

FINDEX COM INC
Form 10-K
April 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period for _____ to _____

Commission file number: 0-29963

FINDEX.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada	88-0379462
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

18151 Lafayette Avenue, Elkhorn, Nebraska	68022
(Address of principal executive offices)	(Zip Code)

(402) 333-1900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$.001 par value

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of April 7, 2014, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average of the closing bid and asked prices on such date was approximately \$179,000.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At April 7, 2014, the registrant had outstanding 103,635,060 shares of common stock, of which there is only a single class.

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PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K, press releases and certain information provided periodically in writing or verbally by our officers or our agents contain statements which constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “expect”, “estimate”, “anticipate”, “believe”, “intend”, “plan”, “goal”, and similar expressions and variations thereof are intended to specifically identify forward-looking statements. These statements appear in a number of places in this Form 10-K and include all statements that are not statements of historical fact regarding the intent, belief or current expectations of us, our directors or our officers, with respect to, among other things: (i) our liquidity and capital resources, (ii) our financing opportunities and plans, (iii) our ability to attract customers to generate revenues, (iv) competition in our business segment, (v) market and other trends affecting our future financial condition or results of operations, (vi) our growth strategy and operating strategy, and (vii) the declaration and/or payment of dividends.

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that might cause such differences include, among others, those set forth in Part II, Item 7 of this annual report on Form 10-K, entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and including without limitation the “Risk Factors” section contained in Part I, Item 1A. Except as required by law, we undertake no obligation to update any of the forward-looking statements in this annual report on Form 10-K after the date hereof.

ITEM 1. BUSINESS.

OVERVIEW

Since 1999, our business has been developing, publishing, marketing, distributing and direct-selling off-the-shelf consumer and organizational software products for the Windows platform. Following divestitures of two software titles which had consistently accounted for the overwhelming majority of our revenues while owned by us, including our Membership Plus® product line, which we sold in late 2007, and our flagship QuickVerse® product line, which we sold during 2011, and title acquisitions during the same period that, in the aggregate, have been relatively insignificant in offsetting the loss of revenues associated with those divestitures, our continuing operations, while not nominal, are currently very limited and insubstantial in terms of revenue, both relative to what they had been prior thereto and by any appropriate standalone measure. Specifically, our current operations consist exclusively of those relating to FormTool.com and its related line of products which we acquired in February 2008, as well as two language tutorial products, which were retained after the sale of the QuickVerse® product line.

Beyond our current software business, a current principal focus of ours surrounds, and has increasingly surrounded during the period since we began for some time, the identification and evaluation of what we perceive as our best broader-range strategic options for realizing the most favorable economic outcome for our shareholders, and ultimately the selection and pursuit of one or more of those options. With very different though similarly difficult-to-meaningfully-forecast capital allocation considerations, the options under consideration in this regard have been included the pursuit of a business combination transaction involving a potential merger or acquisition aimed at revenue re-development and long-term growth, on the one hand, and liquidation and/or winding-down, aimed in the very different direction of business cessation, on the other. Unless and until we determine to liquidate and/or wind down, we will continue to be largely focused on acquiring or merging with another operating company.

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CORPORATE FORMATION, LEGACY & SUBSIDIARIES

We were incorporated in the State of Nevada on November 7, 1997 as EJH Entertainment, Inc. On December 4, 1997, a predecessor corporation with the same name as our own but domiciled in Idaho was merged with and into us. Although the predecessor Idaho corporation was without material assets or operations as of the time of the merger, since being organized in 1968, it had historically been involved in mining and entertainment businesses unrelated to our current business.

Beginning in 1997, and although we were not then a reporting company under the Securities Exchange Act, our common stock was quoted on the OTC Bulletin Board (originally under the symbol “TIXX”, which was later changed to “TIXXD”). On May 13, 1999, we changed our name to FINdex.com, Inc. On March 7, 2000, in an effort to satisfy a newly imposed NASD Rule eligibility requirement that companies quoted on the OTC Bulletin Board be fully reporting under the Securities Exchange Act (thereby requiring recently audited financial statements) and current in their filing obligations, we acquired, as part of a share exchange in which we issued 150,000 shares of our common stock, all of the outstanding capital stock of Reagan Holdings, Inc., a Delaware corporation. At the time of this transaction, Reagan Holdings was subject to the requirements of having to file reports pursuant to Section 13 of the Securities Exchange Act, had recently audited financial statements and was current in its reporting obligations. Having no operations, employees, revenues or other business plan at the time, however, it was a public shell company. As a result of this transaction, Reagan Holdings, Inc. became our wholly owned subsidiary and we became the successor issuer to Reagan Holdings for reporting purposes pursuant to Rule 12g-3 of the Securities Exchange Act. Shortly thereafter, we changed our stock symbol to “FIND”. Though it does not currently have any operations, employees, or revenues, Reagan Holdings remains our wholly owned subsidiary.

In addition to Reagan Holdings, we also have one other wholly owned subsidiary, Findex.com, Inc. (i.e. the same name as our own), a Delaware corporation. Like Reagan Holdings, this entity, too, does not currently have any operations, employees, or revenues. This subsidiary resulted from an acquisition on April 30, 1999 pursuant to which we acquired all of the issued and outstanding capital stock of FINdex Acquisition Corp., a Delaware corporation, from its then stockholders in exchange for 4,700,000 shares of our common stock, which, immediately following the transaction, represented 55% of our total outstanding common stock. Our purpose for this acquisition was to broaden our then-existing stockholder base, an important factor in our effort to develop a strong market for our common stock. On May 12, 1999, in exchange for the issuance of 457,625 shares of FINdex Acquisition Corp. common stock, FINdex.com, Inc., another Delaware corporation (originally incorporated in December 1995 as FinSource, Ltd.), was merged with and into FINdex Acquisition Corp., with FINdex Acquisition Corp. remaining as the surviving entity. Our purpose for this merger was to acquire a proprietary financial information search engine for the Internet which was to serve as the cornerstone for a Web-based development-stage business, but which has since been abandoned. As part of the certificate of merger relating to this transaction, FINdex Acquisition Corp. changed its name to FINdex.com, Inc. We currently own 4,700,000 shares of FINdex.com, Inc. (the Delaware corporation), representing 100% of its total outstanding common stock.

BUSINESS AND CONSUMER SOFTWARE

FormTool

We acquired FormTool.com and the FormTool® line of products in February 2008. The product line offers quality, professionally designed forms for business, accounting, construction, sales, real estate, human resources and personal organization needs.

Since acquiring FormTool®, we have re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® product line, as well as a “one-stop” shop for finding, purchasing and downloading customizable forms

for a wide range of business and consumer needs. In addition, we released an upgrade of the FormTool® product line, FormTool® 7.0. FormTool.com now offers the FormTool® product line in three downloadable editions that range in retail price from \$29.99 to \$199.99 as well as downloadable forms on an individual basis or in bulk groups that range in retail price from \$3.95 to \$29.95.

For the fiscal year ended December 31, 2013, approximately 98% of our revenues were derived from sales of these products.

MARKETING AND ADVERTISING

We market our software through a combination of the following:

- our Website (www.formtool.com) and the Internet sites of others;
- opt-in e-mail campaigns;
- affiliate merchants; and
- product sampling through trial and limited content software versions.

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SALES

Generally

Our approach to sales methodology depends in all cases on the specific products and/or product lines involved, and is dictated to a significant degree by historical results obtained. In general, we seek to adopt the lowest-cost sales methodologies that enable us to achieve satisfactory unit volume and corresponding revenue levels. We also seek to become increasingly less reliant over time on retail distribution and increasingly more reliant upon direct sales, including most notably those realized through online channels.

Direct Marketing / Online Sales

Direct sales for our continued operations accounted for approximately 36% of our 2013 fiscal year revenue and approximately 35% of our 2012 fiscal year revenue. Over the past ten years, we have devoted significant and increasing resources to the development of our direct-marketing program. Through this program, we market our products directly to consumers through a combination of opt-in e-mailings and direct-mailings of our product title catalogs and brochures. An important aspect of this initiative is our online sales. We maintain a full-service online store with many of the kinds of features and capabilities that online shoppers have come to expect from cutting-edge Internet retailers. Furthermore, we have made technological advancements to our Website in order to provide more downloadable products and/or content. We are currently marketing our products online through multiple sources including our own www.formtool.com Internet Website, other Internet Websites such as www.amazon.com, as well as several widely used search engines such as Google® and Yahoo®.

Retail Sales

Retail sales for our continued operations accounted for approximately 64% of our 2013 fiscal year revenue and approximately 65% of our 2012 fiscal year revenue. Our domestic retail sales involve retail stores across the United States through which our products are sold. These stores include Office Max™, Office Depot™ and Staples™. We have also partnered with Encore Software, Inc., a subsidiary of Navarre Corporation who is a large publisher and distributor of physical and digital home entertainment and multimedia products, including PC software, DVD video, video games and accessories, to distribute our products.

Returns and Price Concessions

At the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. Management makes these estimates and assumptions based on actual historical experience regarding allowances for estimated price concessions and product returns. In determining the percentage of sales for product return reserves, management considers a number of different statistical factors. First, it reviews the rate of actual product returns (in total) for the period. Second, it reviews return rates for the same period(s) of prior years. Third, it reviews its sales by individual retail customers to assess any unusual return exposure. Fourth, it reviews actual return rates of specific title and title versions to determine if there are any unusual trends taking place. Fifth, the potential for an increase in actual returns resulting from upcoming new title or title version releases is reassessed. Sixth, management reviews the actual returns from the balance sheet date to the date of calculation to determine if anything unexpected has taken place. Seventh, and finally, management reviews outside factors such as general economic conditions that could potentially cause an increase in returns.

We give all of our distributors and retail customers a written product return policy providing for returns, upon written request, within nine months of the invoice date for credit only. If a new title or title version release falls within that nine month time span, a distributor has 60 days from the announced release date to return the old title or title version

in exchange for the new title or title version only. We provide our end-user consumers with a 30 day satisfaction guarantee, allowing them to return a title or title version within that time frame if for any reason unsatisfied. Our warranty policy for defective software is to provide replacement or repair for a period of 30 days from the invoice date. We believe that these measurement dates provide a consistent period for assessment and the opportunity to adequately estimate channel inventory levels for appropriately estimating our return reserves.

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We generally grant price concessions to our wholesale retail customers when we deem those concessions necessary to maintain our relationships with those retailers and maintain continued access to their retail channel customers. Further, if consumer demand for a specific title falls below expectations or significantly declines below previous rates of wholesale retail sell-through, then a price concession or credit may be requested by our retail customers to spur further retail channel sell-through.

MANUFACTURING AND FULFILLMENT

We prepare a set of master program copies, documentation and packaging materials for each software title and version which is available. A small number of our software products are manufactured through third-party subcontractors while a majority is produced in-house. Orders for master program copies and documentation for our PC based titles and title versions generally take seven to ten days, and reorders take three to five days. Orders for packaging materials for similar titles and title versions generally take fourteen to twenty-one days, and reorders take seven to fourteen days. To date, we have not experienced any material returns due to product defects.

We currently fulfill all of our direct-to-consumer sales and all of our retail sales out of our corporate office located in Elkhorn, Nebraska.

SIGNIFICANT CUSTOMERS AND SUPPLIERS

For our continued operations during the years ended December 31, 2013 and 2012, respectively, we had one customer, Encore Software, Inc., that individually accounted for 10% or more of our annual sales. In the future we expect that no more than two individual customers will exceed 10% of our annual sales.

Also for our continued operations for the fiscal years ended December 31, 2013 and 2012, significant product and material purchases were as follows:

	% to Total Product	
	2013	2012
VSA, Inc. (cd's & ink cartridges)	0%	50%
FedEx (print materials for dvd sleeves)	0%	49%
Madonna Shop (flash cards)	0%	1%

During the year ended December 31, 2013, we did not have any purchases for materials to produce product for our operations as a whole, including those operations now classified as discontinued operations. We currently have no long-term written agreements with any of these suppliers. The payment terms are generally net 30 days, and we are not substantially dependent upon any one or more of them; all are easily replaceable with any locally available supplier.

REGULATION

We are not currently subject to direct regulation by any government agency, other than regulations applicable to businesses generally.

COMPETITION

The market for our products is rapidly evolving and intensely competitive as new software products and platforms are regularly introduced. Competition in the software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher's access to retail shelf space;
- the price of each title; and
- the number of titles then available.

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In relation to our FormTool® products, we currently compete with the following companies and comparable products, among many others:

FormDocs, LLC – FormDocs for Windows
Nuance Communications, Inc. – OmniPage 18

While FormDocs publishes software packages in several different variations, generally in a range that includes a basic edition, a deluxe edition, and a professional edition package, (as is true with our FormTool®), in each of these respective categories we believe that FormTool® offers the best value in that it is relatively inexpensive but more comprehensive in terms of the number of form templates it includes. Additionally, FormDocs does not have an “on the shelf” presence in the retail market place.

While in the general category as our FormTool®, we believe that the OmniPage product line is more focused on document conversion from paper to electronic format than form creation and editing. OmniPage also sells at a considerably higher price point than the FormTool® product line.

Our general approach to competition as it relates to our FormTool® products is to offer competitive products at lower price points.

INTELLECTUAL PROPERTY

Overview

We rely for our business on a combination of copyrights, trademarks, and trade secrets to protect our intellectual property. Our copyrighted software content and the brand recognition associated with our related product trademarks are among the most important assets that we possess in our present ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. Our intellectual property rights derive from a combination of licenses from third parties, internal development and confidentiality and non-disclosure agreements.

We cannot be certain that the precautions we have taken will provide meaningful protection from unauthorized use by others. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in the process. Finally, we may not have adequate remedies if our proprietary content is appropriated, our proprietary rights are violated or our trade secrets are disclosed.

Copyrights

Our copyrights, some of which have been registered and others of which remain unregistered, derive from a combination of program and source code embodied in software titles that we license from third parties, as well as program and source code embodied in software titles that we have internally developed on our own.

Trademarks

Following our acquisition of FormTool®, we filed a trademark application for the FormTool® name with the United States Patent and Trademark Office. On September 30, 2008, this trademark was approved and registered.

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Trade Secrets

Whenever we deem it important for purposes of maintaining competitive advantages, our policy requires parties with whom we share, or who otherwise are likely to become privy to, our trade secrets or other confidential information, including source code, to execute and deliver to us confidentiality and/or non-disclosure agreements prior to their exposure to any such information. Among others, this includes employees, consultants and other advisors, including our in-house and outsourced software developers and collaborators, each of whom we require to execute such an agreement upon commencement of their employment, consulting or advisory relationships. These agreements generally provide that all confidential information developed or made known to the individual by us during the course of the individual's relationship with us is to be kept confidential and not to be disclosed to third parties except in specific circumstances. In the case of employees and consultants, the agreements provide that all inventions conceived by the individual in the course of their employment or consulting relationship shall be our exclusive property.

EMPLOYEES

As of April 7, 2014, we had one full-time employee and one part-time employee. Of those two, one was part of the senior-level executive team, and one was part of the financial management and administration team. For the fiscal year ended December 31, 2013, our annual employee costs (including gross wages, related payroll taxes and benefits) totaled approximately \$102,000. For the fiscal year ended December 31, 2013, we have also accrued \$25,000 in contract fees for the preparation and filing of our annual and quarterly reports. The contractor whom performed the work is our one part-time employee as well as the spouse of the Company's CEO.

We rely heavily on our current officers and directors in operating the business. We are not subject to any collective bargaining agreements and believe that our relationships with our employees are good.

PURSUIT OF POTENTIAL BUSINESS COMBINATION

Beyond our current software business, we are largely focused on the strategic goal of identifying a target company with which to combine, either through acquisition or merger. Though we are seeking out opportunities in our core competency of software production and sales and would prefer to find one in this area, in pursuing this objective, we have not been, and are not currently, restricting our potential candidate target companies to any specific business or industry, including software, or any particular geographic region or location. The opportunities we have considered to date in this regard have included target companies interested in us for different reasons, but more than anything else, and increasingly, the interest of these companies in us has principally been a function of our status as an SEC reporting company whose common shares are publicly traded.

To date, the analysis of new business opportunities has been undertaken by or under the supervision of Steven Malone, our President, Chief Executive Officer, Chief Financial Officer and Secretary, together with members of our board of directors. Until such time as we enter into a definitive agreement for any such contemplated business combination, for which there can be no assurance, we have unrestricted flexibility in seeking, analyzing and pursuing potential business opportunities, subject to our obtaining the approval of our shareholders as may be necessary to authorize a particular transaction. In our efforts to analyze potential business combination targets, we have considered and expect to continue to consider the following kinds of factors, among others:

- potential for growth, indicated by new technology, anticipated market expansion or new products;
- competitive position as compared to other firms of similar size and experience within the industry segment as well as within the industry as a whole;
- strength and diversity of management, either in place or available for recruitment;

capital intensity and requirements and anticipated availability of required funds, to be provided by us or from operations, through the sale of additional securities, through joint ventures or similar arrangements, or from other sources;

the cost of participation by us as compared to the perceived tangible and intangible values and potentials;

the likelihood that a business combination transaction could be consummated if pursued and the anticipated timeframe within which that might reasonably occur; and

the accessibility of required management expertise, personnel, raw materials, services, professional assistance and other required items.

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In applying the foregoing criteria, no one of which is controlling, our management has and will continue to attempt to analyze all factors and circumstances and make a determination based upon reasonable investigative measures and available data. We are being presented with potentially available business opportunities in a variety of industries and at varying stages of development, which makes the task of comparative investigation and analysis between and among them complex and challenging. Due to our limited financial and human resources available for investigation and pursuit of these opportunities, and despite the conducting of our due diligence to the best of our reasonable ability, we may not discover or adequately evaluate adverse facts about a target company with which we pursue a business combination.

Form of Business Combination

The manner in which we may participate in any given business combination opportunity will depend upon the nature of the opportunity, the respective needs and desires of us and the management of the target company and/or other promoters of the opportunity, and the negotiating strength we have relative to the other party or parties involved.

To the extent that we are able to identify and secure a targeted business combination transaction, it is likely that we will participate through the issuance of our common stock or other securities. Although the terms of any such transaction cannot be predicted, it should be noted that, in certain circumstances, one of the primary factors for determining whether or not an acquisition is a so-called “tax free” reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) is whether the owners of the acquired business own 80% or more of the voting stock of the surviving entity. If a transaction were structured to take advantage of these provisions rather than other “tax free” provisions provided under the Code, which is likely but by no means assured, all prior stockholders would in such circumstances retain 20% or less of the total issued and outstanding shares. Depending upon the relative negotiating strength of the parties, prior stockholders may, in fact, retain substantially less than 20% of the total issued and outstanding shares of the surviving entity. This could result in substantial dilution to the equity of those who were our stockholders prior to any such transaction.

Given the likelihood that any business combination ultimately consummated by us would be one in which our net value will be low relative to the net value of the target company with which we combine due to our present financial state, it is unlikely that our stockholders will have control of a majority of our voting shares following any such transaction. As part of such a transaction, it is possible that all or a majority of our directors will resign and new directors be appointed without any vote by our stockholders.

In the case of an acquisition, the transaction may be accomplished upon the sole determination of management without any vote or approval by our stockholders. In the case of a statutory merger or consolidation directly involving the Company, it will likely be necessary to call a stockholders’ meeting and obtain the approval of the holders of a majority of our outstanding shares. The necessity to obtain such stockholder approval may result in delay and additional expense in the consummation of any proposed transaction and will also give rise to certain appraisal rights to dissenting stockholders. As is commonly the case in relation to similar corporate transactions, our management is likely to seek to structure any such transaction so as not to require stockholder approval, an objective often accomplished through the establishment and use of a special-purpose acquisition subsidiary.

It is anticipated that, going forward, as has already been true to date, the investigation of specific business opportunities and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial cost for accountants, auditors, attorneys and others. If a decision is made after expenses have already been incurred in pursuing a given business combination transaction to thereafter abandon such pursuit for any reason (as has already occurred), or a counter-party in any such contemplated transaction communicates its own decision to do the same (as has also already occurred), and whether such expenses have by then become substantial in the aggregate or not, those expenses then previously

incurred would not be recoverable, and the fact that a definitive or other agreement shall have been reached in connection with the contemplated transaction would not necessarily change that result.

We presently have only one part-time employee other than Steven Malone, our President, Chief Executive Officer, Chief Financial Officer and Secretary. Mr. Malone is our sole employee devoting time to our pursuit of a business combination transaction. We do not expect any change in the number of our employees that would add materially to our operating expenses unless and until we consummate a business combination.

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THE PENDING MERGER

On January 23, 2014, we entered into a definitive Agreement and Plan of Merger (the “Merger Agreement”) with certain of our affiliated stockholders, ESCT Acquisition Corp., a majority-owned subsidiary of ours organized specifically for purposes of this transaction, The Renewable Corporation, a Washington corporation, and EcoSmart Surface and Coating Technologies, Inc., a Florida corporation and a wholly owned subsidiary of The Renewable Corporation (“EcoSmart”). Pursuant to the Merger Agreement, we have agreed to enter into a series of transactions centered around a statutory merger (the “Pending Merger”) pursuant to which we will issue what will amount to approximately eighty percent (80%) of our common stock in exchange for all of the issued and outstanding capital stock of EcoSmart. If and when consummated, the Pending Merger would result in a change of control and fundamental restructuring of the Company, including not only our board of directors and operating officers, but also our business operations and strategic direction, though no determinations have been made to date that are expected to impact our existing FormTool product line sales and operations.

EcoSmart was formed and established in 2012, and is based in Lake Park, Florida. Its business is centered around its development of a line of fifteen state of the art, specialty industrial coatings, certain of which are organic and others of which are inorganic, that have a wide range of uses across each of the industrial, commercial and residential sectors. These specialty coatings feature a certain proprietary technology that allows for a broad array of multi-surface applications. Beyond the specialty coatings business, EcoSmart has also developed a process, for which a patent is currently pending, that effectively encapsulates harmful VAT asbestos tile, rendering it contained against damage to humans.

The business of EcoSmart is divided into two operating divisions: the coatings division and the surfaces division.

The EcoSmart coatings division formulates, manufactures, and distributes over fifteen specialty coatings and trade secret processes that have a wide range of uses in industrial, commercial, and residential sectors. Its technology and specialized glass coatings are suitable to multiple industries for corrosion protection, self-cleaning, self-sterilization, slip resistance, chemical resistance, anti-graffiti, energy and cosmetic improvement. The coatings, which can be used on most surfaces, effectively transform the properties of the subject surface to one that resembles and reacts with compounds as if it were glass. EcoSmart coatings are particularly suited for the flooring, automotive, marine, medical, home, and industrial applications and their application offer a significant value in terms of restoration and longevity to a broad array of widely used items.

The EcoSmart surfaces division markets a proprietary flooring system that relies on advancements in applied chemical engineering and digital printing technologies to treat and cover existing floors, providing a cost-effective option for most industrial applications, but most specifically those faced with the challenges of having to work with legacy-laden, chemically contaminated and/or vinyl asbestos tile (VAT) floors. By eliminating the heavily regulated, dangerous, and extremely costly processes of demolition, removal, and disposal of the contaminated substrates, as well as the cost of replacement flooring, the EcoSmart surfaces division’s proprietary system is a uniquely effective and feasible option for property owners with flooring contaminated with asbestos, fossil fuel residues, or other potentially hazardous substances.

To date, EcoSmart has generated only nominal revenue, but our management believes that, subject to its ability to obtain required financing on reasonable terms, it is positioned to take advantage of a substantial opportunity for top line growth in 2014 and beyond.

ITEM 1A. RISK FACTORS.

Several of the matters discussed in this annual report on Form 10-K for the fiscal year ended December 31, 2013 contain forward-looking statements that involve risks and uncertainties. Factors associated with the forward-looking statements that could cause actual results to differ from those projected or forecast are included in the statements below. In addition to other information contained in this annual report, readers should carefully consider the following cautionary statements and risk factors.

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An investment in the Company is highly speculative in nature and involves an extremely high degree of risk.

GENERAL BUSINESS RISKS

We are operating at a substantial working capital deficit and our liquidity and capital resources are very limited.

For the year ended December 31, 2013, we generated only \$16,092 in total revenue while incurring \$290,456 in combined sales, marketing, general and administrative expenses. This represents a substantial working capital deficit that is severely constraining our ability to operate, both near-term and long-term. Our ability to fund working capital, as well as anticipated capital expenditures, will depend on our future performance, which is subject to general economic conditions, our customers, actions of our competitors and other factors that are beyond our control. Our ability to fund operating activities is also dependent upon (i) the extent and availability of bank and other credit facilities, (ii) our ability to access external sources of financing, and (iii) our ability to effectively manage our expenses in relation to revenues. Although we believe that our existing working capital, together with cash flow from operations, will be adequate to meet our minimum anticipated liquidity requirements over the next twelve months, given our initiative toward rapid revenue growth and due to our need to service certain long-term liabilities, it is likely to become necessary for us to raise additional capital to support growth and/or otherwise finance potential acquisitions. Furthermore, there can be no assurance that our operations or access to external sources of financing will continue to provide resources sufficient to satisfy our liabilities arising in the ordinary course of business, and while it may be possible to borrow funds as required, any such additional capital is likely to require that we sell and issue additional equity and/or convertible securities, including shares issuable upon exercise of currently outstanding warrants, any of which issuances would have a dilutive effect on holdings of existing shareholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources".

There is uncertainty as to our ability to continue as a going concern.

Our audited financial statements for the period ending December 31, 2013, including the footnotes thereto, call into question our ability to continue as a going concern. This conclusion was drawn from the fact that, as of the date of those financial statements, we had a negative current ratio and total liabilities in excess of total assets. Those factors, as well as questions surrounding our ability to secure additional financing for continued operations, have resulted in uncertainty regarding our ability to continue as a going concern. See Note 2 in the Notes to the Consolidated Financial Statements for the year ended December 31, 2013.

We owe an aggregate amount of \$58,218 to various third parties which, under state escheat laws, could subject us to substantial additional liabilities for penalties and interest.

We are carrying certain liabilities on our balance sheet in the aggregate amount of \$53,890 for trade payables and royalties payable in connection with services and content licenses associated with certain of our titles extending back up to thirteen years but in relation to which we have been unable to locate the parties to whom we owe such trade payables and royalties and no effort to collect such obligations by such parties or any successors-in-interest have been made. We are additionally carrying certain liabilities on our balance sheet in the aggregate amount of \$4,328 for amounts payable to customers for product return refunds extending back up to seven years many of whom we expect, without actually knowing at this point one way or the other, to similarly be unable to locate and in connection with which no effort to date to collect such obligations has been made. Under the escheat laws of the various states in which these creditors were last known to have an address based on our records, we are or may be required to pay to such states the aggregate amounts owed for these obligations – in both categories – even though we cannot locate the actual parties to whom they are owed. Moreover, we are likely to be additionally liable for substantial penalties, both individually and in the aggregate, for not having previously reported such obligations and paid such amounts to such various states, which reporting obligations and associated penalties for non-compliance vary significantly among

states, as well as interest for amounts deemed past due. It is likely that these additional liabilities, neither the individual nor collective extent of which are known at this time and as such have not been accrued, will be material in the aggregate and have a material adverse effect on our financial condition and our results of operations, including our liquidity.

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Our accumulated deficit makes it harder for us to borrow funds.

As of December 31, 2013, and as a result of historical losses in prior years, our accumulated deficit was \$8,875,515. The fact that we maintain an accumulated deficit, as well as the extent of our accumulated deficit relative to recent earnings, negatively affects our ability to borrow funds because lenders generally view an accumulated deficit as a negative factor in evaluating creditworthiness. Any inability on our part to borrow funds if and when required, or any reduction in the favorability of the terms upon which we are able to borrow funds if and when required, including amount, applicable interest rate and collateralization, would likely have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”.

RISKS ASSOCIATED WITH OUR BUSINESS AND INDUSTRY

We face serious competition in our business segments.

The market for our products is rapidly evolving and intensely competitive as new consumer software products and platforms are regularly introduced. Competition in the consumer software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher’s access to retail shelf space;
- the price of each title; and
- the number of titles then available.

We face competition from other software publishers, all of which generally sell through the same combination of channels that we do. In relation to our form creation, these channels also include retail chain stores, direct and online sale and our competitors include FormDocs, LLC and Nuance Communications, Inc.

To remain competitive in our market segments we rely heavily upon our product quality, marketing and sales abilities, proprietary technology and product development capability. However, some of our competitors have longer operating histories, larger customer bases and greater financial, marketing, service, support, technical and other resources than we do. Due to these greater resources, certain of our competitors have the ability to undertake more extensive marketing campaigns, adopt more aggressive pricing policies, pay higher fees to licensors and pay more to third-party software developers than we can. Only a small percentage of titles introduced into the software market achieve any degree of sustained market acceptance. If our titles, including special editions, are not successful, our business, our financial condition, including liquidity and profitability, and our results of operations will be negatively impacted. Moreover, we believe that competition from new entrants will increase as the markets for productivity tools continue to expand.

Product returns, price protections or price concessions that exceed our anticipated reserves could result in worse than expected operating results.

In relation to our retail sales, at the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. In the past, particularly during title version transitions, we have had to increase price concessions to our wholesale retail customers. If consumer demand for a specific title or title version falls below expectations or significantly declines below previous rates of retail sell-through, then a price

concession or credit may be requested by our wholesale retail customers to spur further retail channel sell-through. Coupled with more competitive pricing, if product returns, price protections or price concessions exceed our reserves the magnitude of quarterly fluctuations will increase and our operating and financial results will be negatively impacted. Furthermore, if we incorrectly assess the creditworthiness of any one of our wholesale customers who take delivery of our products on credit, we could be required to significantly increase reserves previously established.

Typically we experience the highest reserves at the end of the first quarter and fourth quarter and the lowest at the end of the third quarter. Historically, actual returns have been within management's prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Revenues".

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Errors or defects in our software products may cause a loss of market acceptance and result in fewer sales and/or greater returns of our products.

Our products are complex and may contain undetected errors or defects when first introduced or as new versions are released. In the past, we have discovered software errors in some of our new products and enhancements following introduction into the market. Because our products are complex, we anticipate that software errors and defects will be present in new products or releases in the future. Although to date, we have not discovered any material errors, future errors and defects could result in adverse product reviews and a loss of, or delay in, market acceptance of our products.

Our intellectual property may not be adequately protected from unauthorized use by others, which could increase our litigation costs and adversely affect our sales.

Our copyrighted software content and the brand recognition associated with our related product trademarks are the most important assets that we possess in our ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. There can be no assurance that these intellectual property assets will provide meaningful protection to us from unauthorized use by others, which could result in an increase in competing products and a reduction in our own sales. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in any case. This is particularly true given the fact that the copyrights that we own to the source code and other improvements made to our largest-selling product since 1999 has not been registered, which means that we may not rely upon the otherwise existing advantage of a rebuttable presumption of ownership in the event of, and in connection with, any such litigation. See “Description of Business – Intellectual Property”.

If our products infringe any proprietary rights of others, a lawsuit may be brought against us that could require us to pay substantial legal expenses and judgments and redesign or discontinue selling one or more of our products.

We are not aware that any of our products infringe upon any valid and clearly enforceable existing proprietary rights of third parties. Any infringement claims, however, whether or not meritorious, could result in costly litigation or require us to enter into royalty or licensing agreements. If we are found to have infringed the proprietary rights of others, we could be required to pay damages, redesign the products or discontinue their sale. Any of these outcomes, individually or collectively, could have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations.

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RISKS ASSOCIATED WITH OUR PURSUIT OF A BUSINESS COMBINATION

We may combine with a company in a business other than software, which you may not understand or in which you may not want to be invested.

Although it is our preference to remain in the software business, we believe that limiting our options to only those within the software business would significantly decrease our likelihood of identifying and consummating a business combination, which we see as a more important objective all things considered. We are therefore exploring and considering options for a business combination in a variety of industries and businesses, and decisions as to which business opportunities we will pursue will be unilaterally made by our management, which may act without the consent, vote or approval of our stockholders. Should any business combination we ultimately consummate turn out to be in something other than the software business, it may be in an industry or business you do not understand or in which you would prefer not to be invested.

We may combine with a business that lacks the financial strength to meaningfully improve our own.

Our success following any business combination will largely depend on the operations, financial condition and management of the company with which we combine. While we are seeking opportunities to combine with entities that have established operating histories and characteristics that would strengthen us financially, there can be no assurance that we will be able to secure a deal with such an entity and any inability on our part to do so may mean that we combine with a business that lacks the financial strength to meaningfully improve our own, a fact likely to be reflected in the market price of our common stock.

There is intense competition for those companies suitable for a merger transaction of the type we are pursuing.

We are in a highly competitive market for a small number of business opportunities which could reduce the likelihood of consummating a successful business combination. We are and will continue to be an insignificant participant in the business of seeking mergers with, joint ventures with, and acquisitions of small private and public entities. A large number of established and well-financed entities, including other public companies and venture capital firms, are active in mergers and acquisitions of companies that may be desirable target candidates for us. Nearly all these entities have significantly greater financial resources, technical expertise and managerial capabilities than we do. Consequently, we will be at a competitive disadvantage in being able to identify attractive business opportunities and successfully complete a business combination. These competitive factors may reduce the likelihood of our ultimately being able to successfully identify and consummate a business combination.

Our management devotes only a limited amount of time to seeking a target company which may adversely impact our ability to identify a suitable acquisition candidate.

While seeking a business combination, and because of other responsibilities, our management devotes only a limited number of hours per week to this objective. Moreover, only our President and Chief Executive Officer, Steven Malone, is currently devoting any time regularly to this objective. This limited investment of time and lack of other resources devoted to the cause may adversely impact our ability to identify and consummate a business combination.

The time and cost of preparing a private company to become a public reporting company may preclude us from entering into a merger or acquisition with the most attractive private companies.

Target companies without previously prepared and/or audited financial statements may delay or preclude acquisition. Sections 13 and 15(d) of the Exchange Act require reporting companies to provide certain information about significant acquisitions, including certified financial statements for the company acquired, covering one, two, or three

years, depending on the relative size of the company involved. The time and additional costs that may be incurred by some target entities to prepare these statements may significantly delay or essentially preclude consummation of an otherwise potentially suitable acquisition. Otherwise suitable acquisition prospects that do not have or are unable to obtain within a certain timeframe the required audited statements may be inappropriate for acquisition so long as the reporting requirements of the Exchange Act remain applicable.

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We intend to issue more shares in a merger or acquisition, which will result in substantial dilution.

Our certificate of incorporation authorizes the issuance of a maximum of 120,000,000 shares of common stock and a maximum of 5,000,000 shares of preferred stock. Any merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then existing stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our board of directors currently has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of common stock or preferred stock are issued in connection with a business combination, or otherwise, dilution to the interests of our then existing stockholders will occur and the rights of the holders of common stock may be materially and adversely affected.

Our stockholders may have a minority interest in us following a business combination.

If we enter into a business combination with a company with a value determined to be in excess of our own value, and issue shares of our common stock to the stockholders of such company as consideration for merging with us, our stockholders would likely own less than 50% of our stock after the business combination. The stockholders of the acquired company would therefore be able to control the election of our board of directors and effectively control us.

Because we may complete a business combination through a so-called "reverse merger," following such a transaction we may not be able to attract the attention of major brokerage firms.

Since any business combination we consummate may be one involving a target privately-held business combining with us based on its interest in becoming publicly reporting and trading, and be effectuated through a so-called "reverse merger," securities analysts of major brokerage firms are unlikely to provide securities analyst coverage of us because there will be no incentive for them to recommend the purchase of our common stock. For this reason, no assurance can be given that brokerage firms will want to conduct any secondary offerings on behalf of our post-combination company in the future.

We may be subject to further government regulation which would adversely affect our operations.

Although we are subject to the reporting requirements under the Exchange Act, management does not believe that we are subject to regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act") since we are not engaged in the business of investing or trading in securities. If we engage in business combinations which result in our holding passive investment interests in a number of entities, we could be subject to regulation under the Investment Company Act. If this were to occur, we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. To date, we have obtained no formal determination from the SEC as to our status under the Investment Company Act and could, therefore, be determined at some later date to be an unregistered investment company, which could subject us to significantly heightened regulatory requirements that would likely, in the aggregate, have material adverse consequences on our business.

Any potential acquisition or merger with a foreign company may subject us to additional risks.

If we enter into a business combination with a foreign company, we will be subject to risks inherent in business operations outside of the United States. These risks include, for example, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, risks related to shipment of raw materials and finished goods across national borders, and cultural and language differences. Foreign economies may differ favorably or unfavorably from the United States economy in growth of gross national product, rate of inflation, market

development, rate of savings, and capital investment, resource self-sufficiency, and balance of payments positions, and in other respects.

We may be subject to certain tax consequences in our business, which may increase our cost of doing business.

We may not be able to structure a business combination to which we become a party in such a way as to result in tax-free treatment for the parties involved, which could deter third parties from entering into certain business combinations with us or result in us or our shareholders being taxed on consideration received in such a transaction. Currently, a transaction may be structured so as to result in tax-free treatment to both companies, as prescribed by various federal and state tax provisions. Although we intend to structure any business combination so as to minimize the federal and state tax consequences to both us and the target entity, there can be no assurance that any such business combination will meet the statutory requirements of a tax-free reorganization or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes that may have an adverse effect on both parties to the transaction.

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Our ability to preserve, utilize and potentially realize economic value from our net operating loss (“NOL”) carryforwards is highly speculative and subject to numerous material uncertainties.

As of December 31, 2013, and since 2001, we had accumulated net operating loss (“NOL”) carryforwards, for federal income tax purposes, of approximately \$8,780,000. While, under certain circumstances, opportunities exist for companies to preserve and realize potential value from their NOL carryforwards by applying such losses from prior fiscal years to taxable income in future years in order to reduce otherwise existing tax liability, availability of such opportunities is highly restricted and predicated on the satisfaction of a number of conditions that cannot be assured. As we have incurred losses in all but 4 of the past 13 years, and do not currently expect to turn a profit in the near future, we are unable to realize value from our NOL carryforwards unless we find a way to become profitable, either through the acquisition of a profitable company or otherwise. The success of any such NOL carryforward utilization strategy is predicated on maintaining the value of and utilizing all or substantially all of our NOL carryforwards to offset future taxable income of our company or any acquired company.

In order to determine whether there are opportunities to realize potential value from our NOL carryforwards in the future, either at all or following any potential business combination, we will likely have to engage legal advisors, over an extend period and at significant expense, to explore and review the relevant considerations in our ability to preserve and maximize the potential use of any such deferred tax assets, as well as on potential limitations and risks of any utilization strategy, draw legal conclusions, and provide related advice and guidance. Among others, NOL carryforwards are subject to the following conditions:

Past and Future Ownership Changes. Any “ownership change” (as defined in Section 382 of the Code) that is determined to have occurred in the past has the effect of subjecting otherwise available NOL carryforwards to annual limitations, which could reduce, eliminate, or defer the utilization of these losses. Generally, an “ownership change” is said to occur if one or more shareholders, each of whom owns 5% or more in value of a corporation’s stock, increase their aggregate percentage ownership by more than 50% over the lowest percentage of stock owned by those shareholders at any time during the preceding three-year period. And even if an “ownership change” has not occurred in the past, any such future “ownership change” would have a similar effect.

Change of Control. In order to preserve NOL carryforwards, there must not be determined to have occurred a “change of control” of the subject company. A “change in control” includes a more than 50 percentage point increase in the ownership of our company by certain equity holders who are defined in Section 382 of the Code as “5 percent shareholders.” The IRS takes the view that an acquisition of an ownership percentage in a company that is represented by certain equity securities, including certain preferred stock, debt instruments, or stock options, that are issued in connection with a change in the board of directors, to include the holders of such equity securities or their agents as indicative of a transfer of a beneficial ownership interest in a company under Section 382 of the Code. Accordingly, any change in a company’s board of directors that is accompanied by other equity conveyances could be viewed as contributing to a more than 50 percentage point change in control of the company for purposes of Section 382 of the Code.

De Facto Liquidation. In order to preserve NOL carryforwards, there must not be a “de facto liquidation” of the subject company, with a “de facto liquidation” including any sale or discontinuation of the current business of a company.

We may not be able to use our NOL carryforwards because we may not generate taxable income.

The use of our NOL carryforwards is subject to uncertainty because, in addition to the factors discussed in the risk factor above relating to conditions for preserving and utilizing NOL carryforwards, it is also dependent upon the sufficiency of any taxable income we generate before they expire, the existence or extent of which is highly speculative. We believe that our ability to achieve profitability would depend in substantial part on our ability to identify and acquire suitable businesses on favorable terms, so that we can increase our revenues and generate new

income. Despite our significant efforts since 2011 to achieve this objective, however, we have been unable to identify a suitable acquisition, and there can be no assurance that we will be able to identify or complete one in the future. Moreover, any such transaction(s) that we were able to complete may render unavailable to us any future utilization of the NOL carryforwards or result in a lack of the requisite level of profitability sufficient to utilize them. In order to complete any acquisition to effectuate any such NOL strategy, we may also need to obtain additional capital, including through the sale of stock or other securities, which may result in dilution to existing shareholders and the granting of superior rights to the new shareholders. In addition, the provisions of the IRS Code and certain applicable Treasury regulations limit the number of shares of stock available to sell from time to time without causing a limitation on our ability to use our NOL carryforwards to reduce our future tax obligations, thereby possibly further inhibiting our ability to capitalize on their potential value.

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The IRS could challenge and reduce the amount of our NOL carryforwards.

The amount of our NOL carryforwards has not been audited or otherwise validated by the IRS, and there is nothing limiting their ability to challenge the amount of our NOL carryforwards as we have determined them to be, which could have the effect of significantly reducing them below the amounts we have determined and stated them to be. In addition, calculating whether an ownership change has occurred is subject to uncertainty, both because of the complexity and ambiguity of Section 382 of the Code and because of limitations on a publicly-traded company's knowledge as to the ownership of, and transactions in, its securities. The determination of the amount of our NOL carryforwards may, accordingly, be changed as a result of a challenge by a governmental authority or our discovery of previously unknown information regarding the ownership of, and transactions in, our securities.

Possible changes in legislation could negatively affect our ability to use the tax benefits associated with our NOL carryforwards.

The rules relating to U.S. federal income taxation come under review from time to time by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. As a result, there can be no assurance that revisions will not be made to U.S. federal tax laws and binding interpretations thereof that could have the effect of adversely impairing our ability to utilize the tax benefits associated with our NOL carryforwards.

RISKS ASSOCIATED WITH THE PENDING MERGER

It should not be assumed in assessing our prospects that the Pending Merger will be consummated.

Among others, consummation of the Pending Merger is subject to the following conditions, neither of which had occurred as of April 7, 2014: (i) EcoSmart having delivered to us a complete set of audited financial statements not materially different than those internal financial statements previously delivered by EcoSmart to us, and (ii) our obtaining stockholder approval to, and effecting, an increase in the number of our authorized shares of common stock. Further, in accordance with its terms, the Merger Agreement may be terminated by EcoSmart or us if either we or EcoSmart breach any representation, warranty, covenant or agreement contained in the Merger Agreement which not cured in accordance with certain requirements. There can be no assurance that all of the conditions to closing of the Pending Merger will be satisfied or that events will not occur that will give rise to a justified termination of the Merger Agreement on the part of one or both parties. In the event that some or all of the conditions to closing are not satisfied, or that events occur that give rise to a justified termination of the Merger Agreement on the part of one or both parties prior to closing, the Pending Merger may not be consummated. Accordingly, it would be inappropriate to assume that the Pending Merger will be consummated, or that EcoSmart will otherwise be combined with our existing business and operations, in assessing our prospects.

If the Pending Merger does not occur, it may negatively affect the trading price of our common stock.

As noted above, the consummation of the Pending Merger is subject to a variety of uncertainties. If, for any reason, it is not consummated, or if there are significant delays in completing the Pending Merger, it could negatively affect the trading price of our common stock.

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Even if the Pending Merger is consummated, our primary business segment will be early-stage with highly speculative prospects.

Although EcoSmart has had certain operations and revenues in the past, they have been minimal and it thus remains an early-stage company insofar as (i) it is devoting substantially all of its efforts to establishing a new applied chemicals-based materials technologies and related systems business, and (ii) its planned principal operations associated with such new business are only currently getting underway. To the extent that the Pending Merger is consummated, it is likely to occur at a point at which EcoSmart's status as an early-stage technologies systems company shall not have changed. As such, we would likely, following consummation of the Pending Merger, become a company whose primary business segment is characterized by new technologies and related systems and be subject to some or all of the attendant risks and uncertainties associated with early-stage technology companies more generally, including without limitation:

- failures in technologies and systems performance and reliability;
- unanticipated costs in getting technologies and systems commercialized;
- high costs of ongoing research and development;
- technologies and systems obsolescence;
- business model non-feasibility;
- inability to establish potential markets;
- unanticipated costs in establishing potential markets;
- inability to adequately protect intellectual property;
- infringement on the intellectual property rights of others;
- intense market competition from other technologies and systems;
- competition for employee talent; and
- inability to manage rapid growth.

If the Pending Merger is consummated, our primary business segment will be based on a technology with very limited testing, no independent verification, and no prior commercial history.

Although our management has been told that testing results of EcoSmart's various applied chemicals-based materials technologies and related systems are capable of reliably yielding performance results consistent with the respective claims being made about them by EcoSmart, to date, such technologies and related systems have not been extensively tested or independently evaluated and assessed, and have only very recently developed any prior commercial history. Although we have no reason to suspect that the technologies and related systems will not ultimately meet reliability, efficiency, or other performance targets, and that their efficacy will exceed minimally acceptable qualitative standards given benchmark economic objectives, there can be no assurance of this result. If the Pending Merger is consummated, and the EcoSmart technologies and related systems fail to consistently perform at levels that enable cost-effective solutions for customers, or they fail to do so without undesirable environmental consequences, or we are unable to effectively manage the implementation of the technologies and systems despite their otherwise satisfactory performance capabilities, our business and operating results are likely to be adversely affected.

If the Pending Merger is consummated, we will require substantial additional funding, and our failure to raise additional capital necessary to support and expand our operations could reduce our ability to compete and could harm our business.

At December 31, 2013, we had \$125 in cash and cash equivalents. If the Pending Merger is consummated, we will likely need to raise substantial additional capital in fiscal years 2014 and beyond through equity and debt financing for continued technology research, development and commercialization, for any specific projects that we determine to develop, to support possible additional expansion of our existing operations, and for our general and administrative

expenses from operations. We may also need to raise funds in order to respond to competitive pressures or acquire complementary products, services, businesses and/or technologies. We cannot provide any assurance that any such financing will be available to us in the future on acceptable terms or at all. If the Pending Merger is consummated, and if we cannot raise required funds on acceptable terms, we may not be able to, among other things:

- insure the integrity of, and/or continue to develop, our technologies and related systems;
- commercially exploit our technologies and related systems;
- maintain our general and administrative expenses at required levels, including the hiring and training of personnel;
- develop and expand our operations and business infrastructure; or
- respond to competitive pressures or unanticipated capital requirements.

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If the Pending Merger is consummated, efforts to patent critical technologies may not be successful.

New patent activity from other companies could affect and alter the ability to obtain and/or license what EcoSmart believes to be its own patentable intellectual property. Additionally, the possibility exists that EcoSmart's efforts could infringe on the proprietary rights of third parties. Competitive patent activity is always a risk, and U.S. patent applications are unpublished for at least one year. If the Pending Merger is consummated, and although we would seek to reasonably protect our rights with respect to what it believes to be its intellectual property, there can be no assurance that such initiatives would be successful or that, in any event, such initiatives would not divert management's attention away from operational matters and indirectly result in adverse consequences to our financial condition and results of operation.

If the Pending Merger is consummated, our business model and strategies may have to change from time to time in the pursuit of profitability.

If the Pending Merger is consummated, our primary business segment would be in an early stage of development. Despite the fact that our proposed business strategies in such event would incorporate our senior management's then-current best analysis of potential markets, opportunities and difficulties that face us, no assurance can be given that the underlying assumptions upon which they base their decisions will accurately reflect current trends in our industry or our prospective customers' reaction to our products and services, or that such products or services will be embraced, or even accepted, by the market. Our business model and strategies may and likely will change substantially from time to time as our senior management reassesses its opportunities from time to time and reallocates its resources, and any such model and/or strategies may be changed or abandoned at any point in the process. If the Pending Merger is consummated and we are unable to develop or implement any such model or strategies through our technologies and related systems, we may never achieve profitability. And even if we do achieve profitability, we can predict neither its sustainability nor its level.

If the Pending Merger is consummated, our business mode may be highly capital intensive.

EcoSmart's definitive business model for the future is currently subject to further research, development and change. If the Pending Merger is consummated, therefore, there can be no assurance as to what the business model of our primary business segment would be. While there is a possibility that EcoSmart will ultimately determine to focus exclusively on the exploitation of its technology through a model that contemplates EcoSmart's involvement and risk solely to the extent of its exploitation of licensing opportunities to third parties, in the meantime, and quite possibly as a long-term plan, it is manufacturing and marketing its own products directly to customers. Some contemplated business models in this regard, including those that involve any manufacturing and stocking of product, are considerably more capital intensive than others. To the extent that the Pending Merger is consummated, then, there can be no assurance as to the degree of capital intensity of our business model. Although it may be possible to rely to a significant extent on debt financing over time, substantial debt financing is unlikely to be a realistic option in the near-term and a high degree of capital intensity could lead to the need to raise additional equity financing, thereby resulting in dilution to the interests of existing shareholders.

If the Pending Merger is consummated, we would likely be required to spend large amounts of money for environmental compliance in connection with the ongoing operations of our primary business segment.

As a manufacturer of applied specialty coating and surfacing chemicals and materials, we would, if the Pending Merger were to be consummated, become subject to a variety of stringent regulations under numerous U.S. federal, state, local and foreign environmental, health and safety laws and regulations relating to the generation, storage, handling, discharge, disposition and stewardship of hazardous wastes and other materials. In this regard, we would likely have to expend substantial amounts to comply with such laws and regulations as well as establish a policy to

minimize our environmental emissions. Nevertheless, legislative, regulatory and economic uncertainties (including existing and potential laws and regulations pertaining to climate change) may thus make it difficult for us to project future spending for these purposes and, if there is an acceleration in new regulatory requirements, we may be required to expend substantial additional funds to remain in compliance.

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If the Pending Merger is consummated, our primary business segment would involve our having to work with dangerous materials that can potentially injure our employees, damage our facilities, and disrupt our operations.

Some of EcoSmart's operations involve the handling of hazardous materials that may pose the risk of fire, explosion, or the release of hazardous substances. Such events could result from terrorist attacks, natural disasters, or operational failures, and might cause injury or loss of life to our employees and others, environmental contamination, and property damage. To the extent that the Pending Merger is consummated, any such events might cause a temporary shutdown of an affected plant, or portion thereof, or a customer's premises, or a portion thereof, and we could be subject to penalties or claims as a result. A disruption of our operations caused by any of these or other events could have a material adverse effect on our results of operations.

If the Pending Merger is consummated, our primary business segment could expose us to product liability claims, which, in turn, could diminish our assets and adversely affect our operations.

We may be held liable or incur expenses to settle product liability claims if the Pending Merger is consummated and EcoSmart products we sell cause injury or are found unsuitable during product testing, manufacturing, marketing, sale or use. These risks exist even with respect to any products that have received, or may in the future receive, regulatory approval, registration or clearance for commercial use. There can be no assurance that we will be able to avoid product liability exposure.

We currently do not maintain product liability insurance of any kind, and, if the Pending Merger is consummated, we will likely need to obtain such insurance coverage at levels determined to be sufficient and consistent with industry standards for companies such as ours would be. In such event, it is possible that such insurance coverage may not be available to us on commercially reasonable terms or at all, and a product liability claim could potentially result in liability to us greater than our assets and insurance coverage, if any, at such time. Moreover, even if we have adequate insurance coverage, product liability claims or recalls could result in negative publicity or force us to devote significant time and attention to matters other than those that arise in the normal course of business.

RISKS ASSOCIATED WITH OUR STATUS AS A PUBLIC REPORTING AND PUBLICLY-TRADING COMPANY

There can be no assurance that we will not be deemed a "shell company" for purposes of Rule 144, and if we are, it will render resales of our common stock ineligible for exemption under Rule 144 for an indefinite period.

Rule 144 under the Securities Act, which is commonly relied upon for resales of restricted securities, is unavailable to the holders of securities of companies coming within the definition of a "shell company" until it is no longer a shell company and certain conditions are satisfied. For purposes of Rule 144, a "shell company" is defined as any registrant that, among other things, has "no or nominal operations." Although our operations relative to what we had up until our divestiture of QuickVerse® during 2011 may seem nominal, we do not believe that, given the tests to be applied in making a determination on this issue for purposes of this analysis, our operations are nominal. Specifically, and although there can be no assurance as to whether the SEC does or will share our view on this issue, we believe that our continued pursuit of our business and consumer software operations, when coupled with our continuing interest in developing that business for the foreseeable future, make any determination to the contrary incorrect. We believe further that the fact that, among other things, we are actively seeking a major business combination which may or may not involve another operating company in the software business has no bearing on the issue because of our continuing operations and our preference that any such company is within the software business, though, here too, no assurance can be provided that, if challenged, the SEC will agree with our position in this regard, either immediately or eventually. If we are deemed to be a shell company, among other implications, holders of our securities that are restricted will be unable to rely on Rule 144 to resell them, at least until we are no longer deemed a shell company,

certain other conditions are met, and a year passes thereafter. For the holders of any such securities, and as a practical matter, this means they are unlikely to be able to sell them for an indefinite period.

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There can be no assurance that we will not be deemed a “shell company” for purposes of Rule 144, and if we are, it will subject us to issues impacting liquidity of our securities with respect to the SEC’s review of a future resale registration statement.

If we are deemed a “shell company” as discussed above, holders of restricted shares of our common stock, including potentially those receiving them as part of a business combination, will be unable to rely on Rule 144 to resell them, and we will likely file a resale registration statement on Form S-1, or some other available form, to register for resale such shares. We cannot, however, control this future registration process in all respects as some matters are outside our control. Even if we are successful in causing the effectiveness of the resale registration statement, there can be no assurances that the occurrence of subsequent events may not preclude our ability to maintain the effectiveness of the registration statement. Any of the foregoing items could have adverse effects on the liquidity of our shares of common stock.

In addition, the SEC has announced in recent years that it has developed internal guidelines concerning the use of a resale registration statement to register the securities issued to certain investors in so-called private investment in public equity (“PIPE”) transactions, where the issuer has a market capitalization of less than \$75 million and, in general, does not qualify to file a registration statement on Form S-3 to register its securities if the issuer’s securities are listed on the Over-the-Counter Bulletin Board or on the Pink Sheets. The SEC has taken the position that these smaller issuers may not be able to rely on Rule 415 under the Securities Act (“Rule 415”), which generally permits the offer and sale of securities on a continued or delayed basis over a period of time, but instead would require that the issuer offer and sell such securities in a direct or “primary” public offering, at a fixed price, if the facts and circumstances are such that the SEC believes the investors seeking to have their shares registered are underwriters and/or affiliates of the issuer.

It appears that the SEC in most cases will permit a registration for resale of up to one third of the total number of shares of common stock then currently owned by persons who are not affiliates of such issuer and, in some cases, a larger percentage depending on the facts and circumstances. SEC staff members also have indicated that an issuer in most cases will have to wait until the later of six months after effectiveness of the first registration, or such time as substantially all securities registered in the first registration are sold, before filing a subsequent registration on behalf of the same investors. Since, following a merger or business combination, we may have few or no tradable shares of common stock outstanding, it is unclear as to how many, if any, shares of common stock the SEC will permit us to register for resale, though SEC staff members have at times indicated a willingness to consider a higher percentage in connection with registrations following mergers with shell companies such as would be the case with the Company. The SEC may require as a condition to the declaration of effectiveness of a resale registration statement that we reduce or “cut back” the number of shares of common stock to be registered in such registration statement. The result of the foregoing is that a stockholder’s liquidity in our common stock may be adversely affected in the event the SEC requires a cutback of the securities as a condition to allow the Company to rely on Rule 415 with respect to a resale registration statement, or, if the SEC requires us to file a primary registration statement.

RISKS ASSOCIATED WITH AN INVESTMENT IN OUR COMMON STOCK

Unless an active trading market develops for our common stock, you may not be able to sell your shares.

We are a reporting company and our common stock is listed on the OTC Bulletin Board (owned and operated by the Nasdaq), however, there is no active trading market for our common stock. There can be no assurance that an active trading market will ever develop for our common stock or, if it does develop, that it will be maintained. Failure to develop or maintain an active trading market will have a generally negative effect on the price of our common stock, and you may be unable to sell your shares or any attempted sale of such shares may have the effect of lowering the market price, and therefore your investment could be a complete or partial loss.

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Unless and until we garner analyst research coverage, we are unlikely to create long-term market value in our common stock.

Although we are a reporting company and our common shares are listed on the OTC Bulletin Board, we are unaware of any investment banking firms, large or small, that currently provide analyst research coverage on our company and, given our relatively small size within the public securities markets, it is unlikely that any investment banks will begin doing so in the near future. Without continuing research coverage by reputable investment banks or similar firms, it is considerably more difficult, and unlikely, to attract the interest of most institutional investors, which are generally considered to be very important in achieving a desirable balance in shareholder composition and long-term market value in a stock. While we intend to continue to aggressively pursue investor relations initiatives designed to create visibility for our company and common stock, and hope to garner analyst coverage in the future, there can be no assurance that we will succeed in this regard and any inability on our part to develop such coverage is likely to materially impede the realization of long-term market value in our common stock.

Since our common stock is thinly traded, it is more susceptible to extreme rises or declines in price, and you may not be able to sell your shares at or above the price you paid.

You may have difficulty reselling shares of our common stock, either at or above the price you paid, or even at a fair market value. The stock markets often experience significant price and volume changes that are not related to the operating performance of individual companies, and because our common stock is thinly traded, it is particularly susceptible to such changes. These broad market changes may cause the market price of our common stock to decline regardless of how well we perform as a company, and, depending on when you determine to sell, you may not be able to obtain a price at or above the price you paid.

Trading in our common stock on the OTC Bulletin Board may be limited thereby making it more difficult for you to resell any shares you may own.

Our common stock trades on the OTC Bulletin Board. The OTC Bulletin Board is not an exchange and, because trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a national exchange or on the Nasdaq Global Select Market, you may have difficulty reselling any of the shares of our common stock that you purchase from the selling stockholders.

We cannot assure you that our common stock will ever be listed on one of the national securities exchanges.

To the extent that we consummate a substantial business combination, we may seek the listing of our common stock on NASDAQ (Global or Capital Markets) or another stock exchange, either immediately or after some period of time. There can be no assurance, however, that we will be able to meet the initial listing standards of either of those or any other stock exchange at such time, or that we will be able to maintain a listing of our common stock on either of those or any other stock exchange. After completing a business combination, until our common stock is listed on one of the national stock exchanges, for which there can be no assurance, we expect that our common stock would continue to trade on the OTC Bulletin Board.

Our common stock is subject to the “penny stock” regulations, which is likely to make it more difficult to sell.

Our common stock is considered a “penny stock”, which generally is a stock trading under \$5.00 and not registered on any national securities exchanges. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. This regulation generally has the result of reducing trading in such stocks, restricting the pool of potential investors for such stocks, and making it more difficult for investors to sell their shares. Prior to a transaction in a penny stock, a broker-dealer is required to:

deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market;

provide the customer with current bid and offer quotations for the penny stock;

explain the compensation of the broker-dealer and its salesperson in the transaction;

provide monthly account statements showing the market value of each penny stock held in the customer's account; and

make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

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These requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that is subject to the penny stock rules. Since our common stock is subject to the penny stock rules, investors in our common stock may find it more difficult to sell their shares.

As an issuer of “penny stock,” we do not currently benefit from the protection provided by the federal securities laws relating to forward-looking statements.

Although, generally, federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, and since our common stock has consistently traded in recent years at a level at which it is considered to constitute a “penny stock”, we do not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that any material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading. Such an action could hurt our financial condition.

Our stock price could be volatile, and your investment could suffer a decline in value.

The trading price of our common stock is likely to be highly volatile and could be subject to extreme fluctuations in price in response to various factors, many of which are beyond our control, including:

- the trading volume of our shares;
- the number of securities analysts, market-makers and brokers following our common stock;
- changes in, or failure to achieve, financial estimates by securities analysts;
- new products introduced or announced by us or our competitors;
- announcements of technological innovations by us or our competitors;
- our ability to produce and distribute retail packaged versions of our software in advance of peak retail selling seasons;
- actual or anticipated variations in quarterly operating results;
- conditions or trends in the consumer software and/or Christian products industries;
- announcements by us of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
- additions or departures of key personnel;
- sales of our common stock; and
- stock market price and volume fluctuations of publicly-traded, particularly microcap, companies generally.

The volatility of our common stock is illustrated by reference to the fact that, during fiscal year 2013, our trading price fluctuated from a low of \$0.002 to a high of \$0.030 per share.

The stock market has recently experienced significant price and volume fluctuations. Volatility in the market price for particular companies has often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In addition, securities class action litigation has often been initiated following periods of volatility in the market price of a company’s securities. A securities class action suit against us could result in substantial costs, potential liabilities and the diversion of management’s attention and resources from our business. Moreover, and as noted above, our shares are currently traded on the OTC Bulletin Board and, further, are subject to the penny stock regulation. Price fluctuations in such shares are particularly volatile and subject to manipulation by market-makers, short-sellers and option traders.

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Future sales of our common stock by our officers or directors may depress our stock price.

Our officers and directors are not contractually obligated to refrain from selling any of their shares; therefore, our officers and directors may sell any shares owned by them which are registered under the Securities Act, or which otherwise may be sold without registration to the extent permitted by Rule 144 or other exemptions. Because of the perception by the investing public that a sale by such insiders may be reflective of their own lack of confidence in our prospects, the market price of our common stock could decline as a result of a sell-off following sales of substantial amounts of common stock by our officers and directors into the public market, or even the mere perception that these sales could occur.

Future issuances of our common or preferred stock may depress our stock price and dilute your interest.

We may want to issue additional shares of our common stock in future financings and may grant stock options to our employees, officers, directors and consultants under our stock incentive plan. Any such issuances could have the effect of depressing the market price of our common stock and, in any case, would dilute the interests of our common stockholders. In addition, we could issue serial preferred stock having rights, preferences and privileges senior to those of our common stock, including the right to receive dividends and/or preferences upon liquidation, dissolution or winding-up in excess of, or prior to, the rights of the holders of our common stock. This could depress the value of our common stock and could reduce or eliminate the amounts that would otherwise have been available to pay dividends on our common stock (which are unlikely in any case) or to make distributions on liquidation.

If you require dividend income, you should not rely on an investment in our common stock.

Because we have very limited cash resources and a substantial accumulated deficit relative to recent earnings, we have not declared or paid any dividends on our common stock since our inception and we do not anticipate declaring or paying any dividends on our common stock in the foreseeable future. Rather, we intend to retain earnings, if any, for the continued operation and expansion of our business. It is unlikely, therefore, that holders of our common stock will have an opportunity to profit from anything other than potential appreciation in the value of our common stock held by them. If you require dividend income, you should not rely on an investment in our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

There were no reportable events under this Item 1B during the fiscal year ended December 31, 2013.

ITEM 2. PROPERTIES.

Our principal executive offices are located in Elkhorn, Nebraska. At April 7, 2014, our two employees work from this location. We do not pay for any space associated with these operations. Furthermore, we rent a storage unit located in Elkhorn, Nebraska. We rent this 220 square foot facility under a month-to month rental agreement with Dino's Storage. Our monthly rent is \$135. There are no associated taxes, insurance, or utility expenses associated with the storage facility.

ITEM 3. LEGAL PROCEEDINGS.

As of the date of this annual report on Form 10-K for the fiscal year ended December 31, 2013, and to the best knowledge of our officers and directors, there were no pending material legal proceedings to which we were a party and we were not aware that any were contemplated. There can be no assurance, however, that we will not be made a party to litigation in the future.

ITEM 4. MINE SAFETY DISCLOSURES.

There were no reportable events under this Item 4 during the fiscal year ended December 31, 2013.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET INFORMATION

Our common stock is traded on the OTC Bulletin Board, a service provided by the Nasdaq, under the symbol "FIND".

The following table sets forth for the periods indicated the high and low bid prices for our common stock as reported each quarterly period within the last two fiscal years on the OTC Bulletin Board, and as obtained from NASDAQ.com. The prices are inter-dealer prices, do not include retail mark-up, markdown or commission and may not necessarily represent actual transactions.

Common Stock		
2012	High	Low
First		
Quarter	\$ 0.005	\$ 0.002
Second		
Quarter	\$ 0.006	\$ 0.003
Third		
Quarter	\$ 0.010	\$ 0.001
Fourth		
Quarter	\$ 0.015	\$ 0.003
2013	High	Low
First		
Quarter	\$ 0.030	\$ 0.002
Second		
Quarter	\$ 0.005	\$ 0.003
Third		
Quarter	\$ 0.007	\$ 0.003
Fourth		
Quarter	\$ 0.009	\$ 0.004

STOCKHOLDERS

As of April 7, 2014, there were approximately 620 holders of record of our common stock, with any shares held by persons or companies in street or nominee name counted only under such street or nominee name.

DIVIDENDS

Since inception, no dividends have been paid on our common stock and we do not anticipate paying any dividends in the foreseeable future. Although it is our intention to utilize all available funds for the development of our business, no restrictions are in place that would limit or restrict our ability to pay dividends.

EQUITY COMPENSATION PLAN INFORMATION

Please refer to Part III, Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters as reported in this annual report on Form 10-K for the information regarding our equity compensation plans.

RECENT SALES OF UNREGISTERED SECURITIES

There were no previously unreported sales of unregistered securities during the fourth quarter of the fiscal year ended December 31, 2013.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by the Company itself, or any affiliated purchaser during the fourth quarter of the fiscal year ended December 31, 2013.

ITEM 6. SELECTED FINANCIAL DATA.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read together with our consolidated financial statements for the period ended December 31, 2013 and the Notes to the Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies, including the assumptions and judgments underlying them, are more fully described in the Notes to the Consolidated Financial Statements. We have consistently applied these policies in all material respects. These policies primarily address matters of expense recognition and revenue recognition, including amortization of software development cost and the calculation of reserve for returns. Investors are cautioned that these policies are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially. Below are the accounting policies that we believe are the most critical in order to gain an understanding of our financial results and condition.

Discontinued Operations

Discontinued operations are defined as a component that has been disposed of or is classified as held for sale. If in management's review of a component determine that such component has been disposed of or is classified as held for sale the results of such component should be classified as discontinued operations provided (1) its operations and cash flows have been (or will be) eliminated from the Company's ongoing operations, and (2) the Company will have no significant continuing involvement in the component after its disposition.

Accounts Receivable

Accounts receivable arise in the normal course of business. It is the policy of management to continuously review the outstanding accounts receivable, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Individual accounts are charged against the allowance when they are deemed uncollectible.

Accounting for Long-Lived Assets

We review property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of our carrying amount to future net cash flows the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. Property and equipment to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Intangible Assets

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350-30, General Intangibles Other Than Goodwill, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives. All intangible assets are tested for impairment annually during the fourth quarter.

Software Development Costs

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a “beta” version for testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months, but up to 60 months), or (ii) the ratio of current revenues to total projected product revenues.

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Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management's best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues.

ASC 730, Research and Development, establishes accounting and reporting standards for research and development. In accordance with ASC 730, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs.

Revenue Recognition

We derive revenues from the sale of packaged software products and software distributed electronically via the Internet. We recognize software revenue for software products and related services in accordance with ASC 985-605, Software Revenue Recognition. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectability is probable.

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products.

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of sales on our consolidated statements of operations.

Deferred Tax Asset Valuation Allowance

In accordance with ASC 740-30, Other Considerations or Special Areas, we record deferred tax assets for deductible temporary differences, net of operating loss carryforwards. To the extent that it is more likely than not that some portion or all of the deferred tax asset will not be realized, a valuation allowance is established.

DESCRIPTION OF BUSINESS

Since 1999, our business has been developing, publishing, marketing, distributing and direct-selling off-the-shelf consumer and organizational software products for the Windows platform. Following divestitures of two software titles which had consistently accounted for the overwhelming majority of our revenues while owned by us, including our Membership Plus® product line, which we sold in late 2007, and our flagship QuickVerse® product line, which we sold during 2011, and title acquisitions during the same period that, in the aggregate, have been relatively insignificant in offsetting the loss of revenues associated with those divestitures, our continuing operations, while not nominal, are currently very limited and insubstantial in terms of revenue, both relative to what they had been prior thereto and by any appropriate standalone measure. Specifically, our current operations consist exclusively of those relating to FormTool.com and its related line of products which we acquired in February 2008, and which, for the year ended December 31, 2013, generated only approximately \$16,000 in total revenues.

Beyond our current software business, a current principal focus of ours surrounds, and has increasingly surrounded for some time, the identification and evaluation of what we perceive as our best broader-range strategic options for realizing the most favorable economic outcome for our shareholders, and ultimately the selection and pursuit of one or more of those options. With very different though similarly difficult-to-meaningfully-forecast capital allocation considerations, the options under consideration in this regard have included the pursuit of a business combination

transaction involving a potential merger or acquisition aimed at revenue re-development and long-term growth, on the one hand, and liquidation and/or winding-down, aimed in the very different direction of business cessation, on the other. Unless and until we determine to liquidate and/or wind down, we will continue to be largely focused on acquiring or merging with another operating company.

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On January 23, 2014, we entered into a definitive Agreement and Plan of Merger (the “Merger Agreement”) with certain of our affiliated stockholders, ESCT Acquisition Corp., a majority-owned subsidiary of ours organized specifically for purposes of this transaction, The Renewable Corporation, a Washington corporation, and EcoSmart Surface and Coating Technologies, Inc., a Florida corporation and a wholly owned subsidiary of The Renewable Corporation (“EcoSmart”). Pursuant to the Merger Agreement, we have agreed to enter into a series of transactions centered around a statutory merger (the “Pending Merger”) pursuant to which we will issue what will amount to approximately eighty percent (80%) of our common stock in exchange for all of the issued and outstanding capital stock of EcoSmart. If and when consummated, the Pending Merger would result in a change of control and fundamental restructuring of the Company, including not only our board of directors and operating officers, but also our business operations and strategic direction, though no determinations have been made to date that are expected to impact our existing FormTool® product line sales and operations.

To date, EcoSmart has generated only nominal revenue, but our management believes that, subject to its ability to obtain required financing on reasonable terms, it is positioned to take advantage of a substantial opportunity for top line growth in 2014 and beyond.

MANAGEMENT OVERVIEW

During the year ended December 31, 2013, there were no new developments to the FormTool® product line in regards to either the software program itself or the dedicated website. Although we formulated plans prior to 2013 to develop a new version of our FormTool® software package as well as to undertake a cosmetic and functional makeover of the related marketing website, and executing such plans remains a relatively high priority, our ability to do so has been dependent, among other things, on our having available the requisite financial resources, which, to date, we have not, and which, looking ahead, remains highly uncertain. At this time, and given these financial constraints, we are unable to provide any estimate in terms of our completing either the FormTool® product and/or website updates that we believe ought be meaningfully relied upon, and, moreover, there can be no assurance that, should financial resources become available, we will continue to be of a view that FormTool® is worthy of further investment as a business line given the current uncertainties surrounding our broader strategic objectives.

During the year ended December 31, 2013, we continued to market and sell our two language tutorial products, Greek Tutor™ and Hebrew Tutor™, to retail stores as well as to end users. With sales on the decline, we believe that these software programs, too, are in need of updating both for general market perception purposes and because of their current incompatibility with some of the newer platform technologies that have been widely adopted throughout the broader consumer software market. Given the same financial constraints that have been and are likely to continue to impede advancements in our FormTool® line, however, there can be no assurance that we will be able to initiate and/or complete any such update in the foreseeable future.

A key focus of management during the year ended December 31, 2013 centered on reducing our ongoing operational expenses, including personnel, sales and marketing, and general overhead. Simultaneously, and moving forward, management is concentrated on the strategic determination to continue a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across the business and consumer segments more generally.

Near-term liquidity poses a continuous and serious challenge to us and is expected to continue to do so for the foreseeable future. And the need to find ways to stretch our very limited economic resources places ongoing constraints on our very limited human resources.

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RESULTS OF CONTINUING OPERATIONS FOR YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

Statements of Continuing Operations for Years Ended			
December 31,	2013	2012	Change
Net revenues	\$ 16,092	\$ 57,593	\$ (41,501)
Cost of sales	(3,825)	(13,604)	9,779
Gross profit	\$ 12,267	\$ 43,989	\$ (31,722)
Sales, marketing and general and administrative expenses	(272,732)	(374,423)	101,691
Bad debt expense	(738)	100	(838)
Impairment expense	(46,583)	(18,781)	(27,802)
Total operating expenses	\$ (320,053)	\$ (393,104)	\$ 73,051
Loss from operations	\$ (307,786)	\$ (349,115)	\$ 41,329
Other income (expenses), net	(7,518)	(4,020)	(3,498)
Gain on intangible asset	13,000	---	13,000
Gain on debt settlement	---	28,504	(28,504)
Loss before income taxes	\$ (302,304)	\$ (324,631)	\$ 22,327
Income tax (provision)	---	---	---
Net loss from continuing operations	\$ (302,304)	\$ (324,631)	\$ 22,327

The differing results of operations are primarily attributable to the following for the year ended December 31, 2013:

- a decrease in retail sales for our Greek and Hebrew Tutor software products as well as a decrease in sales for our FormTool® product line;
- a decrease in cost of sales due to the decrease in our direct costs and freight costs associated with the decrease in our Greek and Hebrew Tutor software product sales; a decrease in royalty expense attributable to the decrease in sales of the FormTool Pro product line;
- a decrease in sales, marketing and general and administrative expenses resulting from our continued cost-cutting initiatives;
- an impairment expense related to a valuation decrease in the intangible asset as a result of a sharp decline in revenue derived from the asset;
- an increase in gain on intangible asset related to sale of the findex.com domain name to a third party; and
- a decrease in gain on debt settlements as we experienced fewer negotiations with vendors to accept a reduction in trade payables owed to them, and debt settlements with customers whom had a credit balance owed to them by us.

In future periods, and notwithstanding our remaining focus on our FormTool® business and line of language tutorial products, we anticipate a continued reduction to our sales, marketing and general and administrative expenses due to the decision to sell the QuickVerse® product line.

Revenues

The following table presents our revenues for continuing operations for the years ended December 31, 2013 and December 31, 2012 and dollar and percentage changes from the prior year.

					Change	
Revenues for Continuing Operations for Years Ended December 31,	2013	% to Sales	2012	% to Sales	\$	%
Gross revenues	\$ 16,605	100 %	\$ 57,634	100 %	\$(41,029)	71 %
Less estimated sales returns and allowances	(513)	3 %	(41)	0 %	(472)	1151 %
Net revenues	\$ 16,092	97 %	\$ 57,593	100 %	\$(41,501)	72 %

The decrease in gross revenues for the year ended December 31, 2013 was attributable principally to a sharp fall-off in demand in the retail channel for our FormTool® software products due, we believe, to the lack of relatively recent updating of the products and their lack of compatibility in their latest editions with newer platform technologies. FormTool® sales, which accounted for approximately \$52,000 in revenue, and 90% of our top line, during 2012, amounted to only approximately \$16,000 for the year ended December 31, 2013, which was 98% of our total revenues for that period. Although there can be no assurance, and provided we have available to us the necessary investment capital to develop and market updated and broader application versions of the product, , which cannot be assured, we anticipate our FormTool® product line revenues to grow in the future, though likely at no more than a low, single-digit annual percentage.

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To a much lesser extent, the year over year decrease in gross revenues for the annual period ended December 31, 2013 was also attributable to a decline in sales of our Greek and Hebrew Tutor software products. Sales of these product lines have fallen off steadily and significantly since the loss of a major customer following our divestiture of the QuickVerse® product line to WORDsearch, a subsidiary of Lifeway Christian Resources, in 2011.

Cost of Sales

Cost of sales consists primarily of direct costs, royalties accrued to third party providers of intellectual property and the costs associated with reproducing, packaging, and shipping our products. Cost of sales decreased by \$9,779 from \$13,604 for the year ended December 31, 2012 to \$3,825 for the year ended December 31, 2013. The overall decrease in cost of sales for the year ended December 31, 2013 is mainly attributable to the decrease in royalties, direct costs and freight costs. The decrease in royalties, direct costs and freight costs are attributable to the following:

- a decrease in royalties due to a decrease in sales for our FormTool® product line;
- a portion of our sales in the FormTool® product line were to end users as a downloadable product during the year ended December 31, 2013 as compared to slightly more overall retail product sales during the year ended December 31, 2012; and
- a portion of our sales in the FormTool® product line were generated from our licensing agreement with a certain publisher who sells our FormTool® product line in which we do not incur any direct costs or freight costs.

Although there can be no assurance, we would anticipate our cost of sales to increase in the future in relation to anticipated increases in our revenues for the FormTool® product line.

Sales, General and Administrative

				Change			
Years Ended		% to		% to	\$		%
December 31,	2013	Sales	2012	Sales			
Selected expenses:							
Advertising and direct marketing	\$2,816	17 %	\$3,412	6 %	\$(596))	17 %
Bad debt expense	738	4 %	(100)	0 %	838		838 %
Total sales and marketing	\$3,554	21 %	\$3,312	6 %	\$242		7 %
Personnel costs	\$101,576	612 %	\$147,828	256 %	\$(46,252))	31 %
Amortization and depreciation	15,508	93 %	21,612	37 %	(6,104))	28 %
Accounting	65,682	396 %	59,261	103 %	6,421		11 %
Legal	34,400	207 %	40,242	70 %	(5,842))	15 %
Directors fees	24,000	145 %	58,000	101 %	(34,000))	59 %

Other general and administrative costs	28,750	173 %	44,068	76 %	(15,318)	35 %
Total general and administrative	\$269,916	1626%	\$371,011	644%	\$(101,095)	27 %
Total sales, marketing, general and administrative	\$273,470	1647%	\$374,323	649%	\$(100,853)	27 %

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The differing results of total sales, marketing, general and administrative costs are primarily attributable to the following for the year ended December 31, 2013:

- a decrease in personnel expenses;
- a decrease in depreciation expense due to the advancing age of our property and equipment and a decrease in the aggregate amortization expense of the FormTool® product line assets we acquired in February 2008, which, individually, are being written down over periods ranging in each case from less than one year to as many as ten years;
- an increase in accounting costs due to the outsourcing of our ongoing accounting needs to an independent contractor;
- a decrease in legal costs due to comparatively less need for legal services than during the year ended December 31, 2012, which centered around relatively dramatic changes to our business and operations as a result of the QuickVerse® product line sale;
- a decrease in our directors fees due to the resignation of two outside directors during December 2012; and
- an overall decrease in other general and administrative costs resulting from our continued cost-cutting initiatives.

During the year ended December 31, 2013, there were no new developments to the FormTool® product line in regards to either the software program itself or the dedicated website. Although we formulated plans prior to 2013 to develop a new version of our FormTool® software package as well as to undertake a cosmetic and functional makeover of the related marketing website, and executing such plans remains a relatively high priority, our ability to do so has been dependent, among other things, on our having available the requisite financial resources, which, to date, we have not, and which, looking ahead indefinitely, is highly uncertain. At this time, and given these financial constraints, we are unable to provide any estimate in terms of our completing either the FormTool® product and/or website updates that we believe ought be meaningfully relied upon, and, moreover, there can be no assurance that, should financial resources become available, we will continue to be of a view that FormTool® is worthy of further investment as a business line given the current uncertainties surrounding our broader strategic objectives.

During the year ended December 31, 2013, we continued to market and sell our two language tutorial products, Greek Tutor™ and Hebrew Tutor™, to retail stores as well as to end users. With sales on the decline, we believe that these software programs, too, are in need of updating, both for general market perception purposes and because of their current incompatibility with some of the newer platform technologies that have been widely adopted throughout the broader consumer software market. Given the same financial constraints that have been and are likely to continue to impede advancements in our FormTool® line, however, there can be no assurance that we will be able to initiate and/or complete any such update in the foreseeable future.

Provision for Income Taxes

For the years ended December 31, 2013 and 2012, based on uncertainty about the timing of and ability to generate future taxable income and our assessment that the realization of the deferred tax assets no longer met the “more likely than not” criterion for realization, we provided for a full valuation allowance against our net deferred tax assets. If we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be recorded in the period when such determination is made.

As of December 31, 2013, we had accumulated net operating loss carryforwards, for federal income tax purposes, of approximately \$8,780,000. These carryforwards are the result of income tax losses generated as follows:

Generated	Loss	Expiration
2001	\$ 5,123,000	2021

2002	\$ 235,000	2022
2005	\$ 956,000	2025
2006	\$ 584,000	2026
2008	\$ 694,000	2028
2009	\$ 366,000	2029
2010	\$ 292,000	2030
2012	\$ 353,000	2032
2013	\$ 178,000	2033

While, under certain circumstances, opportunities exist for companies to preserve and realize potential value from their NOL carryforwards by applying such losses from prior fiscal years to taxable income in future years in order to reduce otherwise existing tax liability, availability of such opportunities is highly restricted and predicated on the satisfaction of a number of conditions that cannot be assured.

See Note 9, Income Taxes, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2013 for further information regarding the components of our income tax provision.

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LIQUIDITY AND CAPITAL RESOURCES

Our primary needs for liquidity and capital resources are the working capital requirements of our continued operations, which includes the ongoing internal development of new products, expansion and upgrade of existing products, and marketing and sales, as well as funding for the acquisition of new product lines and/or companies. At this time it is unlikely that cash generated through our continuing operations will be sufficient to sustain our continuing operations. Furthermore, our pursuit of an aggressive growth plan, whether based on internally developed products, licensing opportunities, or strategic product line and/or company acquisitions, will likely require funding from outside sources. Funding from outside sources may include but is not limited to the pursuit of other financing options such as commercial loans, common stock and/or preferred stock issuances and convertible notes.

Our decision during the first half of 2011 to sell the QuickVerse® product line as well as the divestiture of our Membership Plus® product line in October 2007 was driven by a combination of our need to raise cash and a strategic determination to begin a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across the business-to-business and consumer segments more generally. With a portion of the net proceeds we realized from the sale of our Membership Plus® product line, we purchased FormTool® in February 2008 which was our first product line acquisition outside of the faith-based market.

Though it had been our reasoned hope and expectation to re-deploy into new business opportunities all or most of the net proceeds realized from the sale of the QuickVerse® product line in 2011, as it has turned out, interim and developing cash requirements associated with the mere exploration and pursuit of prospective new business opportunities have (i) been substantially higher than we had anticipated, (ii) become substantial on an aggregate, standalone basis and meaningfully depleted such net proceeds, (iii) increasingly imposed a significant strain on both our general liquidity, and (iv) led to a dramatic reduction in our cash currently available for both the exploration and pursuit of prospective new business opportunities and any capital investment therein.

Working Capital	2013	2012
Current assets	\$ 1,561	\$ 51,743
Current liabilities	\$ 566,051	\$ 366,685
Retained deficit	\$ 8,875,515	\$ 8,563,875

Liquidity for our day-to-day continuing operations remains a very serious ongoing concern for us, and there can be no continuing assurance of it remaining manageable.

Cash Flows for Years Ended December 31,	2013	2012	Change	%
Cash flows (used) by operating activities	\$ (21,626)	\$ (214,467)	\$ 192,841	90 %
Cash flows provided by investing activities	\$ 13,000	\$ ---	\$ 13,000	0 %
Cash flows provided by financing activities	\$ ---	\$ 61,589	\$ (61,589)	100%

Net cash used by operating activities for the year ended December 31, 2013 consisted mainly of cash payments going out for our accounting firm, legal counsel and our insurance providers. Net cash used by operating activities for the year ended December 31, 2012 was similar but in addition had payments going out to our former content providers and our remaining employees at that time.

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For the year ended December 31, 2013, cash provided by investing activities, both in amount and in terms of year over year change, was the result of selling the “findex.com” domain name to a third party. For the years ended December 31, 2013 and 2012, we made no investment in capitalized software and website development.

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The decrease in net cash used by financing activities for the year ended December 31, 2013 was the result of fewer long-term notes payable obligations, and therefore; fewer payments made on long-term notes payable. Furthermore, the cash provided by financing activities for the year ended December 31, 2012 resulted partly from our executive officers, corporate controller and members of our board of directors agreeing to accept certain compensation otherwise due to them in the form of contributed capital exchanged for common stock on the basis of a reduced dollar value.

Overall, our cash position as of April 7, 2014 is unmanageably low with prospects for meaningful improvement highly uncertain, and insolvency a continuous threat.

Financing

Looking ahead, we believe that completing an equity financing, or equity-linked financing, of some sort seems the only realistic option to sustain viability beyond approximately August, 2014. However, there are currently no definitive plans for any such financing nor any definitive prospects identified from which it will be secured. In connection with any such contemplated financing, it may become necessary given market conditions and the unavailability of alternative options for us to issue additional shares of our common stock or securities exchangeable for shares of our common stock, including but not limited to convertible preferred stock or convertible notes or debentures containing so-called “floorless convertible” provisions that can be, and often are, extremely dilutive to existing stockholders upon conversion. Any such issuances, as well as any related issuances of common stock or other purchase warrants, would likely have the effect of depressing the market price of our common stock and diluting the interests of our common stockholders, potentially very significantly.

Although no attempt has been made for several years now due to management’s practical awareness that it would be unrealistic to obtain it, we have been unable to secure any bank or other secured financing due to our revenue and cash flow levels, internal financial ratios, and negative working capital position, and we do not expect that we will be successful in securing any such financing if we were to recommence efforts to do so unless and until our revenues and cash flows become substantially higher, and our internal financial ratios dramatically improve, something we believe to be unlikely absent the occurrence of a major business combination and/or equity or equity-linked financing transaction.

Contractual Liabilities

Since August 2011, we utilize approximately 650 square feet for our corporate offices in Elkhorn, Nebraska. Through arrangements made by our CEO, we currently do not pay rent or other maintenance fees or charges for these 650 square feet. In addition, we are not responsible for any taxes or insurance expenses associated with this space.

At December 31, 2012, there were no future minimum rental payments required under these lease agreements. See Note 11, Rental and Lease Information, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2011 for more detailed information.

As of April 7, 2014 we had no contractual liabilities.

Discontinued Operations

On May 5, 2011, we entered into a Software Product Line Purchase Agreement to sell the QuickVerse® product line to WORDsearch. On June 30, 2011, closing of the asset sale transaction governed by the Software Product Line Purchase Agreement, which was transitional in nature and expected to be ongoing through approximately the end of April, 2012, commenced. As one of the initial parts of the closing, on July 1, 2011 WORDsearch assumed possession of the physical assets conveyed in the transaction as well as control and responsibility of the business operations

related to the QuickVerse® product line, including, among many other things, the receipt of revenues for sales in exchange for partial payment of the cash portion of the purchase price being paid to us. On April 13, 2012, we determined that the final closing conditions under the Software Product Line Purchase Agreement had been met, and the sale of the QuickVerse® product line to WORDsearch was complete. As a result, we have classified this asset as discontinued operations for the years ended December 31, 2013 and 2012.

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Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

The Potential Impact of Known Facts, Commitments, Events and Uncertainties on Future Operating Results or Future Liquidity Requirements

New Accounting Pronouncements

See Note 1, Summary of Significant Accounting Policies, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2013 for information regarding the potential effects of new accounting pronouncements on our results of operations and financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and
Stockholders of FindEx.com, Inc.

We have audited the accompanying consolidated balance sheets of FindEx.com Inc. and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended. Findex.com Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FindEx.com Inc. and subsidiaries as of December 31, 2013 and 2012 and the results of operations and cash flows for the years ended December 31, 2013 and 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company incurred a net loss from continuing operations of \$324,631 during the year ended December 31, 2013, and, as of that date, had a working capital deficiency of \$564,490 and a retained deficit of \$8,875,515. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Brimmer, Burek & Keelan LLP
Tampa, Florida

April 7, 2014

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Findex.com, Inc.		
CONSOLIDATED BALANCE SHEETS		
December 31, 2013 and 2012		
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 125	\$ 8,751
Accounts receivable, trade, net	201	920
Receivable, in escrow	---	36,957
Inventories, net	493	2,578
Other current assets	742	2,537
Total current assets	1,561	51,743
Property and equipment, net	45	868
Intangible assets, net	9,900	71,169
Total assets	\$ 11,506	\$ 123,780
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Current portion of term debt	\$ 28,783	\$ 28,783
Accrued royalties	50,804	48,955
Accounts payable, trade	148,160	110,982
Accounts payable, related parties	52,879	15,062
Accrued payroll	122,560	27,328
Other current liabilities	48,497	21,207
Other current liabilities from discontinued operations	114,368	114,368
Total current liabilities	566,051	366,685
Long-term debt, net	---	---
Deferred income taxes, net	---	---
Commitments and contingencies (Note 13)		
Stockholders' equity (deficit):		
Preferred stock, \$.001 par value 5,000,000 shares authorized		
-0- and -0- shares issued and outstanding, respectively	---	---
Common stock, \$.001 par value 120,000,000 shares authorized, 103,635,060 and 103,635,060 shares issued and outstanding, respectively	103,635	103,635
Paid-in capital	8,217,335	8,217,335
Retained (deficit)	(8,875,515)	(8,563,875)
Total stockholders' equity (deficit)	(554,545)	(242,905)
Total liabilities and stockholders' equity (deficit)	\$ 11,506	\$ 123,780

See accompanying notes.

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Findex.com, Inc.		
CONSOLIDATED STATEMENTS OF OPERATIONS		
Year Ended December 31	2013	2012
Revenues, net of reserves and allowances	\$ 16,092	\$ 57,593
Cost of sales	3,825	13,604
Gross profit	12,267	43,989
Other operating income and expenses:		
Sales and marketing expenses	2,816	3,412
General and administrative expenses	269,916	371,011
Bad debt expense	738	(100)
Impairment expense	46,583	18,781
Total operating expenses	320,053	393,104
Loss from operations	(307,786)	(349,115)
Other income (expenses), net	---	(145)
Interest expense	(7,518)	(3,875)
Gain on intangible asset	13,000	---
Gain on debt settlement	---	28,504
Loss from continuing operations before income taxes	(302,304)	(324,631)
Income tax (provision)	---	---
Loss from continuing operations	\$ (302,304)	\$ (324,631)
Discontinued operations (Note 16):		
Adjustment to sale of software product line	\$ (9,336)	\$ ---
Gain on debt settlement	---	26,087
Income tax (provision)	---	---
Income (loss) from discontinued operations, net of taxes	(9,336)	26,087
Net income (loss)	\$ (311,640)	\$ (298,544)
Net earnings (loss) per share - Basic & Diluted:		
Net loss per share from continuing operations	\$ ---	\$ ---
Net income (loss) per share from discontinued operations	\$ ---	\$ ---
Net income (loss) per share	\$ ---	\$ ---
Weighted average shares outstanding:		
Weighted average shares used in computing basic and diluted income (loss) per share	103,635,060	79,745,378

See accompanying notes.

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Findex.com, Inc.					
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)					
	Common Stock		Paid-In	Retained	
	Shares	Amount	Capital	Earnings (Deficit)	Total
Balance, December 31, 2011	77,993,935	\$ 77,994	\$ 8,088,488	\$ (8,265,331)	(98,849)
Common stock issued for services	25,641,125	25,641	128,847	---	154,488
Net income, December 31, 2012	---	---	---	(298,544)	(298,544)
Balance, December 31, 2012	103,635,060	\$ 103,635	\$ 8,217,335	\$ (8,563,875)	\$ (242,905)
Common stock issued for services	---	---	---	---	---
Net loss, December 31, 2013	---	---	---	(311,640)	(311,640)
Balance, December 31, 2013					