offering, 292,000 shares at \$0.25 were sold to investors and those subscriber's funds were released to the Company in fiscal 2007.

E1. Issuances and Redemptions of Common Stock during Q3 2009 thru Q4 2010:

<u>Share Balance</u>	<u>Date</u>	<u>Net Proceeds</u>	<u>Share Price</u>	<u>Beneficiary</u>
28,652,500	07/1/2009	\$1,202,334		Additional Paid-In-Capital Balance
(3,636)	7/27/2009	(4,000)	1.10	Justin Jasper
(3,636)	7/27/2009	(4,000)	1.10	Daniela Haynie
150,000	7/31/2009	7,500	0.05	Colin Campbell
(20,000)	8/13/2009	(1,000)	0.05	Justin Jasper
(20,000)	8/13/2009	(1,000)	0.05	Daniela Haynie
(20,000)	8/18/2009	(1,000)	0.05	Justin Jasper
(20,000)	8/18/2009	(1,000)	0.05	Daniela Haynie
(250,000)	8/29/2009	(12,500)	0.05	Martin Genis
(40,000)	8/29/2009	(2,000)	0.05	Daniela Haynie
(40,000)	8/29/2009	(2,000)	0.05	Justin Jasper
(11,111)	9/14/2009	(1,000)	0.09	Daniela Haynie
(11,111)	9/22/2009	(1,000)	0.09	Justin Jasper
(11,111)	9/14/2009	(1,000)	0.09	Daniela Haynie
(11,111)	9/22/2009	(1,000)	0.09	Justin Jasper
200,000	9/30/2009	4,600	0.023	Ben C. Doherty (b)
405,858	9/30/2009	9,335	0.023	Justin Jasper (a)
405,858	9/30/2009	9,335	0.023	Daniela Haynie (a)
250,000	9/30/2009	5,750	0.023	Martin Genis (a)
397,500	9/30/2009	9,143	0.023	Steven M. Hershman (a)
100,000	12/23/09	12,000	0.12	David Rozenblatt (b)
(32,000)	12/23/09	(8,000)	0.25	Justin Jasper
(32,000)	12/23/09	(8,000)	0.25	Daniela Haynie
(20,000)	12/31/09	(5,000)	0.25	Steven M. Hershman

(continued)

LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

Issuances and Redemptions of Common Stock during during Q3 2009 thru Q4 2010  
(continued from prior page):

(8,000)	12/31/09	(2,000)	0.25	Justin Jasper
(8,000)	12/31/09	(2,000)	0.25	Daniela Haynie
5,000	1/20/10	500	0.10	Brandon Chabner (b)
(31,250)	1/21/10	(5,000)	0.16	Steven M. Hershman
(50,000)	2/26/10	(5,000)	0.10	Steven M. Hershman
(20,000)	2/26/10	(2,000)	0.10	Justin Jasper
(20,000)	2/26/10	(2,000)	0.10	Daniela Haynie
(61,111)	3/31/10	(5,500)	0.09	Steven M. Hershman
(11,111)	3/31/10	(1,000)	0.09	Justin Jasper
(22,222)	3/31/10	(2,000)	0.09	Daniela Haynie
15,000	4/06/10	750	0.05	John Kuykendall (b) (c)
(165,556)	4/30/10	(14,900)	0.09	Steven M. Hershman
(27,778)	4/30/10	(2,500)	0.09	Daniela Haynie
(38,889)	4/30/10	(3,500)	0.09	Justin Jasper
(14,285)	5/28/10	(2,000)	0.14	Steven M. Hershman
(28,571)	5/28/10	(4,000)	0.14	Daniela Haynie
(21,428)	5/28/10	(3,000)	0.14	Justin Jasper
(40,909)	6/30/10	(9,000)	0.22	Steven M. Hershman
(18,181)	6/30/10	(4,000)	0.22	Daniela Haynie
(9,091)	6/30/10	(2,000)	0.22	Justin Jasper
(97,400)	7/30/10	(9,740)	0.10	Steven M. Hershman
(20,000)	7/30/10	(2,000)	0.10	Justin Jasper
(30,000)	7/30/10	(3,000)	.010	Daniela Haynie
(198,000)	8/31/10	(37,620)	0.19	Steven M. Hershman
(25,263)	8/31/10	(4,800)	0.19	Daniela Haynie
(200,000)	9/17/10	(38,000)	.0.19	Martin Genis
(185,000)	9/30/10	(35,150)	0.19	Steven M. Hershman
(40,000)	9/30/10	(7,600)	0.19	Daniela Haynie
(40,000)	9/30/10	(7,600)	0.19	Justin Jasper
(200,000)	10/29/10	(38,000)	0.19	Steven M. Hershman
(40,000)	10/29/10	(7,600)	0.19	Daniela Haynie
(20,000)	10/29/10	(3,800)	0.19	Justin Jasper
(320,000)	11/30/10	(48,000)	0.15	Steven M. Hershman
(50,000)	11/30/10	(7,500)	0.15	Daniela Haynie
(46,000)	11/30/10	(6,900)	0.15	Justin Jasper
(10,000)	11/30/10	(1,500)	0.15	Martin Genis
(6,000)	11/30/10	(900)	0.15	Hannah Robertson
(70,000)	12/31/10	(7,700)	0.11	Steven M. Hershman
(55,363)	12/31/10	(6,090)	0.11	Daniela Haynie
(13,500)	12/31/10	(1,485)	0.11	Justin Jasper
(32,000)	12/31/10	(3,520)	0.11	Hannah Robertson
<u>27,741,092</u>		<u>\$857,842</u>		

(a) pursuant to a 3 year pro rata vesting schedule (b) for services rendered (c) One year restricted

LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

F. PUT OPTION AGREEMENT WITH TIBER CREEK

The Company and Tiber Creek originally entered into an agreement that would issue and deliver on January 20, 2005 200,000 shares of common stock in exchange for certain securities related advisory services. On September 23, 2005, the Company and Tiber Creek entered into a new securities advisory services agreement that modified the original whereby Tiber Creek was granted the right to Put to the Company up to 150,000 shares at a price of \$0.50 per share. The Put Option agreement commenced (4/10/2009) which is one year following commencement of public trading in LFLS common shares and shall expire three years following such commencement (4/10/2012)

G. EARNINGS PER SHARE DISCLOSURE

	<u>For the period ended December 31, 2010</u>		
	<u>Income</u> <u>(Numerator)</u>	<u>Shares</u> <u>(Denominator)</u>	<u>Per-Share</u> <u>Share</u>
Net Income	\$396,456		
<b>Basic EPS Income</b>	<b>\$396,456</b>	<b>27,741,092</b>	<b><u>\$ 0.01</u></b>
Convertible A & B Preferred Stock		21,500,000	
Preferred B stock dividends paid	\$0		
<b>Diluted EPS Income</b>			
Income available to common stockholders plus assumed conversions	<b>\$396,456</b>	<b>49,241,092</b>	<b><u>\$ 0.01</u></b>

REGULATION A OFFERING CLOSED – PINK OTC MARKETS: LFLS

The Company qualified with the SEC an offering of its common stock shares under a Regulation A offering statement on March 29, 2007 (as amended April 30, 2007). This offering closed on September 25, 2007 raising \$73,000 amongst 53 subscribing shareholders, selling 292,000 common stock shares at \$0.25 each. The Company's common stock commenced its quotation on April 10, 2008 under ticker symbol LFLS and has had a 52 week trading range of \$0.01 - \$0.22

H. CERTAIN CONTROL PERSON TRANSACTIONS

Steven M. Hershman as beneficial owner of the Steven M. Hershman Revocable Trust:  
Sold 85,000 LFLS (1 Year Restricted) Common Shares in a private transaction to Keith Wales.

LOANS4LESS.COM, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

I. CERTAIN OTHER TRANSACTIONS AND DISCLOSURES

On July 1, 2009 the Board of Directors issued a Resolution permitting its Control Persons to redeem common stock in lieu of receiving taxable wages and/or commissions. The Company believes that this can reduce its operating expenses and may provide certain tax advantages to those redeeming stock. The Company also believes that it may benefit in the reduction of overall outstanding stock (see table E1 above).

J. STOCK BASED COMPENSATION

The Company accounts for its stock based compensation based on provisions in SFAS No. 123, "Accounting for Stock Based Compensation," which utilizes the fair method for the valuation of its securities given as compensation.

K. AFFIRMATIVE STATEMENT REGARDING THE ACCURACY OF THESE FINANCIAL STATEMENTS

It is the opinion of management that all adjustments necessary for a fair statement of results for the interim period have been included. All adjustments are of normal recurring nature.

**Management's Discussion and Analysis and Results of Operations for the period ended December 31, 2010 compared December 31, 2009**

The Company believes its increase in revenues for the period ended December 31, 2010 versus the same period last year, was mainly due to a strong refinancing market in Q3-Q4. The Company was not able to sustain an ongoing advertising campaign and relied on its database of existing clients.

Revenues for the period ended December 31, 2010 increased 23% from \$464,097 to \$572,909 compared to the period ended December 31, 2009.

Net Ordinary Income for the period ended December 31, 2010 was \$396,456 compared with a Net Ordinary Income of \$71,760 for the period ended December 31, 2009.

Total Operating Expenses for the period ended December 31, 2010 amounted to \$176,453 compared with \$392,231 for the period ended December 31, 2009. For the period ended December 31, 2010 compared with December 31, 2009: Agent commissions decreased 74% to \$36,283 from \$137,593; Payroll Expenses decreased 100% to \$0 from \$53,729; Professional fees decreased 10% to \$13,241 from \$14,729; Stock Grants decreased 99% to \$500 from \$69,662; Advertising & Promotions increased 10% to \$20,050 from \$18,205; Insurance costs decreased 14% to \$7,996 from \$9,279 and Interest Expense increased 11% to \$23,178 from \$20,802.

For the period ended December 31, 2010 compared to the period ended December 31, 2009, the Company had overall General and Administrative expenses of \$140,170 down from \$254,744, a decrease of 45%.

**Company shows Income from Operations versus recurring prior losses.**

The Company redeemed/canceled common stock mainly in lieu of paying salaries and/or commissions pursuant to the Resolution as authorized by the Board on July 1, 2009 which improved our Income Statement even though revenues declined and also this action reduced our outstanding common stock capital. Stock Grants/Redemptions made during 2010 are reflected on the Company's financial statements as of December 31, 2010 and are fully disclosed in the Notes to the Financial Statements.

**Substantial Intangible Assets not reflected on Balance Sheet**

The Company is currently studying FASB Rules 141 & 142 to determine if under those guidelines a Fair Value for our intangible assets can be reflected on our balance sheet. The Company believes that it retains substantial value for its intangible assets based on certain factors.

### **Outlook for 2011**

The outlook for 2011 is somewhat unpredictable as mortgage interest rates have risen at the beginning of 2011 and the general refinancing business has slowed from Q3-Q4 2010. However, the Company believes it has the resources to continue its current operations without outside financing. However, the Company may be unable to expand rapidly without raising the necessary working capital.

### **Company Seeks to Raise Equity Capital**

The Company is seeking to raise capital for its balance sheet to advance its ongoing plan of operations, pay off or reduce its obligations, obtain audited financial statements with the aim of becoming a fully-reporting company, invest in a new platform of technologies in order to facilitate increasing revenues through aggressive advertising and marketing with the main goal of developing a recognizable new national loan brand name. The Company is seeking licensing and/or Joint Venture arrangements in other loan products in order to effectively brand Loans4Less.com as more of a general loan consumer portal site using mortgages as a base service.



Steven M. Hershman

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Loans4Less.com, Inc.

Steven M. Hershman

Chairman & Chief Financial Officer



## **CERTIFICATION**

I, Steven M. Hershman, hereby certify that:

1. I have reviewed the December 31<sup>st</sup> 2010 financial disclosure statements and Annual Report for Period Ended December 31, 2010 of Loans4Less.com, Inc. a Delaware Corporation and:

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement and:

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of Loans4Less.com, Inc. as of, and for, the period presented in this disclosure statement.

February 08, 2011



Steven M. Hershman

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Loans4Less.com, Inc.

Steven M. Hershman

Chairman & Chief Financial Officer