

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**



## **MCAP Inc.**

390 N. Orange Avenue, 28<sup>th</sup> Floor

Orlando, FL 32801

(407) 205-1860

[www.mcaptech.com](http://www.mcaptech.com)

[info@mcaptech.com](mailto:info@mcaptech.com)

SIC Code: 7371

## **Annual Report**

**Report for the Period Ending:** December 31, 2023 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

23,389,938 as of December 31, 2023

23,239,938 as of December 31, 2022

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Current Name of Issuer: MCAP Inc. ("MCAP")  
Name Used by Predecessor Entity: MetaCap Inc.  
Date of Name Change: February 18, 2022

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g., active, default, inactive):

Nevada – In Good Standing

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

390 N. Orange Avenue, 28<sup>th</sup> Floor, Orlando, FL 32801

The address(es) of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

Name: Computershare Investor Services  
Phone: (201) 680-4236  
Email: Marleen.Grandeson-Mills@computershare.com  
Address: 480 Washington Boulevard, 26<sup>th</sup> Floor, Jersey City, NJ 07310

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol: MCAP  
Exact title and class of securities outstanding: Common Stock of MCAP  
CUSIP: 562694208  
Par or stated value: \$0.001

|   |                   |                                      |
|---|-------------------|--------------------------------------|
| Total shares authorized:                            | <u>50,000,000</u> | as of date: <u>December 31, 2023</u> |
| Total shares outstanding:                           | <u>23,389,938</u> | as of date: <u>December 31, 2023</u> |
| Number of shares in the Public Float <sup>2</sup> : | <u>12,383,848</u> | as of date: <u>December 31, 2023</u> |
| Total number of shareholders of record:             | <u>487</u>        | as of date: <u>December 31, 2023</u> |

*All additional class(es) of publicly quoted or traded securities (if any):*

None

**Other classes of authorized or outstanding equity securities:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

None

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

1. **For common equity, describe any dividend, voting and preemption rights.**

Eligible for declared dividends, one vote per share, no preemptive rights.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Not applicable

3. **Describe any other material rights of common or preferred stockholders.**

None

4. **Describe any material modifications to the rights of the holders of the company's securities that have occurred over the reporting period covered by this report.**

None

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<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

| Shares Outstanding as of Second Most Recent Fiscal Year End:<br>Opening Balance:<br>Date: Common: 23,239,938<br>Dec 31, 2022 Preferred: 0 |  |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |  |  |  |   |                                 |
|---|--|--|--|---|--|--|--|---|---------------------------------|
| Date of Transaction   | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities  | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to the market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g., for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| 3/31/21   | <u>New Issuance</u>  | 500,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Charles K. Montecino   | Accounting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 200,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Lex Latkovski  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 100,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Marissa Josephick  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 50,000                                 | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | James Josephick  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 50,000                                 | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Benjamin Josephick   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 50,000                                 | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Beckham Josephick  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 100,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Peter J. Bradian   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 200,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Gianna McMaster  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 500,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Marcella Brean   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 50,000                                 | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Megan Ragonese   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 350,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | John Jacobs  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 250,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Brooke Pagano  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 3/31/21   | <u>New Issuance</u>  | 500,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Charles K. Montecino   | Accounting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 5/6/2021  | <u>New Issuance</u>  | 1,000,000                              | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Peter J. Bradian   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 5/6/2021  | <u>New Issuance</u>  | 100,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Gianna McMaster  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 5/6/2021  | <u>New Issuance</u>  | 100,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Megan Ragonese   | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |
| 5/6/2021  | <u>New Issuance</u>  | 100,000                                | <u>Common</u>  | <u>\$0.01</u>                                     | <u>No</u>  | Brooke Pagano  | Consulting   | <u>Unrestricted</u>                           | <u>Exempt</u>                   |

|            |                     |            |               |               |           |  |             |                     |               |
|------------|---------------------|------------|---------------|---------------|-----------|--|-------------|---------------------|---------------|
| 8/6/2021   | <u>Cancellation</u> | -1,000,000 | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Peter J. Bradian   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 25,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Gianna McMaster  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 100,000    | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Megan Ragonese   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 25,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Brooke Pagano  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 80,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Diane Bowers   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Kimberly Yerkey  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Roger Yerkey   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Justin Wilcox  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Daniel Wilcox  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Brittany Bowers  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Thomas Bowers, Jr.   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Kelsey Thompson  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Willow Elise Bowers  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Eric Crumb   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Jennifer Crumb   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Celeste Crumb  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Noah Crumb   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 10,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Lilah Crumb  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 200,000    | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Marcella Brean   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 150,000    | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Sarah Boldin   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 150,000    | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Daniel H. Brean  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 25,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Shaye Marie Atwood   | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 8/6/2021   | <u>New Issuance</u> | 25,000     | <u>Common</u> | <u>\$0.01</u> | <u>No</u> | Ella Blair Atwood  | Consulting  | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021 | <u>New Issuance</u> | 22,000     | <u>Common</u> | <u>\$3.56</u> | <u>No</u> | MCAP Technologies LLC (c/o David Menn, William Dennis, Michael Franzese, Edward Barry) | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021 | <u>New Issuance</u> | 4,836,400  | <u>Common</u> | <u>\$3.56</u> | <u>No</u> | David Menn   | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021 | <u>New Issuance</u> | 2,712,000  | <u>Common</u> | <u>\$3.56</u> | <u>No</u> | Edward Barry   | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |

|   |                     |           |               |                |           |  |             |                     |               |
|---|---------------------|-----------|---------------|----------------|-----------|--|-------------|---------------------|---------------|
| 11/05/2021  | <u>New Issuance</u> | 2,712,000 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Brian Garrow                                   | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 2,712,000 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Erik Knudsen                                   | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 2,712,000 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | William Dennis                                 | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 1,588,780 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Michael Franzese                               | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 1,588,780 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Keith Cheshire                                 | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 1,414,760 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | James Smyth                                    | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 1,136,780 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Andrew Schulman                                | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 1,136,780 | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | David Lewin                                    | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 11/05/2021  | <u>New Issuance</u> | 27,720    | <u>Common</u> | <u>\$3.56</u>  | <u>No</u> | Michael Lau                                    | Acquisition | <u>Unrestricted</u> | <u>Exempt</u> |
| 2/01/2023   | <u>New Issuance</u> | 150,000   | <u>Common</u> | <u>\$10.00</u> | <u>No</u> | Monroe Financial Partners Inc. (Daniel Kanter) | Acquisition | <u>Restricted</u>   | <u>Exempt</u> |
| Shares Outstanding on Date of This Report<br><u>Ending Balance:</u><br><u>Date:</u> Dec 31, 2023<br>Common: 23,389,938 Preferred: 0 |                     |           |               |                |           |  |             |                     |               |

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022, pursuant to the tabular format above.

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$)<br>(Note1) | Maturity Date | Conversion Terms<br>(e.g., pricing mechanism for determining conversion of instrument to shares)<br>(Note 2) | Name of Noteholder<br>(entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|----------------------------------|---------------|--|---|--|
| 1/1/2019              | 600,000                  | 600,000                           | 0                                | 1/1/2025      | None- Fixed Rate Note  | David Menn*   | General Corporate                                |
| 1/1/2019              | 500,000                  | 500,000                           | 0                                | 1/1/2025      | None- Fixed Rate Note  | Lynn Knudsen  | General Corporate                                |

Use the space below to provide any additional details, including footnotes to the table above:

**Note 1:** Interest Payments made December 31, 2023

**Note 2:** Fixed Rate Debt- non-convertible.

**Note 3:** Company paid \$1,800,000 of the outstanding Notes in December 2023, and extended \$1,100,000 until January 1, 2025.

**Note 4:** \* Company Officer

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

MCAP operates financial technology companies that focus on the rapidly changing and digitalization of the global financial markets. The Company targets opportunities that will provide efficiencies within the existing financial services industry. The Company also considers business acquisitions or partnerships that increase shareholder value.

B. List any subsidiaries, parent company, or affiliated companies.

The Company currently has two wholly owned operating subsidiaries: MCAP Technologies LLC and MCAP LLC.

C. Describe the issuers' principal products or services.

Electronic Securities Market Making, Application Software, Securities Trading Platforms and Financial Technology.

#### 5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent to which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company's principal place of business and the principal executive offices are located at 390 N. Orange Avenue, 28<sup>th</sup> Floor, Orlando, FL 32801. The Company has additional offices located at: 1633 Broadway, 28<sup>th</sup> Floor, New York, NY 10019; 427 Bedford Road, Pleasantville, NY 10570; and Basildon House 7-11 Moorgate London, UK EC2R 6AF. All space is leased with terms ranging from one (1) to ten (10) years.

#### 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

| Name of Officer/Director or Control Person | Affiliation with Company (e.g., Officer Title /Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | Share type/class | Ownership Percentage of Class Outstanding | Note |
|--|--|---|------------------------|------------------|---|------|
| David Menn                                 | CEO & Board Member   | Chappaqua, NY                           | 4,836,904              | Common           | 20.7%                                     |      |
| Edward Barry                               | Managing Director & Board Member   | Winter Park, FL                         | 2,712,100              | Common           | 11.6%                                     |      |
| Brian Garrow                               | Managing Director  | Winter Park, FL                         | 2,712,529              | Common           | 11.6%                                     |      |
| Erik Knudsen                               | Managing Director  | Maitland, FL                            | 2,714,436              | Common           | 11.6%                                     |      |
| William Dennis                             | President & Board Member   | Orlando, FL                             | 2,712,258              | Common           | 11.6%                                     |      |
| Michael Franzese                           | Senior Managing Director & Board Member  | N. White Plains, NY                     | 1,588,780              | Common           | 6.8%                                      |      |
| Keith Cheshire                             | Managing Director  | Winter Springs, FL                      | 1,588,780              | Common           | 6.8%                                      |      |
| James Smyth                                | Managing Director  | Manhasset, NY                           | 1,414,760              | Common           | 6.1%                                      |      |
| Gregory Mullen                             | Chief Financial Officer  | Lebanon, NJ                             | 0                      | -                | 0%  |      |
| Leonard Patti                              | Chief Compliance Officer   | Staten Island, NY                       | 0                      | -                | 0%  |      |

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of 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.

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, 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

No



4. The 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.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## **8) Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

### Securities Counsel (must include Counsel preparing Attorney Letters)

Name: Wolfgang Heimerl, Esq.  
Firm: Heimerl Law Firm  
Address 1: 32 Dumont Road, P.O. Box 9640  
Address 2: Far Hills, NJ 07931  
Phone: (908) 470-0200  
Email: [wolfgang@heimerllawfirm.com](mailto:wolfgang@heimerllawfirm.com)

### General Outside Counsel

Name: David Schrader, Esq.  
Firm: Paykin, Krieg & Adams LLP  
Address 1: 10 Grand Central, 155 East 44<sup>th</sup> Street, 6<sup>th</sup> Floor  
Address 2: New York, NY 10017  
Phone: (212) 725-4423  
Email: [dschrader@pka-law.com](mailto:dschrader@pka-law.com)

### Accountant or Auditor

Name: Meggan Ciaccia  
Firm: Ciaccia CPA  
Address 1: 428 Woodbury Glassboro Road  
Address 2: Sewell, NJ 08080  
Phone: (856) 256-1490  
Email: [www.ciacciapcpa.com](http://www.ciacciapcpa.com)

Firm: Assurance Dimensions  
Address 1: 4920 W. Cypress Street #102  
Address 2: Tampa, FL 33607  
Phone: (813) 443-5048  
Email: [maryrose.aw@aduscpcpa.com](mailto:maryrose.aw@aduscpcpa.com)

### Investor Relations

Name:  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

#### Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

### **9) Financial Statements**

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP

☐ IFRS

B. The following financial statements were prepared by (name of individual)<sup>3</sup>:

Name: Gregory Mullen

Title: Managing Director, CFO

Relationship to Issuer: Company CFO

Describe the qualifications of the person or persons who prepared the financial statements: Decades of accounting experience; CFO of MCAP LLC for 10 years.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Important Notes:

- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

### **10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

---

<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

I, David Menn certify that:

1. I have reviewed this Disclosure Statement for MCAP Inc.
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 the issuer as of, and for, the periods presented in this disclosure statement.

3/15/2024

Signature: "/s/ David Menn"

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Gregory Mullen certify that:

1. I have reviewed this Disclosure Statement for MCAP Inc.
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 the issuer as of, and for, the periods presented in this disclosure statement.

3/15/2024

Signature: "/s/ Gregory Mullen"

(Digital Signatures should appear as "/s/ [OFFICER NAME]")



**MCAP Inc.**  
**Consolidated Balance Sheet**

| <b><u>ASSETS</u></b>   | <b><u>12/31/23</u></b> | <b><u>12/31/22</u></b> |
|--|------------------------|------------------------|
| Cash and Equivalents   | 16,959,636             | 24,137,906             |
| Securities Sold and Not Yet Settled  | 8,868,840              | 184,701,004            |
| Securities Owned and other Marketable Instruments                                | 1,446,150,228          | 1,216,684,326          |
| Prepaid Expenses and Other Current Assets  | 4,137,606              | 4,562,431              |
| Fixed Assets, net  | 387,498                | 411,478                |
| <b>TOTAL</b>   | <b>1,476,503,808</b>   | <b>1,430,497,145</b>   |
| <br>   |                        |                        |
| <b><u>LIABILITIES:</u></b>   |                        |                        |
| Securities Sold Short  | 1,109,528,099          | 1,376,310,880          |
| Notes Payable  | 1,100,000              | 6,500,000              |
| Accounts Payable and Accrued Liabilities   | 16,464,588             | 15,964,778             |
| Securities Purchased not yet Settled   | 322,496,251            | 11,825,557             |
| <b>TOTAL</b>   | <b>1,449,588,938</b>   | <b>1,410,601,215</b>   |
| <br>   |                        |                        |
| Accumulated Deficit  | (72,382,100)           | (72,382,100)           |
| Dividend - Common Stock  | 0                      | 0                      |
| Dividend - Preferred Stock   | 0                      | 0                      |
| Additional Paid-in-Capital   | 95,297,462             | 92,254,640             |
| Common Stock (50,000,000 Authorized, 23,389,938 Outstanding at \$.001 par value) | 23,390                 | 23,390                 |
| Preferred Stock (0 Authorized, 0 Outstanding at \$.001 par value)                | 0                      | 0                      |
| Net Income - Current Year  | 3,976,118              | 0                      |
| <b>Total Stockholder's Equity</b>  | <b>26,914,870</b>      | <b>19,895,930</b>      |
| <br>   |                        |                        |
| <b>Total Liabilities and Stockholder's Equity</b>                                | <b>1,476,503,808</b>   | <b>1,430,497,145</b>   |



**MCAP Inc.**  
**Consolidated Income Statement – US GAAP**  
**Years Ended December 31**

| <b><u>Operating Revenues</u></b>          | <b>2023</b>        | <b>2022</b>        |
|---|--------------------|--------------------|
| Principal and Agency Transactions         | 72,967,917         | 73,049,596         |
| Interest and Dividends                    | 70,243,113         | 28,665,335         |
| Other                                     | 1,250,852          | 744,104            |
| <b>TOTAL</b>                              | <b>144,461,882</b> | <b>102,549,035</b> |
| <br>                                      |                    |                    |
| <b><u>Operating Expenses</u></b>          |                    |                    |
| Compensation and Benefits                 | 30,570,380         | 25,235,284         |
| Clearing, Execution and related expenses  | 26,945,666         | 23,804,277         |
| Communication and Market Data             | 3,600,493          | 2,648,145          |
| Occupancy                                 | 887,992            | 636,049            |
| Professional Fees                         | 431,502            | 617,981            |
| Travel and Entertainment                  | 573,337            | 310,908            |
| Regulatory Fees                           | 704,607            | 850,927            |
| Margin Interest                           | 2,232,105          | 2,386,762          |
| Interest and Dividends                    | 71,988,550         | 31,362,419         |
| Depreciation and Amortization             | 134,796            | 75,160             |
| Other                                     | 574,132            | 716,207            |
| <b>TOTAL</b>                              | <b>138,643,560</b> | <b>88,644,119</b>  |
| <br>                                      |                    |                    |
| Net Income before Taxes                   | 5,818,322          | 13,904,916         |
| EBITDA                                    | 6,388,894          | 14,630,076         |
| Income Taxes                              | 1,842,204          | 3,581,897          |
| <b>Net Income</b>                         | <b>3,976,118</b>   | <b>10,323,019</b>  |
| <br>                                      |                    |                    |
| <b>Earnings Per Share</b>                 |                    |                    |
| Basic                                     | 0.17               | 0.44               |
| Diluted                                   | 0.17               | 0.44               |
| <b>Outstanding Shares - Fully Diluted</b> | <b>23,389,938</b>  | <b>23,239,938</b>  |



**MCAP Inc.**  
**Consolidated Statement of Cash Flows**  
**Years Ended December 31**

|   | <b>2023</b>        | <b>2022</b>       |
|---|--------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>       |                    |                   |
| Net Income  | 3,976,118          | 10,323,019        |
| Adjustments to Reconcile Net Income to            |                    |                   |
| Net Cash Used in Operating Activities:            |                    |                   |
| Depreciation and Amortization                     | (644,503)          | 75,160            |
| Amortization of Right-of-Use Asset                | 631,696            | (3,499,459)       |
| Changes in Operating Assets and Liabilities:      |                    |                   |
| Securities Owned and Other Marketable Instruments | (229,465,903)      | (553,379,436)     |
| Securities Sold Not Yet Settled                   | 175,832,164        | 8,170,721         |
| Due from Clearing Organization                    | 0                  | (145,238,406)     |
| Securities Purchased Not Yet Settled              | 310,611,392        | 5,420             |
| Prepaid Expenses and Other Assets                 | 362,132            | (5,714,533)       |
| Accounts Payable and Accrued Liabilities          | 566,248            | 13,074,927        |
| Securities Sold Short                             | (266,782,781)      | 690,851,064       |
| Net Cash Used in Operating Activities             | (4,913,437)        | 14,668,477        |
| <b>INVESTING ACTIVITIES</b>                       |                    |                   |
| Net cash provided by investing activities         | 0                  | 0                 |
| <b>Cash Flows from Investing Activities:</b>      |                    |                   |
| Purchases of Fixed Assets                         | 668,483            | (356,727)         |
| Net Cash Used in Investing Activities             | 668,483            | (356,727)         |
| <b>Cash Flows from Financing Activities:</b>      |                    |                   |
| Notes Payable                                     | (5,400,000)        | 0                 |
| Operating Lease Liability                         | (576,138)          | 3,593,185         |
| Stock Options Exercised                           | 3,042,822          | 0                 |
| Capital Withdrawals                               | 0                  | 0                 |
| Net Cash Used in Financing Activities             | (2,933,316)        | 3,593,185         |
| <b>Net Increase (Decrease) in Cash</b>            | <b>(7,178,270)</b> | <b>17,904,935</b> |
| <b>Cash at Beginning of Year</b>                  | <b>24,137,906</b>  | <b>6,232,971</b>  |
| <b>Cash at End of Year</b>                        | <b>16,959,636</b>  | <b>24,137,906</b> |



**MCAP Inc.**  
**Consolidated Statement of Changes in Stockholders' Equity**  
**at December 31, 2023**

|                               | Additional             |               |              |        |                    |                 |        |                |           |                 |
|-------------------------------|------------------------|---------------|--------------|--------|--------------------|-----------------|--------|----------------|-----------|-----------------|
|                               | Accumulated<br>Deficit | Net<br>Income | Common Stock |        | Paid-In<br>Capital | Preferred Stock |        | Dividends Paid |           | Total<br>Equity |
|                               |                        |               | Shares       | Amount |                    | Shares          | Amount | Common         | Preferred |                 |
| Balance at December 31, 2022  | (72,382,100)           |               | 23,239,938   | 23,390 | 92,254,640         | 0               | 0      | 0              | 0         | 19,895,930      |
| January - March 2023          |                        | 1,690,779     | 150,000      | 0      | 0                  | 0               | 0      | 0              | 0         | 1,690,779       |
| Balance at March 31, 2023     | (70,691,321)           | 1,690,779     | 23,389,938   | 23,390 | 92,254,640         | 0               | 0      | 0              | 0         | 21,586,709      |
| April - June 2023             |                        | 862,754       |              |        |                    |                 |        |                |           | 862,754         |
| Balance at June 30, 2023      | (69,828,567)           | 2,553,533     | 23,389,938   | 23,390 | 92,254,640         | 0               | 0      | 0              | 0         | 22,449,463      |
| July - September 2023         |                        | 593,167       |              |        |                    |                 |        |                |           | 593,167         |
| Balance at September 30, 2023 | (69,235,400)           | 3,146,700     | 23,389,938   | 23,390 | 92,254,640         | 0               | 0      | 0              | 0         | 23,042,630      |
| October - December 2023       |                        | 829,418       |              |        | 3,042,822          |                 |        |                |           | 829,418         |
| Balance at December 31, 2023  | (68,405,982)           | 3,976,118     | 23,389,938   | 23,390 | 95,297,462         | 0               | 0      | 0              | 0         | 26,914,870      |

**MCAP INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Nature of Business and Operations**

MCAP Inc. (hereinafter, the “Company” or “MCAP”).

On February 17, 2011, the Company’s stock symbol changed from MGOF to MCAP.

The Company had previously operated as a real estate holding company specializing in acquiring undervalued American land and complimentary operating businesses in promising markets. Prior to September 30, 2021, MCAP had completed the acquisition of 1,359 real estate properties in Colorado, Arkansas, Arizona, Texas, New Mexico, Nevada and Oklahoma. MCAP acquired promising real property efficiently utilizing Company shares as currency and opportunistically sold properties for cash and/or notes. With rare exception, the properties consisted of vacant land.

The Company had two non-operating subsidiaries, MangoSoft Intellectual Property, Inc. and MangoSoft Corporation. There have been no business operations in either subsidiary since 2014, and as such, they have no impact on the Company’s financial statement presentation herein. The Company filed Certificates of Dissolution for each of these non-operating entities so as to not incur continued financial and regulatory compliance costs to keep these entities in existence. The entities were dissolved in the State of Delaware on November 9, 2021.

On June 12, 2020, the U.S. Small Business Administration (SBA) authorized (under Section 7(b) of the Small Business Act, as amended) a Loan (SBA Loan #2709967900) to the Company in the amount of forty-nine thousand and 00/100 Dollars (\$49,000.00). The loan terms require monthly payments to begin twelve months from the date of the Promissory Note over a period of thirty years at an annual interest rate of 3.75%. The Promissory Note was paid in full in Q1 2022.

On March 8, 2021, MCAP announced that the Board of Directors decided to seek a merger partner; that MCAP believes that a combination with an existing operating business is in the best interests of MCAP shareholders; and that MCAP will be opportunistic with regard to the merger partner’s industry, so long as the integration generates value for its shareholders.

On September 8, 2021, MCAP filed federal and state consolidated tax returns for the years 2015, 2016, 2017, 2018, 2019 and 2020. The 2015 tax returns included the final returns for the two non-operating subsidiaries, MangoSoft Intellectual Property, Inc. and MangoSoft Corporation, each of which are being dissolved by the filing of final tax returns and Certificates of Dissolution. There have been no business operations in either subsidiary since 2014, and as such, they have no impact on the Company’s financial statement presentation herein.

On September 16, 2021, Unsecured Convertible Promissory Notes were issued to eleven separate accredited investors in exchange for a total of \$150,000. Accredited investors received a total of 50,000 Units, each Unit convertible into 200 Company common shares. The maturity date was January 1, 2023. The Notes had an annual interest rate of 5% for the first 18 months and 8% thereafter. As of September 30, 2021, there were no stock conversions, and the accrued balances of the Notes was \$150,288.50.

On September 30, 2021, the Company completed the sale of all of its assets in exchange for cash and assumption of all liabilities of the Company, with the exception of an SBA Loan with an outstanding principal balance of \$52,319 and the Unsecured Convertible Promissory Note with a balance of \$150,288.50.

As of September 30, 2021, the Company had 250,000,000 common shares authorized and had 125,892,957 shares issued and outstanding.

Effective as of October 5, 2021, pursuant to SEC regulations, the Company’s name was changed to MCAP Inc. The Company’s stock symbol remains MCAP.

On October 19, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement for the purchase of one hundred percent (100%) of the limited liability company membership interests of MCAP Technologies LLC, a limited liability company organized and existing under the laws of the State of Delaware.

On October 19, 2021, the Company submitted a FINRA Notification covering the pending acquisition; name change to MCAP Inc. and its pending reverse stock split. The Company received approval from FINRA to proceed on November 9, 2021.



Effective November 9, 2021, the Company implemented a reverse split, issuing one share of new MCAP Inc. common stock for every 200 shares of the Company's old common stock. No fractional shares were issued. If the reverse stock split calculation resulted in the issuance of a fractional share to a shareholder, the issuance for such shareholder was rounded up to the next whole share. Shares held in "street name" through a broker, bank or other nominee were treated identically as shares held by registered holders.

Effective November 10, 2021, the Company completed its acquisition of MCAP Technologies LLC and its two subsidiaries, MCAP LLC and MBIT LLC. MCAP Technologies LLC equity holders became the majority shareholders of the combined company. Following the acquisition, the Company had approximately 23.2 million fully diluted shares outstanding. The combined Company had three subsidiaries: MCAP Technologies LLC, MBIT LLC and MCAP LLC. MCAP Technologies LLC is a financial technology company that develops software utilized in various financial markets. MBIT LLC was a digital asset company focused on crypto-currency, DeFi protocols and blockchain integration in the global financial markets. MCAP LLC is an SEC-registered and FINRA member broker-dealer focused on electronic securities market making. MCAP LLC connects institutional investors, broker-dealers and companies to the global equity and fixed income markets. MCAP LLC acts as a principal and utilizes proprietary technology to provide executable prices on various platforms, exchanges and market centers to improve market liquidity, to increase execution speed and to foster greater transparency. MCAP Technologies also provides institutional customers with customized trading solutions and unique global market access.

On January 3, 2022, the Unsecured Convertible Promissory Notes were exercised and are no longer outstanding.

On March 23, 2022, the Company received name change approval from FINRA for new name MCAP Inc. The Company's stock symbol remains MCAP.

The current focus of MCAP Inc. is on technology-focused financial services. MCAP's underlying theme is the development of businesses that address the rapidly changing landscape of the global financial markets. The Company develops application software, provides securities trading services, and targets opportunities driven by digital financial technologies.

## **2. Summary of Significant Accounting Policies**

Principles of Consolidation – The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after the elimination of all significant intercompany balances.

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 balance sheet dates. Actual results could differ from those estimates.

Cash and Equivalents – Cash and equivalents include cash on hand and cash deposited with banks.

Fair Value of Financial Instruments – FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The financial instruments of the Company are reported in the statement of financial condition at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments, except long-term notes payable, and subordinated borrowings, if any.

Net Capital Requirement – The Company's wholly owned subsidiary, MCAP LLC, is a registered broker-dealer and a market maker and, accordingly, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of a minimum net capital of 6-2/3% of aggregate indebtedness, as defined, or the minimum dollar amount of net capital required as a market maker, as defined, whichever is greater.

The clearing and depository operations for counterparties' securities transactions are provided by three clearing firms pursuant to fully disclosed clearing agreements with each of BofA Securities, Inc. ("BofAS", formerly Merrill Lynch Broadcort), Industrial and Commercial Bank of China Financial Services LLC ("ICBCFS"), and Mirae Asset Securities (USA) Inc. ("MASI").

The Company has agreed to indemnify its clearing firms for losses that the clearing firms may sustain from counterparty accounts introduced by the Company. At December 31, 2022, there were no losses sustained in these counterparty accounts. All activity is conducted on a DVP (Delivery vs. Payment) basis and, as such, no securities were owned by such counterparties at the Company's clearing firms.

Intangible Assets – Intangible assets consist of customer, vendor and independent contractor relationships, and service marks.

In accordance with US-GAAP, the Company accrued a \$3,042,822 non-cash expense in 2023 for employee incentive stock options awarded.

### **Revenue Recognition:**

The Company adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of January 1, 2018. Revenues from Proprietary Trading are outside of the scope of this pronouncement; therefore, the adoption of this Standard did not have a material impact on the Firm's Statement of Operations, as it was limited to Agency (Fee) Income.

### Principal Transactions on Securities Owned

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Revenue arising from all securities transactions entered into for the account of the Company is recorded on a trade-date basis.

Dividend Income and Dividend Expense are recorded on a settlement date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net, respective of each clearing firm, on the statement of financial condition. Securities are recorded at fair value in accordance with FASB ASC 820, Fair Value Measurement.

### Technology, Execution Services, Data and Advisory Fee Income

Amounts include application software usage fees, data and advisory fees earned from providing commercial customers with services. Fees are recognized when the services have been performed.

Installment Sales - Land sold to purchasers under Company financing arrangements pay a down payment followed by monthly payments at specified interest rates and terms. Under such arrangements, the Company and the purchaser/borrower enter into a Contract for Deed ("CFD") that includes a promissory note, where the Company retains legal ownership to the property until all required payments have been received, when the ownership to the property is conveyed to the purchaser. As part of the November 10, 2021 acquisition, the Company divested itself of the CFDs and are no longer an asset of the Company.

Cost of Sales - Cost of sales consist of the (1) expenses incurred to pay third party commissioned selling entities, a negotiated percentage of sales, typically 20% of sales proceeds collected, and (2) cost of land sold as determined using first in, first out land inventory cost.

Cash and Equivalents - The Company considers all money market accounts, time deposits and certificate of deposits purchased with original maturities of three months or less to be cash equivalents.

Property and Equipment - Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the shorter of the estimated useful lives of the assets or the life of the lease.

Registered Agent Fees - The Company utilizes Computershare Investor Services as its transfer agent and expenses fees when due.

Interest Expense - The Company pays quarterly interest payments on unsecured notes pursuant to the terms of the MCAP Technologies LLC Note due January 1, 2024.

Stock-Based Compensation - Some service providers have been compensated through issuance of Company stock. Those services are valued at various prices per share of stock issued.

Net Loss Per Common Share - Basic net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding during the period.

Diluted net loss per common share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares issued and that could have been issued pursuant to the terms of the Unsecured Convertible Promissory Note. The Company has no stock option program so there can be no potential dilution resulting from the exercise of common stock options.

Net Gain Per Common Share - Basic net gain per common share is computed by dividing net gain applicable to common stockholders by the weighted average number of common shares outstanding during the period.

Diluted net gain per common share is computed by dividing net gain applicable to common stockholders by the weighted average number of shares issued and that could have been issued pursuant to the terms of the Unsecured Convertible Promissory Note. The Company has no stock option program so there can be no potential dilution resulting from the exercise of common stock options.

### **3. Income Taxes**

ASC 740-10, Income Taxes prescribes a more-likely-than-not threshold of financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred tax assets and liabilities, accounting for interest and penalties associated with tax positions, accounting for income taxes in interim periods and income tax disclosures. The Company has not had any uncertain tax positions requiring derecognition.

The Company is required to file its tax returns in the U.S. federal jurisdiction and in the states of Nevada (the Company's State of formation), New York and Florida. It is the Company's policy not to recognize interest or penalties for late filing unless and until imposed by a taxing authority. For the year ended December 31, 2022, no interest or penalties were recognized.

The 2015 tax returns included the final returns for the two non-operating subsidiaries, MangoSoft Intellectual Property, Inc. and MangoSoft Corporation, each of which have been dissolved by the filing of final tax returns and Certificates of Dissolution. There have been no business operations in either subsidiary since 2014, and as such, they have no impact on the Company's financial statement presentation herein.

The Company may have federal and state tax net operating loss carryforwards available for future periods but has not accounted for any such carryforwards.

On September 8, 2021, MCAP filed federal and state consolidated tax returns for the years 2015, 2016, 2017, 2018, 2019 and 2020. The tax returns showed no income taxes to be owed since net operating losses were incurred in all periods.

Tax accruals were increased for the first quarter of 2023 which resulted in an EPS of 7 cents per share versus an initial EPS of 10 cents per share.

### **4. Stockholders' Equity**

On July 12, 2020, the Company issued 3,000,000 shares of common stock for the acquisition of land and 800,000 shares of common stock in exchange for services rendered to the Company.

On March 13, 2021, the Company issued 1,900,000 shares of common stock (net of a 1,000,000 subsequent share cancellation on May 6, 2021) in exchange for services rendered to the Company.

On May 6, 2021, the Company issued 300,000 shares of common stock in exchange for services rendered to the Company.

On August 6, 2021, the Company issued 1,910,000 shares of common stock in exchange for services rendered to the Company. In November of 2021, the Company issued 12,600,000 shares of common stock for the acquisition of the membership interests in MCAP Technologies LLC.

On February 1, 2022, the Company issued 150,000 shares of common stock related to its purchase of QwickBonds fixed income trading platform.

## 5. Commitments and Contingencies

During this reporting period, the Company has not been subject to legal proceedings or claims that arise in the ordinary course of business, including liabilities associated with land ownership such as environmental issues. The Company believes that should any such matters arise, they will not have a material adverse impact on the Company's financial position, results of operations or its cash flows.

## 6. Related Party Transactions

On May 29, 2018, the Company and Land Ho, Inc. entered into a land sale contract where Land Ho transferred ownership of a 640-acre section in Churchill County, Nevada in exchange for cash and shares of MCAP stock, with the bulk of the purchase price secured by a promissory installment note with a term of 48 months requiring monthly payments of \$3,940.42. All required payments by the Company have been made on time. This land was sold, and the mortgage assumed as of September 30, 2021.

The Company from time to time grants forgivable loans to certain key employees. These loans have maturities of up to 5 years and are amortized monthly. In 2019, MCAP Technologies LLC issued \$6.5mm Unsecured Notes maturing January 1, 2024. Certain officers of the company invested in the Notes, detailed in Section 3 of this disclosure statement. The Company prepaid \$5,400,000 of the Notes during 2023. The Company extended \$1,100,000 of the Notes until January 1, 2025, pre-payable at any time.

## 7. Investments

On February 1, 2023, the Company closed its purchase of QwickBonds, a fixed income user interface and technology platform. In June 2023, the Company opened an office in Chicago, IL to support QwickBonds staff.

## 8. Operating Leases

The Company maintains offices located in New York, NY, Pleasantville, NY, Chicago, IL and Orlando, FL. The New York, NY lease terminates on January 31, 2025, and the Orlando, FL lease terminates in July 2032. In 2020, the Company entered into a lease for office space in Pleasantville, NY, commencing in April 2020, and terminating in December 2025. Associated with the adoption of ASC 842, the Company has elected to use a discount rate representing the average rate of its Margin Loan rates among its Clearing Firms, in the calculation of the Present value of the remaining operating lease payments. In June 2023, the Company opened an office in Chicago, IL with a month-to-month rent agreement with QwickBonds' previous owner, Monroe Financial Partners.

The Company adopted ASC 842 regarding its Operating Leases, effective January 1, 2019. It replaced the previous standard, ASC 840. The new standard now requires Balance Sheet disclosure, rather than Off-Balance sheet (footnote) disclosure of certain Operating and Capitalized leases with terms of greater than one year. Under the new standard, lessees are required to recognize a Right-of-Use asset, and an Operating Lease Liability on the Statement of Financial Condition.

## 9. Subsequent Events

MCAP Technologies LLC began selling live and streaming securities pricing data to third parties in Q3 2022. During Q1 2023, MCAP Inc. acquired the QwickBonds bond trading platform ([www.QwickBonds.com](http://www.QwickBonds.com)). QwickBonds is an electronic bond trading platform offered to and used by institutional investors, community banks and credit unions for the purchase and sale of various fixed income securities. On November 9, 2023, the Company's wholly owned broker-dealer subsidiary moved its clearing of U.S. Treasuries to Mirae Asset Securities (USA) Inc.