

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM320626

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
AccuPay Systems, Inc		09/28/2012	CORPORATION: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	AccuPay, Inc		
<b>Street Address:</b>	42 Corporate Park		
<b>Internal Address:</b>	Suite 240		
<b>City:</b>	Irvine		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	92606		
<b>Entity Type:</b>	CORPORATION: CALIFORNIA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	72458910	ACCUPAY	
<b>Registration Number:</b>	1018606	ACCUPAY	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	9492812161		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	(925) 945-1660		
<b>Email:</b>	felix@accupaysystems.com		
<b>Correspondent Name:</b>	Felix Nyilu		
<b>Address Line 1:</b>	42 Corporate Park		
<b>Address Line 2:</b>	Suite 240		
<b>Address Line 4:</b>	Irvine, CALIFORNIA 92606		
<b>NAME OF SUBMITTER:</b>	FELIX NYILU		
<b>SIGNATURE:</b>	/Felix Nyilu/		
<b>DATE SIGNED:</b>	10/20/2014		
<b>Total Attachments: 36</b>			
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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made as of September 28, 2012 (the "Effective Date") by and between Accupay Systems, Inc. ("Seller"), and Ryan Moffett and Felix Nyilu or assigns ("Buyer"). Seller and Buyer may each be described as a "Party" and together they may be described as the "Parties".

### WITNESSETH:

WHEREAS, Seller is the owner and operator of a service business known as Accupay Systems, Inc. (or the "Business") containing assets described on the attached as **Exhibit 1** and made a part hereof (the "Assets" or "Acquired Assets"); and

WHEREAS, Buyer and Seller have reached an agreement pursuant to which Seller will sell or transfer to Buyer and Buyer will purchase or take from Seller the Assets on the terms and conditions herein set forth such that Buyer intends to continue the operation of the Business under its auspices and control;

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

### ARTICLE I

#### Purchase, Sale, Payment Terms of Assets

1.1 Purchase and Sale of Assets. At the Closing, as defined in Paragraph 2.1, below, and pursuant to this Agreement, Seller shall sell or transfer to Buyer, and Buyer shall purchase and take from Seller, the Assets delineated on Exhibit 1 ("Acquired Assets"). Notwithstanding the foregoing, the Acquired Assets shall not include any of the following: Seller's cash on hand as of Closing and Seller's accounts receivables as of Closing.

1.2 Purchase Price and Payment. The purchase price for the Assets (the "Purchase Price") is \$690,000 payable as follows given all the representations, warranties, and duties owed by Seller pursuant to this Agreement have been completed at the Closing:

(a) A check, in the amount of \$15,000.00 to be delivered to Broker upon signing this Agreement and held until escrow instructions are signed.

(b) Cash in the amount of \$15,000.00 to be deposited in escrow upon signing of the escrow instructions.

(c) Cash in the amount of \$108,000.00 to be deposited in escrow ten (10) days prior to Closing Date.

(d) An amount equal to \$414,000 to be obtained from third party financing, to be obtained as described in Paragraph 3.5, below.

(e) Buyer's promissory note, dated as of the Closing Date, in the principal amount of \$138,000. The form of this note must be determined prior to closing but shall include the following terms: non-negotiable note payable to Corporation's current sole shareholders, Donald Janelle and Brian McCoy; including 5% (five percent) per annum interest computed from Closing Date; monthly payment in the amount of \$2,604.33, so as to fully amortize over sixty (60) months from Closing Date; payment to be made on the first day of each month with the first payment to be made the first day of November, 2012; note shall be secured by a security agreement on the Assets as described in **Exhibit 1**, contain a right to prepay and be assumable with Seller's consent; note to be subordinated to any third-party financing as described in Paragraph 3.5, below

1.3 Escrow. The Purchase Price, closing costs and closing adjustments shall be paid through an escrow to be established with Harmony Escrow, Inc., Attn: Carrie Graham, 17100 Gillette Avenue, Irvine, CA 92614, the escrow holder. Upon removal of the conditions set forth in Paragraphs 3.1 and 3.2, Buyer and Seller agree to sign separate escrow instructions that define the duties of the parties and the escrow holder. All parties shall cooperate with the escrow holder in completing any documents and performing any acts necessary to complete the transfer of the Assets. The broker is a party to the escrow as to the payment of any broker's fees and an irrevocable assignee of the sale proceeds to the extent of such fees. Buyer will pay all costs and expenses of escrow.

## **ARTICLE II** **The Closing**

2.1 Closing. The closing of this transaction shall be September 28, 2012 ("Closing" or "Closing Date"), unless extended by mutual agreement of the Parties. At the Closing, Seller shall deliver a Bill of Sale to Buyer, substantially in the form attached here to as **Exhibit 2**, transferring title to the Acquired Assets. The Acquired Assets shall be transferred to Buyer free of liabilities, liens, security interests or other encumbrances of any kind.

2.2 Conditions to Obligation of Buyer to Close. The obligation of Buyer to consummate the purchase of the Assets shall be subject to fulfillment at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Seller contained in this Agreement and in the provided agreements, company financials, bank statements, and asset listing are identified elsewhere in this Section, shall be true and correct in all material respects on the date hereof and as of the Closing Date. Since the date of the financials presented, there has not been any change in the financial condition or operations of Business, except changes in the ordinary course, which have not in the aggregate been materially adverse to the respective financial condition, liabilities, assets, business, or results of operations.

(b) Seller shall have duly performed or complied with all of the obligations to be performed or complied with by it as of the Closing Date under the terms of this Agreement.

(c) As of the date of this Agreement, Buyer acknowledges receipt of hard copies or electronic format of the following information:

1. Current financial information and monthly P&L's;
2. Historical financial information covering Three (3) years.

(d) Within five (5) days of full execution of this Agreement, Buyer will receive hard copies or electronic format of the following information:

1. All leases;
2. Bank accounts and ledgers; and
3. Customer lists.

2.3 Conditions to Obligation of Seller to Close. The obligation of Seller to consummate the sale of the Assets as provided herein shall be subject to fulfillment at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Buyer contained in this Agreement and in the attached exhibits shall be true and correct in all material respects on the date hereof and as of the Closing Date as though made as of the Closing Date, except for changes contemplated by this Agreement or approved by Seller.

(b) Buyer shall have duly performed or complied with all of the obligations to be performed or complied with by it as of the Closing Date under the terms of this Agreement.

(c) Buyer shall have obtained all government consents and licenses, permits, authorizations, approvals or, filings with and notifications to any United States, state, local or other governmental regulatory body required to be made or obtained or made in connection with the consummation of the transactions contemplated by this Agreement shall have been made or obtained, and all other consents, authorizations and approvals shall have been obtained or waived.

2.4 Allocation of Purchase Price. Buyer and Seller shall use reasonable efforts to agree in writing before the Closing Date as to the allocation of the Purchase Price among the Assets under the methodology required by Section 1060 of the Internal Revenue Code of 1986, as amended. If Buyer and Seller cannot agree before the Closing as to such allocation, then no such agreement shall be required, but each Party shall notify the other Party within thirty (30) days following the Closing Date of the Purchase Price allocation which it will report on IRS Form 8594.

2.5 Assumption of Liabilities. On Closing Date, Buyer shall assume responsibility for: (a) any Taxes that accrue on any of the Assets after the Closing Date; and (b) any agreement related to the Assets or the Business in general entered into by Buyer that creates any obligation or liability during any period after the Closing Date. Buyer shall assume no liability for any obligation of Seller to the Assets, obligations and outstanding and current accounts payables that arose prior to the Closing Date.

### **ARTICLE III** **Conditions**

This Agreement is subject to the following conditions:

3.1 Buyer's Due Diligence. Within seven (7) days of signing this Agreement, Buyer shall request in writing any and all information and appointments for access to inspect premises as may be reasonably required to evaluate the Business. Within ten (10) days of Buyer's request, Seller shall provide all requested information and access. Within twenty-one (21) days of Buyer's receipt of information provided by Seller, Buyer shall review and approve in writing the information requested and provided, and the condition of the Assets and premises.

3.2 Seller's Due Diligence: Within seven (7) days of signing this Agreement, Seller shall request in writing any and all information that may be reasonably required to evaluate the Buyer's qualifications to purchase and operate the Business. Within ten (10) days of Seller's request, Buyer shall provide all requested information. Within twenty-one (21) days of Seller's receipt of information provided by Buyer, Seller shall review and approve in writing the information requested and provided.

3.3 No Written Approval. Should either party not approve in writing, as provided in Paragraphs 3.1 and 3.2, above, within forty (40) days of signing this Agreement, the other party may terminate this Agreement with written notice and failure to cure within 48 hours of such notice, and the Buyer's deposit will be returned.

3.4 Lease Contingency: Within sixty (60) days of signing this Agreement, or upon Closing Date if sooner, the written consent of landlord to assignment of existing premises lease may be obtained. If the consent of landlord cannot be obtained, Seller agrees to continue to pay rent on premises through April 30, 2013 and Buyer agrees to reimburse Seller for the entire amount of rent paid between Closing Date and April 30, 2013.

3.5 Financing Contingency: Buyer agrees to submit at least one (1) loan application to one (1) lender within seven (7) days of the signing of this Agreement. Buyer must receive a commitment letter for third party financing in the amount specified in Paragraph 1.2(d) within forty-five (45) days of signing this Agreement. Buyer must receive funding in the amount specified in Paragraph 1.2(d) within one hundred (100) days of signing this Agreement. Buyer shall use its best efforts to obtain financing and Seller shall fully and promptly comply with lender requests for information and access to Business.

3.6 License Contingency. Seller agrees to transfer to Buyer any licenses or permits that are transferable and are necessary to conduct Business.

3.7 Unsatisfied Contingencies. If Buyer is unable to satisfy the Contingencies set forth in Paragraphs 3.4 through 3.6, above, within the time limits specified, either Party may terminate this Agreement by giving written notice to the party's broker, and the Buyer's deposit shall be returned.

#### **ARTICLE IV** **Representations and Warranties of Seller**

None of the representations and warranties made by Seller in this Agreement contains or will contain any untrue statement of a material fact, or omit to state a material fact necessary to prevent the statements from being misleading. Seller hereby represents and warrants to Buyer that, to the best knowledge of Seller, the following statements are true and correct as of the date of this Agreement, except as set forth in the Disclosure Schedule, set forth as **Exhibit 3**, as the same may be updated at or prior to the Closing. Disclosure of any information in any one section or schedule of the Disclosure Schedule shall be deemed to be disclosure in any other section of the Disclosure Schedule.

##### 4.1 Existence and Authority of Seller.

(a) Seller is a corporation duly organized, validly existing, and in good standing under the laws of California and has all necessary corporate powers to operate its business as now owned and operated by it.

(b) Seller is the owner of the Assets, free and clear of all liens, claims, encumbrances and restrictions of every kind, and subject to no restrictions with respect to their transferability. Except for legal or contractual defects or failures that have been made known to Buyer or of which Buyer is aware, no legal or contractual defect or failure with respect to the Assets, individually or in the aggregate, is of a kind or nature such that, taken as a whole, it or they would have a material adverse effect on the ability of the affected Party to continue the affected business in substantially the same manner as it was conducted by the other Party (or in describing representations related to its own business, such Party) as of the execution date of this Agreement (a "**Material Adverse Effect**").

(c) Seller has the right, power, legal capacity, and authority to enter into and perform its respective obligations under this Agreement (including the sale of the Assets to Buyer), and no approvals or consents of any Persons other than Seller are necessary in connection with the sale of the Assets to Buyer.

(d) Seller currently operates Business under a fictitious business name or names within the County of Contra Costa, State of California. Seller represents and warrants that it does not hold a Fictitious Business Name Statement in any County or jurisdiction on behalf of Business.

4.2 Taxes. To the best of Seller's knowledge, Seller has duly filed all reports and returns ("**Tax Returns**") required to be filed by it relating to all taxes imposed by any jurisdiction ("**Taxes**"). To the best of Seller's knowledge, all liabilities for Taxes which are due from Seller in connection with the Assets and with respect to periods ending on or before the Closing Date for which a statute of limitations has not barred the assessment of

deficiencies have been paid or provision therefore has been made, and such Taxes have or will be paid when they are due and payable. To the best of Seller's knowledge, there are no tax liabilities, deficiencies, interest or penalties payable or asserted with respect to such periods which could affect the sale of the Assets to Buyer or result in a Material Adverse Effect. Buyer will have received a Certificate of Release from the California Employment Development Department stating that, as of a date not more than 5 days before the closing date, no contributions, interest, or penalties are due to the Employment Development Department from Seller. There are no actions, suits, proceedings, investigations or claims pending or, to the knowledge of Seller, threatened in writing against Seller with respect to Taxes, governmental charges or assessments on the Assets.

4.3 Title and Related Matters; Contracts. Seller has good title to all of the Assets that are to be transferred to Buyer, other than those assets that are consigned, leased or licensed from third parties, and to the extent that they are consigned, leased or licensed and part of the Assets to be transferred, they are free and clear of all security interests, claims, charges or other encumbrances, except (i) such properties and assets as may have been transferred or sold in the ordinary course of business or such encumbrances as may have been incurred in the ordinary course of business, or (ii) such limitations, imperfections and defects of title and other encumbrances which are inherent in the nature of the interest held or which are not material. The Assets are, in all material respects, in working order and sufficient to allow Buyer to continue providing services to the customers involved for a reasonable time. Material contracts related to the Assets remain in full force and effect according to their terms.

4.5 Litigation. There are no actions, suits, proceedings, or governmental investigations against or affecting Seller before any court, governmental or regulatory authority, domestic or foreign, which are pending or threatened in writing by any third party, and which would constitute a Material Adverse Effect. No action, suit, proceeding or governmental investigation is pending or, to the knowledge of Seller, threatened in writing by any third party which seeks to question, delay, or prevent the consummation of the transaction contemplated hereby.

4.6 Personal Property. The Acquired Assets sets forth a list of all Assets that constitute office equipment, office fixtures and other tangible personal property dedicated to the fixed business of Seller and that will be transferred to Buyer.

4.7 Government License and Regulation. Seller has all domestic governmental licenses and permits necessary to conduct the Accupay Systems, Inc. business. Such licenses and permits are in full force and effect and will remain in full force and effect and to the extent possible will be transferred to Buyer immediately after Closing. No proceeding is threatened regarding the revocation or limitation of any such governmental license or permit.

4.8 Compliance with Law. The operation of Seller, its business, and Seller's use of the Real Property do not violate any applicable federal, state, local or international laws or ordinances or any other rule or regulation of any international, federal, state or local agency or body, except where the failure to so comply would not have a Material Adverse Effect.

## ARTICLE V Representations and Warranties of Buyer

Buyer hereby represents and warrants to Seller that, to the best knowledge of Buyer, the following statements are true and correct as of the date of this Agreement:

5.1 Existence and Authority of Buyer. Buyer is a general partnership duly organized in the State of California and has full power and authority to enter into this Agreement.

5.2 Consents and Approvals; No Violation. There is no authorization, consent or approval of, or notice to, any governmental or regulatory authority required to be obtained or given or waiting period required to expire as a condition to the lawful consummation by Buyer of the sale and purchase of the Assets pursuant to this Agreement.

Neither the execution and delivery of this Agreement, nor the consummation of the transaction contemplated hereby, will (i) violate any provision of the articles of incorporation or bylaws of Buyer, (ii) violate any provision of any agreement or other obligation to which Buyer is a party or by which any of them is bound or to which their respective assets is subject, or (iii) violate or result in a breach of, or constitute a default under, any judgment, order, decree, rule or regulation of any court or governmental agency to which Buyer is subject, which in each of clauses (i), (ii), or (iii) would materially affect the consummation of the sale and purchase of the Assets pursuant to this Agreement.

5.3 Litigation. No action, suit, proceeding or governmental investigation is pending or, to the knowledge of Buyer, threatened in writing by any third party which seeks to question, delay, or prevent the consummation of the transaction contemplated hereby.

5.4 Government License and Regulation. Buyer has all governmental licenses and permits necessary to conduct its business and conduct the Business after the Closing, except where the failure to have such license or permit would not have a Material Adverse Effect. Such licenses and permits are in full force and effect and will remain in full force and effect immediately after Closing. No proceeding is threatened regarding the revocation or limitation of any such governmental license or permit.

5.5 Compliance with Law. The operation of Buyer and its business do not violate any applicable federal, state, local or international laws or ordinances or any other rule or regulation of any international, federal, state or local agency or body, except where the failure to so comply would not have a Material Adverse Effect.

## **ARTICLE VI**

### **Additional Covenants and Agreements of the Parties**

6.1 Buyer will not assume any obligations of Seller not specifically described in this Agreement, including contractual obligations to vendors, employees, lenders or local, state or Federal government agencies etc. However, to the extent that such obligations are not terminable or otherwise not subject to termination or the non-continuance of such obligations or contracts will have a Material Adverse Effect on the on-going operations of the Business, such obligations and contracts will be assumed by Seller upon and after the Closing.

6.2 To the extent not otherwise limited herein, the Acquired Assets must be free and clear of all liens, debts, obligations, claims, limitations, liability for successor obligations, restrictions on transfer and/or any other encumbrances whatsoever.

6.3 Seller hereby acknowledges that Buyer has no obligation to employ any of the employees of Seller. Seller shall not make any representation to the contrary to any of such employees; provided, however, Buyer may interview or otherwise contact such employees regarding any future employment. If, and, to the extent Buyer so requests, Seller will use its best efforts to cause employees of Seller designated by Buyer to become employees or consultants of Buyer, with it being understood and agreed that such employment or engagement shall be with no contractual obligation on the part of Buyer to continue any such employment or engagement, which employment or engagement shall be upon terms and conditions satisfactory to Buyer.

6.4 At Closing, Seller shall pay all accounts payable and all other obligations of Seller related to the Business when due or in accordance with past practices; provided, that (i) such practices are and have been reasonably acceptable to Seller's creditors and (ii) Seller's financial statements accurately reflect such past practices.

6.5 Prior to Closing, Seller shall not extend or shorten the time for payment of Seller's customer accounts receivable related to the Business.

6.6 Prior to Closing, Seller shall not pay, discharge, satisfy or settle any claims, actions, suits, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise) ("**Operational**



Claims”), except in the ordinary course of business consistent with past practice. No Operational Claims shall involve future injunctive relief or a financial resolution that will be binding on, payable by or attributable to Buyer.

6.7 On or before the Closing Date, Seller will have performed, satisfied, and complied in all material respects with all covenants, agreements, and conditions that it is required by this Agreement to perform, comply with, or satisfy, before or at the Closing.

6.8 In consideration for the payment by Buyer, Seller will not, at any time within the five-year period immediately following the Closing Date, directly or indirectly engage in, or have any interest in any Entity (whether as an employee, officer, director, agent, consultant, or otherwise) that engages in any activity in the State of California, that is the same as, similar to, or competitive with any activity now engaged in by Seller (or any successor) in this State. Seller will not to divulge, communicate, use to the detriment of Buyer or for the benefit of any other person, or misuse in any way, any confidential information or trade secrets of Business, including personnel information, secret processes, know-how, customer lists, recipes, formulas, or other technical data.

6.9 Access to Information. For a period of one (1) year following the Closing, upon reasonable notice stating any reasonable purpose, Seller shall give to Buyer and its authorized representatives full access, during regular business hours, to any and all of the premises, contracts, books, records and data, whether prior to or after Closing, and Seller shall furnish promptly to Buyer all information in its possession concerning such business as may be reasonably requested and that can reasonably be produced by Seller. For a period of one (1) year following Closing, upon reasonable notice stating any reasonable purpose, Buyer shall provide to Seller access to the books, records and data of Business, up to and including the period ending September 30, 2012, provided such books, records, and data can reasonably be produced by Buyer.

6.10 Reasonable Efforts. Subject to the terms and conditions herein provided, Seller and Buyer each agree to use reasonable best efforts to take, or to cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, to consummate and make effective the purchase and sale of the Assets pursuant to this Agreement, including without limitation (i) using its reasonable best efforts to cause the fulfillment of the conditions to Closing set out in this Agreement that are within its control and (ii) using its reasonable best efforts to obtain all required consents from third parties or governmental bodies.

6.11 Costs and Expenses. The costs and expenses incurred in completing this sale and purchase in the manner prescribed in this Agreement or by law shall be borne by Buyer and Seller as follows:

(a) Each party hereto shall be responsible for and bear all of their own respective expenses, including, without limitation, attorney’s fees and costs, accounting, broker fees, and other advisers or start up or wind down costs in connection with pursuing or consummating this Agreement and the transactions contemplated thereby.

(b) All sales and use taxes, if any, arising out of or in connection with the transfer of the Assets pursuant to this Agreement shall be paid by Buyer. Buyer shall pay any future sales, use, and similar tax arising from the Business after the Closing. Seller will be responsible for any business, occupation, employment, withholding, or similar tax or any taxes, fees, penalties, interest, or liability of any kind incurred by Seller prior to Closing.

(c) The cost of all federal, state or local business licenses, permits and registrations required to be paid as a condition of use of the Acquired Assets, if any, by Buyer after the Closing shall be paid solely by Buyer.

(d) The cost of any bank required or any other appraisal will be borne by Buyer.

6.12. Transition Time. Both Parties agree that a transition period is critical to the success of the transfer. Both Parties agree to compile a training schedule during which the Seller provides training to the Buyer in all aspects of business operations, including but not limited to quarterly and annual payroll and 1099 program update

requirements, WinRX software, proprietary utility programs, forms development, existing accounting system used by the business, and network administration. Both Parties agree that the training begin as soon as reasonably possible after the date of closing and continue through March 31, 2013. The schedule will be compiled to make the most effective and efficient transfer of the business. No hourly minimum guarantees are made by Seller.

## **ARTICLE VII** **Indemnification**

7.1 **Indemnification by Buyer.** Buyer agrees to indemnify, defend, and hold Seller and Seller's officers, directors, employees, shareholders, agents, successors and assigns harmless from and against any and all liability for or arising from Buyer's breach of any of its obligations under this Agreement, breach of any of Buyer's representations and warranties set forth herein and any further costs, violations, suits, claims, demands, or causes of action against Buyer or relating to Buyer's operation of the Business after Closing. Buyer's obligations to indemnify, defend, and hold Seller harmless under this Agreement shall include, in each instance, the duty to pay all reasonable attorney's fees and costs incurred by Seller with respect to any matter for which Seller is entitled to be indemnified. This provision shall survive the Closing or any termination of this Agreement.

7.2 **Indemnification by Seller.** Seller agrees to indemnify, defend, and hold Buyer and Buyer's officers, directors, managers, members, employees, agents, successors and assigns harmless from and against any and all liability for or arising from Seller's breach of any of its obligations under this Agreement, breach of any of Seller's representations and warranties set forth herein and any further costs, violations, suits, claims, demands, or causes of action against Seller or relating to Seller's operation of the Business before Closing. Seller's obligations to indemnify, defend, and hold Buyer harmless under this Agreement shall include, in each instance, the duty to pay all reasonable attorney's fees and costs incurred by Buyer with respect to any matter for which Buyer is entitled to be indemnified. This provision shall survive the Closing or any termination of this Agreement.

7.3 **Cooperation on Tax Matters.** All parties to this Agreement understand and agree that each has been advised and encouraged by their respective legal counsel to consult with their respective independent tax advisors regarding the taxable consequences of this Agreement. Buyer and Seller shall cooperate fully, and to the extent reasonably requested by the other Party, in connection with the filing of any Tax Return or any amended Tax Return, any audit, litigation or other proceeding with respect to taxes payable by Seller or Buyer. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Return, audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, provided that the Party making any such request will reimburse the Party complying with such request for any actual, out-of-pocket costs it has incurred. Buyer and Seller agree to (i) retain all books and records with respect to tax matters pertinent to Seller relating to any tax period ending on or before the Closing Date until the expiration of the statute of limitations therefore, and to abide by all record retention agreements entered into with any taxing authority, and (ii) give the other Party reasonable written notice prior to destroying or discarding any such books and records and, if the other Party so requests, allow the other Party to take possession of such books and records.

## **ARTICLE VIII** **Miscellaneous**

8.1 **Brokers Fees and Liquidated Damages.** Each Party represents to the other that Buyer and Seller will compensate all brokers, finders, or other persons who are entitled to any brokerage or finder's fee or commission in connection with the transaction contemplated by this Agreement, in accordance with each Party's independent agreement with any broker, finder, or other person. Broker fees shall be payable (a) at closing, or (b) if

closing is prevented by Seller, upon Seller's default, with the deposit returned to Buyer. If Buyer fails to complete this purchase because of Buyer's default, Buyer shall relinquish to Seller and Seller shall retain, as liquidated damages, the entire sum of deposits paid under Paragraphs 1.2(a) and 1.2(b), payable 50% to Broker and 50% to Seller, however in the event Broker's fees are not owed in the amount of 50% of the deposits forfeited by Buyer, the amount will be payable to Broker as fees with the remainder to Sellers. Buyer and Seller agree that this sum is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event buyer were to default under this Agreement. In any action, proceeding, or arbitration relating to the payment of such a fee, the prevailing party shall be entitled to reasonable attorney's fees and costs.

8.2 Broker: Buyer acknowledges that the Broker representing Seller in the subject transaction has furnished financial and other information obtained from Seller, or with Seller's approval, Seller's employees or advisors and other sources, the accuracy and completeness of which have not been verified by Broker, and that Buyer is relying solely upon his own inspection of Seller's Business, business assets, financial statements, business records, contracts, any assumed liabilities, operational history, projected future profitability and the representations of the Seller, and not on any representations of the Broker. Seller acknowledges that he is relying solely on his own investigation of the Buyer's creditworthiness and ability to complete this transaction and to successfully operate the Business and that he is not relying on any representations of the Broker. Should any such representations of Seller or Buyer prove to be untrue, Buyer and Seller agree to look solely to each other for relief and shall release, hold harmless, indemnify and defend Broker from any such claims.

8.3 Expenses. The Parties shall bear their own respective expenses (including, but not limited to, all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and consummation of the transaction hereby. Further, Buyer will bear the cost of any appraisal required of the Business in order to obtain financing or for any other reason.

8.4 Further Assurances. Upon reasonable request, from time to time, each Party agrees that it shall (or direct its and employees to) execute and deliver such further instruments and documents as may be necessary or desirable in the reasonable opinion of Buyer or Seller all without further consideration to carry out the purposes of this Agreement.

8.5 Entire Agreement and Modifications. This Agreement, including each of the Exhibits, constitutes the entire agreement between the Parties with respect to the purchase and sale of the Assets. Any prior correspondence, memoranda or agreements relating to the subject matter hereof are replaced and superseded in total by this Agreement. No change of, modifications of, or additions to this Agreement shall be valid unless the same shall be in writing and signed on behalf of both Parties.

8.6 Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and to their respective successors and assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either Party without the prior written consent of the other Party. Buyer may assign its rights and obligations hereunder to a wholly-owned subsidiary, provided that no such assignment shall relieve Buyer of its liability hereunder.

8.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.8 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given on the day delivered personally or on the fifth business day following the day on which mailed by registered or certified mail (return receipt requested), postage prepaid, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice)

- (a) if to Seller, to: Accupay Systems, Inc. c/o Donald Janelle, 2010 Driftwood Cir., El Dorado Hills CA 95762

(b) if to Buyer, to: Ryan Moffett and Felix Nyilu, c/o Smart Accountancy, 2081 Business Center Dr., Suite 130, Irvine, CA 92612

(c) if to Broker, to: Active Business Solutions, Inc., Dba Sunbelt Business Brokers, 2229 Harbor Bay Pkwy, Alameda, CA 94502

8.9 Governing Law, Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of laws provisions. Each party hereto (a) consents to submit itself to the personal jurisdiction of the California Superior Court for the County of Contra Costa in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the California Superior Court for the County of Contra Costa.

8.10 Dispute Resolution. Except where: (a) the Parties mutually agree to another alternative dispute mechanism, or (b) a circumstance arises in which injunctive or other equitable relief is deemed to be required by a Party, or (c) the law requires an alternative mechanism be employed, then any matter relating to this Agreement, an Ancillary Agreement or a non-disclosure agreement between the Parties shall first be settled by binding arbitration, by a single arbitrator who is mutually agreeable to counsel for each Party, provided that if counsel do not agree, the arbitrator shall be selected by the Superior Court of Contra Costa County. The arbitration proceedings must be commenced within twelve (12) months after accrual of the cause of action giving rise to the proceedings. The decision of the arbitrator shall be binding and conclusive on the Parties and each Party agrees to comply promptly therewith and perform the obligations imposed thereunder. The fees and expenses of the arbitration proceedings shall be borne by the Parties equally. Each Party shall pay the fees and expenses of its own counsel and representatives. Such award or judgment may be entered by the Contra Costa County Superior Court.

8.11 Public Announcements, Confidentiality. No publication and/or press release of any nature shall be issued pertaining to this Agreement or the transactions contemplated hereby without the mutual consent of both Seller and Buyer. Buyer and Seller shall each maintain as confidential any and all material obtained about the other and about the Business and shall not disclose such information to any third party, unless compelled by a valid subpoena or court order. This provision shall survive the Closing or any termination of this Agreement.

8.12 No Waiver. The failure of any Party at any time or times to require the performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. The waiver by any Party of any condition, or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall not be deemed to be construed as a further or continuing waiver of any such condition or breach of any other provision, term, covenant, representation or warranty of this Agreement. The representations and warranties of Seller, on the one hand, and of Buyer, on the other, contained in this Agreement or in any certificate or other document delivered pursuant thereto or in connection herewith prior to the Closing shall not be deemed waived or otherwise amended or modified by any investigation made by any Party hereto.

8.13 Partial Invalidity, Severability. If any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts hereof shall remain in full force and effect as though such invalid, illegal or unenforceable portion had never been part of this Agreement. The invalidity or unenforceability of any provision of this Agreement or the application thereof shall not affect the validity or enforceability of any other provisions or any other applications thereof.

8.14 Headings. The subject headings of the paragraphs and subparagraphs of this agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date referenced above.

Dated: \_\_\_\_\_  
Seller: Donald Janelle  
Digitally signed by Donald Janelle  
DN: cn=Donald Janelle, o=AccuPay  
Systems, Inc, ou  
email=donjanelle@accupay.com, c=US  
Date: 2012.09.10 16:21:25 -07'00

*Donald Janelle* 9/10/12

By: Donald Janelle

Title: President of AccuPay Systems, Inc.

Dated: 7-16-12      9-10-12  
Buyer: Ryan Moffett      Ryan M  
By: RYAN MOFFETT      AccuPay, Inc RM  
Title: President - AccuPay, Inc

Dated: 7/16/12      9/10/12  
Buyer: Felix Nyuku      Felix Nyuku  
By: FELIX NYUKU  
Title: CEO, AccuPay, Inc

**EXHIBIT - 1**  
**ACQUIRED ASSETS**

<b>Description</b>	<b>Num</b>
Partitions	19
Desktops	8
Sets of Drawers	10
Tables	10
Hand Truck	1
Timeclock	1
Bulletin Boards	2
Hanging Shelves	3
Hanging Lights	2
Metal File Cabinets 4D	3
Metal File Cabinets 5D	1
Metal File Cabinets 6'	1
Metal Storage Cabinet	1
Bookcase	4
Wall Clock	2
Waste Baskets	8
Emersom MicroWave	1
Pencil Sharpener	1
Welbilt Refrigerator	1
Merlin Phone Sys	1
Merlin Phones	5
Mail Opener	1
Chairs	16
Data Entry Tables	5
Paper Trays	12
Wire Desk Trays	23
Shipping Tape Dispenser	1
Desk Trays	6
Power Strips	11
Ladder	1
Calculator	2
Paper Cutter	1
Office Art	4
Paper Hole Punch	1
Metal Shelves (lg)	9
Metal Shelves (sm)	1
Office Fan	1
Office Vacuums	2
Answering Machine	1
Time Card Rack	1
Desk Lamp	1
White Board	1

**EXHIBIT – 1 (con't)**

**ACQUIRED ASSETS**

**Computer Equip**

Paramount Server	1
Gateway Pentium (XP)	1
Gateway Pentium (XP)	1
Gateway Laptop 9500 (win 98)	1
Gateway Laptop 600 (XP)	2
Gateway P400c	1
HP Server Win (2008 Server)	1
Dell Desktop	8
Computer Monitors LCD 15"	1
Computer Monitors LCD 24"	1
Computer Monitors 15"	3
Computer Monitors 14"	7
Computer Keyboards	15
Computer Mouse	15
Linksys Switch (8 port)	3
Linksys Switch (16 port)	1
Linksys Broadband Router	1

**Misc Equip**

Postal Scale	1
Paper Shredder	1
HP 8000 Laser	1
Folding Equip	1
HP 2100 Laser	1
Brother 4100 Fax	1
HP 8000 Laser(used)	2
HP 8000 Duplex Tray	2
Brother 2910 Fax	1
HP 8100 Laser/HC Tray	3
HP 8100 Laser(used)	1
HP 8150 Laser(used)	1
Panasonic 511 Fax	1
Power Strips	7
APC Power Backup 1300	1

**EXHIBIT – 1 (con't)**

**ACQUIRED ASSETS**

All proprietary and other software owned and transferable.

All Intellectual Property Rights exercisable or available in any jurisdiction of the world, and the exclusive right for Buyer to hold itself out to be the successor to the Business, including the name, logo and any other artwork associated with the Business

All Internet domain names, website, and registrations that are held or owned by Seller for purposes of Business

True and complete copies of all Business' business records, including general and financial records, marketing and sale information, and plans, pricing, e-mail lists, and customer lists

All goodwill associated with Business and the Assets



**EXHIBIT - 2**

**BILL OF SALE**

WHEREAS, Accupay Systems, Inc, ("***Seller***"), and Ryan Moffett and Felix Nyilu, ("***Buyer***") have entered into that certain Asset Purchase Agreement dated as of September 28, 2012 (the "Agreement") pursuant to which Seller has agreed to sell and transfer to Buyer, and Buyer has agreed to purchase from Seller, certain assets of Seller ("***Acquired Assets***").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby sells, transfers, assigns, and conveys to Buyer all of Seller's right, title and interests in and to the Assets, all of which are more particularly identified and described in Schedule 1 attached hereto and incorporated herein by reference.

Dated: \_\_\_\_\_

<b>SELLER:</b>  _____  By: _____  Its:	<b>BUYER:</b>  _____  By: _____  Its:
--	---

**SCHEDULE 1 TO BILL OF SALE**

**ACQUIRED ASSETS**

<b>Description</b>	<b>Num</b>
Partitions	19
Desktops	8
Sets of Drawers	10
Tables	10
Hand Truck	1
Timeclock	1
Bulletin Boards	2
Hanging Shelves	3
Hanging Lights	2
Metal File Cabinets 4D	3
Metal File Cabinets 5D	1
Metal File Cabinets 6'	1
Metal Storage Cabinet	1
Bookcase	4
Wall Clock	2
Waste Baskets	8
Emersom MicroWave	1
Pencil Sharpener	1
Welbilt Refrigerator	1
Merlin Phone Sys	1
Merlin Phones	5
Mail Opener	1
Chairs	16
Data Entry Tables	5
Paper Trays	12
Wire Desk Trays	23
Shipping Tape Dispenser	1
Desk Trays	6
Power Strips	11
Ladder	1
Calculator	2
Paper Cutter	1
Office Art	4
Paper Hole Punch	1
Metal Shelves (lg)	9
Metal Shelves (sm)	1
Office Fan	1
Office Vacuums	2
Answering Machine	1
Time Card Rack	1
Desk Lamp	1
White Board	1

**SCHEDULE 1 TO BILL OF SALE - Con't**

**ACQUIRED ASSETS**

**Computer Equip**

Paramount Server	1
Gateway Pentium (XP)	1
Gateway Pentium (XP)	1
Gateway Laptop 9500 (win 98)	1
Gateway Laptop 600 (XP)	2
Gateway P400c	1
HP Server Win (2008 Server)	1
Dell Desktop	8
Computer Monitors LCD 15"	1
Computer Monitors LCD 24"	1
Computer Monitors 15"	3
Computer Monitors 14"	7
Computer Keyboards	15
Computer Mouse	15
Linksys Switch (8 port)	3
Linksys Switch (16 port)	1
Linksys Broadbad Router	1

**Misc Equip**

Postal Scale	1
Paper Shredder	1
HP 8000 Laser	1
Folding Equip	1
HP 2100 Laser	1
Brother 4100 Fax	1
HP 8000 Laser(used)	2
HP 8000 Duplex Tray	2
Brother 2910 Fax	1
HP 8100 Laser/HC Tray	3
HP 8100 Laser(used)	1
HP 8150 Laser(used)	1
Panasonic 511 Fax	1
Power Strips	7
APC Power Backup 1300	1

**SCHEDULE 1 TO BILL OF SALE - Con't**

**ACQUIRED ASSETS**

All proprietary and other software owned and transferable.

All Intellectual Property Rights exercisable or available in any jurisdiction of the world, and the exclusive right for Buyer to hold itself out to be the successor to the Business, including the name, logo and any other artwork associated with the Business

All Internet domain names, website, and registrations that are held or owned by Seller for purposes of Business

True and complete copies of all Business' business records, including general and financial records, marketing and sale information, and plans, pricing, e-mail lists, and customer lists

All goodwill associated with Business and the Assets

**EXHIBIT – 3**

**DISCLOSURE SCHEDULE**

Seller does not own equipment used for mailing provided by both USPS and UPS. Seller will transfer license to Buyer for these described pieces of equipment, or, if a transfer of license is not possible, Seller will continue to pay the lease on this equipment through March 31, 2013 and Buyer agrees to reimburse Seller for lease amounts paid.

Seller has agreed to pay AccuPay's current contract programmer to complete the WinRX software upgrade and the Buyer and Seller will use the testing of this new system as a training tool. Cost to seller will be in the amount of \$10,000.

Buyer agrees to purchase an upgrade and license of Pagetech's PCTools software that is used in the Business to create PDF files. Seller agrees to reimburse Buyer for the purchase of the upgrade and license in an amount not to exceed \$3000.00.

Buyer intends to move Business to Southern California therefore the transfer or assignment of the lease may not be logical.

ASSET PURCHASE AGREEMENT – AMENDMENT

This is an AMENDMENT to the ASSET PURCHASE AGREEMENT ("Agreement") by and between Accupay Systems, Inc. ("Seller"), and Ryan Moffett and Felix Nyihu or assigns ("Buyer"). The original Agreement was duly signed by both Parties on July 16, 2012.

By mutual consent, the Agreement is modified as follows:

**Amendment #1:** Sellers acknowledge that the Buyers intend to form a corporation that will make a valid election to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code referred to as an S corporation and that the "or assigns" in the opening paragraph of the Agreement and all other references to Buyers in the Agreement shall include the yet to be formed S corporation.

**Amendment #2:** Paragraph 1.2, Purchase Price and Payment is amended to read in its entirety as follows:


1.2 Purchase Price and Payment. The purchase price for the Assets (the "Purchase Price") is \$690,000 payable as follows given all the representations, warranties, and duties owed by Seller pursuant to this Agreement have been completed at the Closing:

- (a) A check, in the amount of \$15,000.00 to be delivered to Broker upon signing this Agreement and held until escrow instructions are signed.
- (b) Cash in the amount of \$15,000.00 to be deposited in escrow upon signing of the escrow instructions.
- (c) Cash in the amount of \$142,500.00 to be deposited in escrow ten (10) days prior to Closing Date.
- (d) An amount equal to \$517,500.00 to be obtained from third party financing, to be obtained as described in Paragraph 3.5, below.

End of Amendment #2.

Buyers and Sellers agree that these changes do not affect any other part of the Agreement, including dates and scheduled due diligence periods established in the original Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed as of the date shown below.

Seller: 

Date: 9/10/12

By: Donald Janelle

Title: President of AccuPay Systems, Inc.

Buyer: 

Date: 9-10-12

By: RYAN MOFFETT

Title: President - Accupay, Inc

Buyer: 

Date: 9/10/12

By: FELIX NYIHU

Title: CEO, AccuPay, Inc

**ASSET PURCHASE AGREEMENT – AMENDMENT #2**

This is an AMENDMENT to the ASSET PURCHASE AGREEMENT as modified by the ASSET PURCHASE AGREEMENT – AMENDMENT by and between Accupay Systems, Inc. ("Seller"), and Ryan Moffett and Felix Nyilu or assigns ("Buyer"). Seller and Buyer may each be described as a "Party" and together they may be described as the "Parties".

The original Asset Purchase Agreement was duly signed by Parties on July 16, 2012.

The Asset Purchase Agreement – Amendment was duly signed by Parties on July 25, 2012.

For purposes of this document, "Agreement" refers to both the Asset Purchase Agreement signed July 16, 2012 and the Asset Purchase Agreement – Amendment signed July 25, 2012.

By mutual consent, the Agreement is modified as follows:

**Amendment:** At the time of signing the Agreement, the Seller acknowledged that the Buyer intended to form a corporation that would make a valid election to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code referred to as an S corporation and that the "or assigns" in the opening paragraph of the Agreement and all other references to Buyer in the Agreement shall include the yet to be formed S corporation.

The Seller acknowledges that the Buyer has formed a California corporation named Accupay, Inc.

Parties agree that the opening paragraph of the ASSET PURCHASE AGREEMENT is modified to read:

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made as of September 28, 2012 (the "Effective Date") by and between AccuPay Systems, Inc. ("Seller"), and Accupay, Inc. ("Buyer"). Seller and Buyer may each be described as a "Party" and together they may be described as the "Parties".

End of Opening Paragraph

Parties further agree that all other references to Buyer in the Agreement refer specifically to Accupay, Inc.

Parties further agree that this Amendment does not affect any other part of the Agreement, including dates and scheduled due diligence periods established in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed as of the date shown below.

Seller: *Donald Janelle*

Date: 9/10/12

By: Donald Janelle

Title: President of AccuPay Systems, Inc.

Buyer: *Ryan Maffett*

Date: 9-10-12

By: *Ryan Maffett*

Title: *President - Accupay, Inc*

Buyer: *Felix Njiru*

Date: 9/10/12

By: *FELIX NJIRU*

Title: *CEO, AccuPay, Inc*





# BUSINESS BANKING SCHEDULE OF DEBT

## California Business Banking Group

*By:* Chad Valle *Date:* 9/10/2012

### SCHEDULE OF BUSINESS DEBT

Company Name: Accupay Systems Inc.		As of: 6/30/2012 (Insert Date)		Annual Payments (Bank Use Only)				
Line (LOC) Loan (LH) Lease (LE) Other (O)	Collateral	Commitment or Original Amount	Note Date (mm/yyyy)	Balance as of Most Recent FYE*	Current Balance	Maturity Date (mm/yyyy)	Interest Rate	Monthly Payment
		\$		\$	\$			\$
Total				0	0			

\* Total should agree with all loans, lines and other contractual obligations as presented in the most recent fiscal year-end financial state

Form **4506-T**  
(Rev. January 2012)  
Department of the Treasury  
Internal Revenue Service

### Request for Transcript of Tax Return

OMB No. 1545-0047

Request may be rejected if the form is incomplete or illegible.

**Tip.** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at [irs.gov](http://irs.gov) and click on "Order a Transcript" or call 1-800-828-9848. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first. <b>ACCPAY SYSTEMS, INC</b>	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions) <b>88-0311943</b>
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions) <b>ACCPAY SYSTEMS, INC P.O. BOX 5166 WALNUT CREEK CA 94596</b>	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

**Caution.** If the tax transcript is being mailed to a third party, ensure that you have filed in lines 6 through 9 before signing. Sign and date the form once you have filed in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your IRS transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

6 Transcript requested. Enter the tax form number (see 1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. **1120**

- a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days.
- b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days.
- c Record of Account, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days.

7 Verification of Filing, which is proof from the IRS that you did not file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days.

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with this Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2010, filed in 2011, will not be available from the IRS until 2012. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days.

**Caution.** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

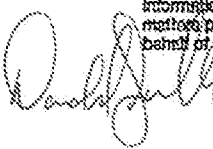
9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

**03/31/2009      03/31/2010      03/31/2011**

Check this box if you have notified the IRS or the IRS has notified you that one of the years for which you are requesting a transcript involved identity theft on your federal tax return.

**Caution.** Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. Note: For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

*Donald Janelle*  
  
**Donald Janelle**

Electronically signed by Donald Janelle  
 EID: 00000000000000000000000000000000  
 Date: 20120723 10:15:00 AM  
 DocID: 31112702 07007

**7/23/2012**

Phone number of taxpayer on line 1a or 2a

Signature (see instructions) **Donald Janelle** Date

Sign Here **President**  
 Title (if line 1a above is a corporation, partnership, estate, or trust)

Spouse's signature Date

AccuPay Systems GL  
BALANCE SHEET  
June 30, 2012

ASSETS

CURRENT ASSETS

Checking Account		17,297.03	
Savings Account		103,095.51	
Petty Cash		72.35	
Accounts Receivable		3,104.89	
PREPAID EXPENSES		1,191.00	_____

TOTAL CURRENT ASSETS \$ 124,760.78

PROPERTY AND EQUIPMENT

Equipment	\$	80,795.49	
Accum Depr - Equipment		(79,264.76)	
Accum Depr - Furn & Fix		(437.00)	
Software		5,546.57	
Accum Amort - Software		(5,546.57)	_____

TOTAL PROPERTY AND EQUIPMENT \$ 1,093.73

OTHER ASSETS

Security Deposit	\$	1,661.00	
Trade Name		98,278.00	
Accum Amort - Trade Name		(98,278.00)	
Organization Costs		915.00	
Accum Amortization - Org Costs		(915.00)	
Maintenance Agreements		915.00	
Accum Amort - Maint Agree		(915.12)	_____

TOTAL OTHER ASSETS \$ 1,660.88

TOTAL ASSETS \$ 127,515.39  
=====

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Customer Deposits	\$	3,490.44	
PAYROLL TAXES PAYABLE		2,104.46	_____

TOTAL CURRENT LIABILITIES \$ 5,594.90

EQUITY

Common Stock	\$	40,000.00	
Retained Earnings		85,430.09	
NET INCOME (LOSS)		(3,509.60)	_____

TOTAL EQUITY \$ 121,920.49

TOTAL LIABILITIES AND EQUITY \$ 127,515.39  
=====

Sign: Brian McCoy Date: 9/6/2012  
Brian McCoy, Secretary

PROFIT & LOSS BY MONTH FOR FYE 6/30/2012

PERIOD	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	TOTALS
<b>INCOME</b>													
Gross Sales	38,192.23	755.44	1,123.74	37,156.25	787.72	381.13	211,871.60	46,328.46	17,598.91	41,504.72	1,647.26	930.43	398,257.89
Freight Charges	5,101.52	135.99	120.65	4,661.01	187.98	40.83	20,494.13	6,691.31	2,749.71	5,318.27	238.65	127.06	45,847.11
less Proc. Adj.		(0.50)						(162.94)	(216.48)				(379.92)
Renewal Income	25.00		300.00	75.00	9,550.00	4,100.00	1,425.00	125.00	350.00	350.00	(25.00)	50.00	16,425.00
Interest Income	9.72	6.31	7.34	10.41	4.25	5.30	4.93	3.23	16.52	18.07	13.77	9.17	109.02
Supplies Income				64.00	413.98	48.00	4,496.00	778.50	35.00				5,827.48
Other Income				50.20	29.00	413.00		0.96					656.55
Service Charge Inc.	3.63	94.53	11.66	3.70	88.05	9.37	1.48	483.64	135.91	54.05	99.00	22.98	1,008.00
<b>TOTAL INCOME</b>	<b>43,332.10</b>	<b>991.77</b>	<b>1,563.39</b>	<b>42,020.57</b>	<b>11,120.98</b>	<b>4,997.63</b>	<b>238,293.14</b>	<b>54,240.06</b>	<b>20,669.57</b>	<b>47,245.11</b>	<b>1,973.68</b>	<b>1,303.13</b>	<b>467,751.13</b>
<b>EXPENSE</b>													
Direct Labor	1,774.35	575.94	48.00	2,017.56	811.05	1,541.00	7,006.31	5,055.89	905.85	2,150.94	824.01		22,812.90
R&D Contractors					10,400.00								10,400.00
Agency Labor													0.00
Freight Out	2,525.40	678.15	650.81	2,703.71	1,768.82	630.62	9,835.68	3,539.50	2,546.09	2,002.37	1,407.75	398.70	28,487.80
Printer Toner		200.89	95.14		184.81	84.42	566.89		434.56	211.09	49.81		1,837.61
Direct Product Supplies		12.97			991.95	3,860.82	69.19	1,736.25	1,142.06	225.18	378.77		8,327.19
Salaries and Wages	4,749.26	3,630.00	2,310.00	4,397.25	2,739.00	4,279.62	4,900.50	4,453.25	3,582.48	4,587.00	4,089.36	1,749.00	45,476.82
Officer Salaries	8,000.00	8,000.00	10,000.00	8,000.00	8,000.00	10,000.00	8,000.00	12,000.00	20,000.00	112,000.00	20,000.00	16,000.00	240,000.00
Amortization													0.00
Bank Service Charges					12.00				12.00		71.70	17.70	113.40
Bad Debt					0.04							1.13	1.17
Depreciation												437.00	437.00
Dues & Subscriptions						1,049.00							1,049.00
Training													0.00
Equipment Rental						440.16				217.58			657.74
Medical Dental Ins.	2,288.46	2,887.00	2,603.00	1,721.00	3,901.00	3,080.00	3,044.00	1,468.00	2,796.00	3,080.00	5,808.00	3,012.00	35,688.46
Insurance				2,261.00									2,261.00
Legal & Accounting													2,500.00
401k Expense													0.00
Interest Expense					30.00								149.77


Sign:  Date: 9/6/2012

Brian McCoy, Secretary

TRADEMARK

REEL: 005389 FRAME: 0882

PERIOD	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	TOTALS
Miscellaneous Exp.									69.60				69.60
Office Expense	195.46	161.25			161.25	50.00		304.69		214.42	161.25	161.99	1,410.31
Office Expense Internet	44.90	149.55		139.75	214.85	94.85	214.85	94.85	154.85	94.85	94.85	94.85	1,393.00
Office Postage													0.00
Rent	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	32,760.00
Repairs and Maintenance		82.00					270.63					277.00	359.00
Small Tools and Equip.													270.63
Supplies		8.52											8.52
FICA Expense	1,111.06	933.76	945.39	1,102.73	883.59	1,217.96	1,523.07	1,616.24	1,873.32	9,083.46	1,905.87	1,357.82	23,584.27
FUTA Expense			6.04		129.08				203.82			17.85	356.79
SUI Expense			62.46		95.71				2,106.14			184.44	2,448.75
State Tax												800.00	800.00
Other Taxes & Licenses		25.00							804.56			293.25	1,122.83
Property Tax											33.87		33.87
Telephone	524.80	559.92	465.07	543.79	626.73	526.09	418.68	615.86	476.96	492.18	486.15	499.01	6,235.24
Employee Welfare								199.41	8.65				208.06
Employee Plans													0.00
Director Fees													0.00
TOTAL EXPENSES	23,943.79	20,634.95	19,915.91	25,646.79	33,345.09	29,909.33	38,382.00	33,853.94	39,966.73	137,089.07	38,041.39	30,531.74	471,260.73
NET INCOME(LOSS)	19,386.31	(19,643.18)	(18,352.52)	16,373.78	(22,224.11)	(24,911.70)	198,911.14	20,386.12	(19,297.16)	(89,643.96)	(35,067.71)	(29,228.61)	(3,509.50)

Sign:  Date: 9/6/2012  
 Brian McCoy, Secretary

<b>A Check if:</b>		Name <b>ACCUPAY SYSTEMS, INC.</b>	B Employer identification number 68-0311940	
1 a Consolidated return (attach Form 851) . . . . . <input type="checkbox"/>	<b>TYPE OR PRINT</b>	Number, street, and room or suite number. If a P.O. box, see instructions. P.O. BOX 5106	C Date incorporated 09/01/1993	
b Life/nonlife consolidated return . . . . . <input type="checkbox"/>		City or town WALNUT CREEK	State ZIP code CA 94596	D Total assets (see instructions) \$ 127,515.
2 Personal holding co (attach Sch PH) . . . . . <input type="checkbox"/>		E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change		
3 Personal service corp (see instrs) . . . . . <input type="checkbox"/>				
4 Schedule M-3 attached . . . . . <input type="checkbox"/>				

<b>INCOME</b>	1 a Merchant card and third-party payments. For 2011, enter -0- . . . . .	1 a	0.
	b Gross receipts or sales not reported on line 1a (see instructions) . . . . .	1 b	444,105.
	c Total. Add lines 1a and 1b . . . . .	1 c	444,105.
	d Returns and allowances plus any other adjustments (see instructions) . . . . .	1 d	380.
	e Subtract line 1d from line 1c . . . . .	1 e	443,725.
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A) . . . . .	2	
	3 Gross profit. Subtract line 2 from line 1e . . . . .	3	443,725.
	4 Dividends (Schedule C, line 19) . . . . .	4	
	5 Interest . . . . .	5	109.
	6 Gross rents . . . . .	6	
	7 Gross royalties . . . . .	7	
8 Capital gain net income (attach Schedule D (Form 1120)) . . . . .	8		
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . . . .	9		
10 Other income (see instructions — attach schedule) See Other Income Statement . . . . .	10	23,917.	
11 <b>Total income.</b> Add lines 3 through 10 . . . . . ▶	11	467,751.	
<b>DEDUCTIONS</b>	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E) . . . . . ▶	12	240,000.
	13 Salaries and wages (less employment credits) . . . . .	13	68,290.
	14 Repairs and maintenance . . . . .	14	359.
	15 Bad debts . . . . .	15	1.
	16 Rents . . . . .	16	32,760.
	17 Taxes and licenses . . . . .	17	28,347.
	18 Interest . . . . .	18	30.
	19 Charitable contributions . . . . .	19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .	20	437.
	21 Depletion . . . . .	21	
	22 Advertising . . . . .	22	
	23 Pension, profit-sharing, etc, plans . . . . .	23	
	24 Employee benefit programs . . . . .	24	35,688.
	25 Domestic production activities deduction (attach Form 8903) . . . . .	25	
26 Other deductions (attach schedule) . See Other Deductions Statement . . . . .	26	65,160.	
27 <b>Total deductions.</b> Add lines 12 through 26. . . . . ▶	27	471,072.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 . . . . .	28	-3,321.	
29 a Net operating loss deduction (see instructions) . . . . .	29 a		
b Special deductions (Schedule C, line 20) . . . . .	29 b		
c Add lines 29a and 29b . . . . .	29 c		
<b>TAXES AND PAYMENTS</b>	30 <b>Taxable income.</b> Subtract line 29c from line 28 (see instructions) . . . . .	30	-3,321.
	31 Total tax (Schedule J, Part I, line 11) . . . . .	31	
	32 Total payments and refundable credits (Schedule J, Part II, line 21) . . . . .	32	1,191.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . ▶ <input type="checkbox"/>	33	
	34 <b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed . . . . .	34	
	35 <b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid . . . . .	35	1,191.
36 Enter amount from line 35 you want: Credited to 2012 estimated tax . . . ▶ Refunded ▶	36	1,191.	

**Sign Here** ▶ Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **VICE PRESIDENT**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**

Print/Type preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check  if self-employed PTIN: \_\_\_\_\_

Firm's name: **Self-Prepared** Firm's EIN: \_\_\_\_\_

Firm's address: \_\_\_\_\_ Phone no.: \_\_\_\_\_

*Sam McCay* 9/10/12  
**SECRETARY**

<b>Schedule C</b> Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3 Dividends on debt-financed stock of domestic and foreign corporations . . . . .		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .		80	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 Total. Add lines 1 through 8. See instructions for limitation . . . . .			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 . . . . .			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471) . . . . .			
15 Foreign dividend gross-up . . . . .			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 . . . . .			
17 Other dividends . . . . .			
18 Deduction for dividends paid on certain preferred stock of public utilities . . . . .			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4. ▶			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b. ▶			

**Schedule J Tax Computation and Payment** (see instructions)

**Part I – Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) . . . . .	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions) . . . . .	<input type="checkbox"/>	2
3	Alternative minimum tax (attach Form 4626) . . . . .		3
4	Add lines 2 and 3 . . . . .		4
5a	Foreign tax credit (attach Form 1118) . . . . .	5a	
b	Credit from Form 8834, line 30 (attach Form 8834) . . . . .	5b	
c	General business credit (attach Form 3800) . . . . .	5c	
d	Credit for prior year minimum tax (attach Form 8827) . . . . .	5d	
e	Bond credits from Form 8912 . . . . .	5e	
6	<b>Total credits.</b> Add lines 5a through 5e . . . . .		6
7	Subtract line 6 from line 4 . . . . .		7
8	Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .		8
9a	Recapture of investment credit (attach Form 4255) . . . . .	9a	
b	Recapture of low-income housing credit (attach Form 8611) . . . . .	9b	
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697) . . . . .	9c	
d	Interest due under the look-back method – income forecast method (attach Form 8866) . . . . .	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902) . . . . .	9e	
f	Other (see instructions – attach schedule) . . . . .	9f	
10	<b>Total.</b> Add lines 9a through 9f . . . . .		10
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31. . . . .		11

**Part II – Payments and Refundable Credits**

12	2010 overpayment credited to 2011 . . . . .	12	1,191.
13	2011 estimated tax payments . . . . .	13	
14	2011 refund applied for on Form 4466 . . . . .	14	
15	Combine lines 12, 13, and 14 . . . . .	15	1,191.
16	Tax deposited with Form 7004 . . . . .	16	
17	Withholding (see instructions) . . . . .	17	
18	<b>Total payments.</b> Add lines 15, 16 and 17 . . . . .	18	1,191.
19	Refundable credits from:		
a	Form 2439 . . . . .	19a	
b	Form 4136 . . . . .	19b	
c	Form 3800, line 17c and Form 8827, line 8c . . . . .	19c	
d	Other (attach schedule – see instructions) . . . . .	19d	
20	<b>Total credits.</b> Add lines 19a through 19d . . . . .	20	
21	<b>Total payments and credits.</b> Add lines 18 and 20. Enter here and on page 1, line 32 . . . . .	21	1,191.

**Schedule K Other Information** (see instructions)

1	Check accounting method a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 541214		
b	Business activity ▶ PAYROLL SERVICE		
c	Product or service ▶ PAYROLL SERVICE		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . If 'Yes,' enter name and EIN of the parent corporation ▶ _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part I of Schedule G (Form 1120) (attach Schedule G) . . . . .		X
b	Did any individual or estate own, directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part II of Schedule G (Form 1120) (attach Schedule G) . . . . .	X	



**Schedule K** Other Information *continued* (see instructions)

	<b>Yes</b>	<b>No</b>
<b>5</b> At the end of the tax year, did the corporation:		
<b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions . . . . .		X
If 'Yes,' complete (i) through (iv) below.		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

	<b>Yes</b>	<b>No</b>
<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions . . . . .		X
If 'Yes,' complete (i) through (iv) below.		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

		X
<b>6</b> During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .		
If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions.		
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary		
		X
<b>7</b> At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? . . . . .		
For rules of attribution, see section 318. If 'Yes,' enter:		
(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____		
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____		
	▶ <input type="checkbox"/>	
<b>8</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . .		
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
<b>9</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
<b>10</b> Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <u>2</u>		
	▶ <input type="checkbox"/>	
<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . .		
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
<b>12</b> Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____ 46,500.		
		X
<b>13</b> Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? . . . . .		
If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value property distributions (other than cash) made during the tax year. ▶ \$ _____		
		X
<b>14</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? . . . . .		
If 'Yes,' complete and attach Schedule UTP.		
	X	
	X	
<b>15a</b> Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)? . . . . .		
<b>b</b> If 'Yes,' did or will the corporation file all required Forms 1099? . . . . .		

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash . . . . .		145,160.		120,465.
2a	Trade notes and accounts receivable . . . . .	3,160.		3,105.	
b	Less allowance for bad debts . . . . .		3,160.		3,105.
3	Inventories . . . . .				
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions) . . . . .				
6	Other current assets (attach schedule) . . Ln .6. Stmt.		2,854.		2,852.
7	Loans to shareholders . . . . .				
8	Mortgage and real estate loans . . . . .				
9	Other investments (attach schedule) . . . . .				
10a	Buildings and other depreciable assets . . . . .	80,795.		80,795.	
b	Less accumulated depreciation . . . . .	79,265.	1,530.	79,702.	1,093.
11a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .				
12	Land (net of any amortization) . . . . .				
13a	Intangible assets (amortizable only) . . . . .	105,655.		105,655.	
b	Less accumulated amortization . . . . .	105,655.	0.	105,655.	0.
14	Other assets (attach schedule) . . . . .				
15	<b>Total assets</b> . . . . .		152,704.		127,515.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable . . . . .				
17	Mortgages, notes, bonds payable in less than 1 year . . . . .				
18	Other current liabilities (attach sch) . . Ln. 18 Stmt.		27,273.		5,594.
19	Loans from shareholders . . . . .				
20	Mortgages, notes, bonds payable in 1 year or more . . . . .				
21	Other liabilities (attach schedule) . . . . .				
22	Capital stock: a Preferred stock . . . . .				
	b Common stock . . . . .	40,000.	40,000.	40,000.	40,000.
23	Additional paid-in capital . . . . .				
24	Retained earnings — Approp (att sch) . . . . .				
25	Retained earnings — Unappropriated . . . . .		85,431.		81,921.
26	Adjmnt to shareholders' equity (att sch) . . . . .				
27	Less cost of treasury stock . . . . .				
28	<b>Total liabilities and shareholders' equity.</b> . . . . .		152,704.		127,515.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**  
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1	Net income (loss) per books . . . . .	-3,510.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2	Federal income tax per books . . . . .	0.			
3	Excess of capital losses over capital gains . . . . .				
4	Income subject to tax not recorded on books this year (itemize): -----		8	Deductions on this return not charged against book income this year (itemize): a Depreciation . \$ _____ b Charitable contribns \$ _____	
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation . . . . \$ _____ b Charitable contributions . \$ _____ c Travel & entertainment . \$ _____ See Ln 5 Stmt 189.	189.			
6	Add lines 1 through 5 . . . . .	-3,321.	9	Add lines 7 and 8 . . . . .	
			10	Income (page 1, line 28) — line 6 less line 9 . . . . .	-3,321.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year . . . . .	85,431.	5	Distributions . . . . . a Cash . . . . .	
2	Net income (loss) per books . . . . .	-3,510.		b Stock . . . . . c Property . . . . .	
3	Other increases (itemize): -----		6	Other decreases (itemize): -----	
			7	Add lines 5 and 6 . . . . .	
4	Add lines 1, 2, and 3 . . . . .	81,921.	8	Balance at end of year (line 4 less line 7) . . . . .	81,921.

## Form 1120, Page 1, Line 10

**Other Income Statement**

Renewal Fees	16,425.
Supplies	5,827.
Service Charge Income	1,008.
Other Income	657.
<b>Total</b>	<b>23,917.</b>

## Form 1120, Page 1, Line 26

**Other Deductions Statement**

BANK CHARGES	113.
DELIVERY AND FREIGHT	28,488.
DUES AND SUBSCRIPTIONS	1,049.
EQUIPMENT RENT	658.
INSURANCE	2,261.
LEGAL AND PROFESSIONAL	2,500.
OFFICE EXPENSE	1,410.
OUTSIDE SERVICES/INDEPENDENT CONTRACTORS	10,400.
SUPPLIES	9.
TELEPHONE	6,235.
TOOLS	271.
PRINTER CONSUMABLES	1,838.
DIRECT PRODUCT SUPPLIES	8,327.
INTERNET ACCESS	1,393.
EMPLOYEE WELFARE	208.
<b>Total</b>	<b>65,160.</b>

## Form 1120, Page 4, Schedule M-1, Line 5

**Ln 5 Stmt**

Penalties and fines	189.
<b>Total</b>	<b>189.</b>

Form 1120, p1-2: U.S. Corporation Income Tax Return

<b>Salaries and Wages Smart Worksheet</b>	
<b>A</b>	Salaries and wages . . . . . <u>68,290.</u>
<b>B</b>	Less employment credits:
	Work opportunity credit (Form 5884) . . . . . _____
	Empowerment zone employment credit (Form 8844) . . . . . _____
	Indian employment credit (Form 8845) . . . . . _____
	Other credits . . . . . _____
	<b>Total employment credits</b> . . . . . _____

Form 1120, p1-2: U.S. Corporation Income Tax Return

<b>Taxes and Licenses Smart Worksheet</b>	
<b>A 1</b>	State taxes . . . . . <u>800.</u>
	2 State taxes from Schedule K-1 (1065) . . . . . _____
<b>B</b>	Local property taxes . . . . . <u>34.</u>
<b>C 1</b>	Payroll taxes . . . . . <u>26,390.</u>
	2 Less: Credit from Form 8846 . . . . . _____
<b>D</b>	Other miscellaneous taxes . . . . . <u>1,123.</u>
<b>E</b>	Licenses . . . . . _____
<b>F</b>	Other taxes from Schedule K-1 (1065) . . . . . _____

Form 1120, p1-2: U.S. Corporation Income Tax Return

<b>Depreciation Smart Worksheet</b>	
<b>A</b>	To enter assets, <b>QuickZoom</b> to Asset Entry Worksheet . . . . . ➔
<b>B</b>	To view a calculated report of all depreciation information, <b>QuickZoom</b> to Depreciation Reports. . . . . ➔
<b>C</b>	<b>QuickZoom</b> to Form 4562 . . . . . ➔
	Total Depreciation . . . . . <u>437.</u>
	Depreciation claimed on Form 1125-A and elsewhere on return. . . . . _____

Form 1120, p3-5: U.S. Corporation Income Tax Return

<b>Book Depreciation/Amortization Options Smart Worksheet</b>	
<b>A</b>	<input checked="" type="checkbox"/> Check if book depreciation equals tax depreciation. Otherwise, enter book depreciation expense here . . . . . _____
<b>B</b>	<input type="checkbox"/> Check if book amortization equals tax amortization. Otherwise, enter book amortization expense here . . . . . _____

**U.S. Corporation Income Tax Return**  
 For calendar year 2010 or tax year beginning Jul 1, 2010, ending Jun 30, 2011  
 ▶ See separate instructions.

OMB No. 1545-0047  
**2010**

<b>A Check if:</b> 1 a Consolidated return (attach Form 951) <input type="checkbox"/> b Life/ten-year consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sec 547) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	Name <b>ACCPAY SYSTEMS, INC.</b> Number, street, and room or suite number. If a P.O. box, see instructions. <b>P.O. BOX 5106</b> City or town <b>WALNUT CREEK</b> State ZIP code <b>CA 94596</b>	<b>B Employer identification number</b> <b>68-0311940</b> <b>C Date incorporated</b> <b>09/01/1993</b> <b>D Total assets (see instructions)</b> <b>\$ 152,704.</b>
<b>E Check if:</b> (1) Initial return (2) Final return (3) Name change (4) Address change		

1	1 a Gross receipts or sales <b>434,388.</b>	b Less returns & allowances <b>71.</b>	c Balance <b>▶</b>	1c	<b>434,317.</b>	
2	2 Cost of goods sold (Schedule A, line 8)				2	
3	3 Gross profit. Subtract line 2 from line 1c				3	<b>434,317.</b>
4	4 Dividends (Schedule C, line 19)				4	
5	5 Interest				5	<b>164.</b>
6	6 Gross rents				6	
7	7 Gross royalties				7	
8	8 Capital gain net income (attach Schedule D (Form 1120))				8	
9	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	
10	10 Other income (see instructions — attach schedule). See Other Income Statement				10	<b>22,545.</b>
▶ 11	11 Total income. Add lines 3 through 10				▶ 11	<b>457,026.</b>
12	12 Compensation of officers (Schedule E, line 4)				12	<b>200,000.</b>
13	13 Salaries and wages (less employment credits)				13	<b>73,740.</b>
14	14 Repairs and maintenance				14	<b>677.</b>
15	15 Bad debts				15	<b>51.</b>
16	16 Rents				16	<b>32,760.</b>
17	17 Taxes and licenses				17	<b>22,550.</b>
18	18 Interest				18	
19	19 Charitable contributions				19	
20	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	<b>437.</b>
21	21 Depletion				21	
22	22 Advertising				22	
23	23 Pension, profit-sharing, etc. plans				23	
24	24 Employee benefit programs <i>(100/100) 1/1/99</i>				24	<b>34,006.</b>
25	25 Domestic production activities deduction (attach Form 8903)				25	
26	26 Other deductions (attach schedule). See Other Deductions Statement				26	<b>70,574.</b>
▶ 27	27 Total deductions. Add lines 12 through 26				▶ 27	<b>434,795.</b>
28	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	<b>22,231.</b>
29	29 Less: a Net operating loss deduction (see instructions)				29 a	<b>22,231.</b>
29 b	b Special deductions (Schedule C, line 20)				29 b	
29 c					29 c	<b>22,231.</b>
30	30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	<b>0.</b>
31	31 Total tax (Schedule J, line 10)				31	
32 a	32 a 2009 overpayment credited to 2010				32 a	<b>1,191.</b>
32 b	b 2010 estimated tax payments				32 b	
32 c	c 2010 refund applied for on Form 4458				32 c	
32 d	d Bal				32 d	<b>1,191.</b>
32 e	e Tax deposited with Form 7004				32 e	
32 f	f Credits: (1) Form 2638 (2) Form 4138				32 f	
32 g	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32 g	<b>1,191.</b>
33	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				33	
34	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	
35	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	<b>1,191.</b>
▶ 36	36 Enter amount from line 35 you want Credited to 2011 estimated tax				▶ 36	<b>1,191. Refunded ▶</b>

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **VICE PRESIDENT**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**

Print/preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check  self-employed  PTIN: \_\_\_\_\_

Firm's name: **Self-Prepared** Firm's EIN: \_\_\_\_\_

Firm's address: \_\_\_\_\_ Phone no.: \_\_\_\_\_

*Kevin McCoy* 9/10/12  
 SECRETARY

<b>A Check if:</b> 1 <input type="checkbox"/> a Completed return (attach Form 951) <input type="checkbox"/> b U.S./foreign consolidated return 2 <input type="checkbox"/> Personal holding co. (attach Sch PH) 3 <input type="checkbox"/> Personal service corp. (see instr) 4 <input type="checkbox"/> Schedule M-3 attached		<input type="checkbox"/> Use IRS label. Otherwise, print or type.	Name <b>ACCUPAY SYSTEMS, INC.</b>	B Employer identification number <b>68-0311940</b>
			Number, street, and room or suite number, if a P.O. box, see instructions. <b>P.O. BOX 5106</b>	C Date incorporated <b>09/01/1993</b>
			City or town <b>WALNUT CREEK</b>	state ZIP code <b>CA 94596</b>
				D Total assets (see instructions) <b>\$ 112,107.</b>
		<b>E Check if:</b> (1) Initial return (2) Final return (3) Name change (4) Address change		

<b>INCOME</b>	1a	Gross receipts or sales	459,535.	b Less returns & allowances	201.	c Balance	▶	1c	459,334.	
	2	Cost of goods sold (Schedule A, line 8)						2		
	3	Gross profit. Subtract line 2 from line 1c						3	459,334.	
	4	Dividends (Schedule C, line 19)						4		
	5	Interest						5	263.	
	6	Gross rents						6		
	7	Gross royalties						7		
	8	Capital gain net income (attach Schedule D (Form 1120))						8		
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9		
	10	Other income (see instructions — attach schedule). See Other Income Statement						10	24,724.	
	11	Total income. Add lines 3 through 10						▶	11	484,321.
<b>DEDUCTIONS</b>	12	Compensation of officers (Schedule E, line 4)						12	200,000.	
	13	Salaries and wages (less employment credits)						13	88,198.	
	14	Repairs and maintenance						14		
	15	Bad debts						15	66.	
	16	Rents						16	32,760.	
	17	Taxes and licenses						17	26,529.	
	18	Interest						18		
	19	Charitable contributions						19		
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)						20	219.	
	21	Depletion						21		
	22	Advertising						22		
	23	Pension, profit-sharing, etc. plans						23		
	24	Employee benefit programs						24	38,933.	
	25	Domestic production activities deduction (attach Form 8903)						25		
	26	Other deductions (attach schedule). See Other Deductions Statement						26	67,119.	
	27	Total deductions. Add lines 12 through 26						▶	27	453,824.
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							28	30,497.
	29	Less: a Net operating loss deduction (see instructions)			29a	30,497.				
		b Special deductions (Schedule C, line 20)			29b				29c	30,497.
<b>TAXES AND PAYMENTS</b>	30	Taxable income. Subtract line 29c from line 28 (see instructions)						30	0.	
	31	Total tax (Schedule J, line 10)						31		
	32a	2008 overpayment credited to 2009	32a	1,191.						
	b	2009 estimated tax payments	32b							
	c	2009 refund applied for on Form 4466	32c							
	d	Tax deposited with Form 7004	32d	1,191.						
	e	Credits: (1) Form 2439 (2) Form 4136	32e							
	f	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32f							
g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g					32h	1,191.		
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached						▶	33		
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed							34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid							35	1,191.	
36	Enter amount from line 35 you want credited to 2010 estimated tax		1,191.	Refunded	▶			36		

**Sign Here** ▶ Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title **VICE PRESIDENT**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer's Use Only</b>	Preparer's Signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (for yours if self-employed), address, and ZIP code	<b>Self-Prepared</b>		DN
				Phone no.

*Don McEay 9/10/12*