

PAID INC  
Form PRER14A  
October 07, 2016

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

SCHEDULE 14A  
(Rule 14a-101)

Consent Solicitation Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Consent Solicitation  
 Confidential, for Use of the Commission Only (as permitted by Rule  
14a-6(e)(2))  
 Definitive Consent Solicitation  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

PAID, INC.  
(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Consent Solicitation Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- |     |  |
|-----|--|
| (1) | Title of each class of securities to which transaction applies:  |
| (2) | Aggregate number of securities to which transaction applies:   |
| (3) | Per unit price or other underlying value of transaction<br>computed pursuant to Exchange Act Rule 0-11 (set forth the<br>amount on which the filing fee is calculated and state how it<br>was determined): |
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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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PAID, INC.  
200 Friberg Parkway, Suite 4004  
Westborough, Massachusetts 01581  
(617) 861-6050

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To the Stockholders of PAID, Inc.

The Board of Directors of PAID, Inc., a Delaware corporation (the “Company”) is soliciting your consent on behalf of the Company to approve the following six proposals (the “Proposals”), which have been approved by our Board of Directors (the “Board”):

1. To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;
2. To approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;
3. To approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;
4. To approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;
5. To approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and
6. To approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

We are soliciting your approval of the Proposals by written consent in lieu of a meeting of stockholders because our Board believes that it is in the best interests of the Company and our stockholders to solicit the approval in the most cost effective manner. A form of written consent is enclosed for your use.

This consent solicitation statement and accompanying form of written consent will be sent or given to our stockholders from whom we are seeking consent on or about October \_\_, 2016. Our Board has fixed the close of business on August 19, 2016 as the record date (the “Record Date”) for determination of our stockholders that are entitled to give written consents. Only the stockholders of record on the Record Date are entitled to give written consent to the Proposals.

The written consent of stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date is required to approve the Proposals.

Your consent is important regardless of the number of shares of our common stock that you hold. Although our Board has approved the Proposals, the Proposals require the approval by the vote of our stockholders holding a majority of

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the voting power of our outstanding common stock as of the Record Date.

Our Board unanimously recommends that you consent to the Proposals. The Proposals will be approved by our stockholders when we have received written consents to the Proposals from stockholders representing a majority of the voting power of our outstanding common stock. If you approve each of the Proposals, please mark the enclosed written consent form to vote "For" each Proposal, and complete, date, sign and return your written consent to us

By Order of the Board of Directors,

/s/ W. Austin Lewis, IV

W. Austin Lewis, IV  
President

Westborough, Massachusetts

October \_\_, 2016

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200 Friberg Parkway, Suite 4004  
Westborough, Massachusetts 01581  
(617) 861-6050

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CONSENT SOLICITATION

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SUMMARY TERM SHEET

The following is a summary of the material terms of the proposed amalgamation or merger. This summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in or accompanying this proxy statement. We urge you to review the entire proxy statement and accompanying materials carefully.

- The Proposed Transaction (page 23-25)
  - o The Company proposes to merge, though an “amalgamation”, an Ontario company called emergeIT Inc. which does business under the brand name “Shiptime”, into a recently formed Company subsidiary.
    - o emergeIT is currently owned by 13 shareholders.
  - o The shareholders have agreed to have emergeIT merge into the Company’s subsidiary, and in exchange, the emergeIT shareholders will receive “exchangeable shares”, which are a right to receive shares of the Company’s common stock and shares of a new class of preferred stock.
- Vote Required in the Proposed Transaction (page 24)
  - o The Company’s shareholders are not required to approve the merger or amalgamation. However, before the transaction can be completed, the Company’s shareholders are required to authorize a new class of preferred stock and to increase the Company’s authorized shares of common stock.
  - o Separately, the Company decided to propose to reduce the number of overall shares by proposing a reverse/forward split. If the reverse/forward split is not approved, the Company can re-propose the proposals to create the class of preferred stock and the to increase the number authorized common stock to no longer take into effect the reverse/forward split.
  - o The Company also proposes to approve a name change and a classified board of directors, each of which are conditions required by agreement before the amalgamation can occur (unless emergeIT waives these conditions).
- Consideration Paid under the Proposed Transaction (page 23)
  - o If the merger or amalgamation is completed, the former holders of emergeIT will hold rights to the former holders of emergeIT will hold rights to approximately 79.5% of all the issued and outstanding shares of capital stock of the Company, and the current stockholders of the Company will own approximately 20.5% of all the issued and outstanding shares of capital stock of the Company.

- Approval by the Board of Directors of the Company (page 23)
  - o The Company's Board of Directors approved the proposed merger or amalgamation and voted to approve the transaction.
  - o The Company believes that the acquisition of emergeIT into a newly formed subsidiary of the Company will add additional revenue and products for the Company and will allow the Company more significant cash flow for growth.
  - o The Company believes that the existing management of emergeIT will add expertise with respect to the types of products that the Company intends to sell.
  
- Termination (page 24)
  - o The Amalgamation Agreement may be terminated by:
    - § written agreement, or
    - § generally if the amalgamation does not occur on or before October 15, 2016, or
    - § if a law prohibits the transaction, or if holders of 25% or more of the emergeIT securities have exercised their dissenters' rights with respect to the transaction.
  
- Company Shareholder Approval (page 24)
  - o The Company's stockholders do not have a right to vote to approve the amalgamation agreement or the issuance of the shares of common stock or preferred stock if there are enough shares authorized and the class of preferred stock is approved.
  - o There are currently not enough shares authorized and there is no current authorization for any preferred stock.
  - o Thus, if the Company's shareholders do not approve Proposal 5 and Proposal 6, described below, the Amalgamation Agreement will be terminated.
  - o After the acquisition and merger, assuming approval of Proposal 2 described below, the Company will change its name to ShipTime Inc. at the time described in the Proposal 2.
  
- Exchange and Call Rights Agreement (page 24)
  - o The existing holders of emergeIT will be required to exchange their shares in emergeIT into "exchangeable shares" of the amalgamated company, ShipTime Inc.
    - o The holders of ShipTime Inc. will have those rights described in its organizational documents.
    - o ShipTime Inc.'s authorized capital will be composed of preferred shares, and common shares.
  - o The preferred shares are exchangeable into a right to receive approximately 480 shares of the Company's preferred stock and 3,344 shares of the Company's common stock.
    - o Any and all outstanding common shares will be owned by Callco, the Company's direct subsidiary.
    - o As a result, Callco will have the only voting shares of ShipTime Canada Inc.
  - o Holders of ShipTime Inc. shares will have the same dividend and distribution rights as holders of Company shares, and if Company shares are subdivided or in the event of a Company stock dividend, the exchangeable shares will be equally subdivided, as exchangeable shares are intended to be economically the same as shares of common or preferred stock of the Company.
  - o The Company will have a "liquidation call right" in the event of proposed liquidation, dissolution or winding up of ShipTime Canada Inc.
  - o Generally, the Company will redeem the exchangeable shares on the fifth anniversary whereby the Company will redeem the exchangeable shares for shares of the Company's preferred stock and common stock.



- o By agreement, exchangeable shares also may be purchased by ShipTime Canada Inc. for cancellation. The Company also has a right to call the shares in the event of a change in the applicable laws.
- o The holders of exchangeable shares have an “automatic exchange right” in the event any bankruptcy or insolvency or in general, related proceedings, of ShipTime Canada Inc. or the Company.
- o The exchangeable shares would at such time be converted automatically into that number of shares of common stock and preferred stock of the Company at the agreed upon conversion ratio.
  - o Moreover, Callco will have an overriding call right to purchase some or all of the exchangeable shares.
- o This mechanism will be triggered with the automatic exchange right and is necessary to comply with Canadian tax laws.
  - o The exercise of this call right does not alter the outcome of the exchangeable share transaction.

Support Agreement (page 24)

- o The Company will be required to enter into a Support Agreement with the combined entity.
- o The Support Agreement will generally provide that the Company will treat holders of Exchangeable Shares substantially similar, or economically equivalent, to holders of Company stock.
- o Under the Support Agreement, the Company cannot declare or pay any dividend or other distribution on Company stock unless ShipTime Inc. simultaneously declares or pays the dividend or distribution on the Exchangeable Shares and has sufficient money or other assets to meet these requirements.
- o In turn, the ShipTime Inc. would effect a corresponding dividend or distribution of its securities related to the Exchangeable Shares.
- o The Company also undertakes to advise ShipTime Inc. of the declaration of dividend or distribution, among other similar events, and to cooperate with it to effect the dividend or distribution as of the same record and effective date.
- o The Company is also required in this case to segregate funds to pay for the dividend, and to reserve sufficient number of shares to permit the exchange of the Exchangeable Shares into the required number of Company shares of common stock and preferred stock.

Employment Agreement (page 25)

- o After the amalgamation or merger occurs, Allan Pratt will serve as the Company’s President and CEO.
  - o Allan Pratt will enter into an Employment Agreement.
- o The Employment Agreement will be for an initial term through February 2020, with a base salary of \$185,000 and eligibility for a bonus as the Board of Directors determines.
  - o Bonuses may be in the form of cash, equity awards or both.
- o Mr. Pratt will be eligible for employee and fringe benefits consistent with other employees, and equity awards adopted by the Company for its employees generally.
- o Mr. Pratt will also have an automobile allowance of \$600 per month and mileage reimbursement for business travel at IRS rates.
  - o Mr. Pratt may terminate the agreement at any time with 30 days’ notice.
- o The Company may terminate Mr. Pratt for “cause”, which shall include willful, intentional or tortious conduct detrimental to the Company’s operations.
- o The Company may terminate Mr. Pratt without cause upon giving 30 days’ notice, subject to a severance payment.



- o Mr. Pratt also may terminate his employment for “good reason”.

- o Good reason is defined as a material diminution in his authority, duties or responsibilities, a change in geographic location from where Mr. Pratt provides services, or any action or inaction by the Company that constitutes a breach of the employment agreement.

- o If Mr. Pratt is terminated without cause or by Mr. Pratt for “good reason,” during the initial term, Mr. Pratt shall receive a severance payment which is three times his overall compensation of salary plus bonus, which amount decreases after two years to three times his base salary.

- o Mr. Pratt would be subject to a two year non-compete with respect to on-line package shipping services to small businesses and retail customers in the territory of the United States and Canada.

- o In addition, W. Austin Lewis, IV is expected to continue to serve in his capacity as Treasurer and CFO, as well as Director, but will step down as President and CEO.

- o The Company’s board anticipates that Mr. Lewis will also enter into an employment agreement.

- Board of Directors After the Merger/Amalgamation (page 25)

- o Once the merger or amalgamation occurs, the Company’s Board of Directors will be increased from three to five.

- o The Company expects that the Board of Directors will appoint three individuals to the Board, including Allan Pratt, current President of emergeIT, who will serve as the Chairman of the Board, and W. Austin Lewis, IV, the Company’s current President.

- o The Company expects one current Company director will resign from the Board of Directors immediately before the amalgamation occurs.

- o The Company also proposes with shareholder approval to have a staggered or classified board of directors, where each director serves a three year term rather than the current one year term.

- Accounting Treatment--Net Operating Losses (page 25)

- o The Company anticipates that it will be able to preserve its net operating losses carry forwards for federal income tax purposes after effectiveness of the merger or amalgamation of its new subsidiary with emergeIT.

Question and Answers about this Consent Solicitation

Why am I receiving these materials?

The Board of Directors of the Company is soliciting our stockholders to approve the following six proposals by written consent:

1. To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company's outstanding common stock, exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company's outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company's Certificate of Incorporation ("Proposal 1");
2. To approve an amendment to the Company's Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc. ("Proposal 2");
3. To approve an amendment to the Company's Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors ("Proposal 3");
4. To approve an amendment to the Company's Bylaws to provide for a classified Board of Directors ("Proposal 4");
5. To approve an amendment to the Company's Certificate of Incorporation to increase the Company's authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split) ("Proposal 5"); and
6. To approve an amendment to the Company's Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock ("Proposal 6").

On August 11, 2016, and again on August 26, 2016, our Board of Directors (the "Board") met and approved the Proposals and we are now seeking stockholder approval. Stockholder approval is required to effect the Proposals.

What is included in these materials?

These materials include:

- this consent solicitation statement; and
- the written consent form.

## Important Notice Regarding the Availability of Materials for This Consent Solicitation

The materials listed above are also available at [www.paid-corp.com](http://www.paid-corp.com).

What do I need to do now?

We urge you to carefully read and consider the information contained in this consent solicitation statement. We request that you send your written consent to the Proposals described in this consent solicitation statement.

Who can give the written consents?

Our Board has fixed the close of business on August 19, 2016 as the record date (the “Record Date”) for determination of our stockholders entitled to give written consents. If you were a stockholder of record on the Record Date, you are entitled to give written consent to the Proposals. As of the Record Date, there were 10,989,608 shares of our common stock issued and outstanding.

How many votes do I have?

You have one vote for each share of our common stock that you owned as of the Record Date.

How do I send my written consent?

If your shares are registered directly in your name with our transfer agent, Olde Monmouth Stock Transfer Co., Inc., please complete, date, sign, and return the enclosed written consent form via fax, email or mail to any of the following addresses:

- MAIL: PAID, Inc., 200 Friberg Parkway, Suite 4004, Westborough, MA 01581
- FACSIMILE: (617) 861-6050
- EMAIL: \_\_\_\_\_@paid-corp.com

If you hold your shares in “street name” and wish to send your written consent, you must follow the instructions given by your broker, bank, or other nominee or contact your broker or bank.

What is the difference between a stockholder of record and a “street name” holder?

If your shares are registered directly in your name with our transfer agent, Olde Monmouth Stock Transfer Co., Inc., then you are a stockholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the broker, bank, or other nominee is the stockholder of record with respect to those shares. However, you still are the beneficial owner of those shares, and your shares are said to be held in “street name.” Street name holders need to follow the instructions located in the consent package you receive from your bank or broker.

What vote is required for the approval of the Proposals?

The Proposals will be approved by our stockholders if we receive written consents from stockholders holding a majority of the voting power as of the Record Date, or written consents representing at least 5,494,804 shares of our common stock.

How are votes counted?

A written consent form that has been signed, dated and delivered to us with the “For” box checked will constitute consent for the Proposals. A written consent form that has been signed, dated and delivered to us with the “Against” or “Abstain” boxes checked or without any of the boxes checked will be counted as a vote against the Proposals. Abstentions and broker non-votes will have the same effect as a vote against the Proposals.

A “broker non-vote” occurs when a broker, bank, or other nominee holding shares for a beneficial owner in street name does not vote on the Proposals because it does not have discretionary voting power with respect to the Proposals and has not received instructions with respect to the Proposals from the beneficial owner of those shares, despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions.

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When is the approval of the Proposals effective?

The approval of our stockholders of each Proposal is effective when we receive the written consents to each such Proposal from our stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date.

When will the Consent Solicitation be Terminated?

The Company reserves the right to terminate the consent solicitation at any time. It will complete the consent solicitation when it receives a sufficient number of consents to authorize all of the Proposals. Under Delaware law, no written consent shall be effective to approve a Proposal unless, within 60 days of the earliest dated consent has been delivered, written consents for such Proposal have been signed and received by the number of holders to take the action.

How does the Board recommend that I vote?

Our Board recommends that you vote:

“FOR” Proposal 1 to consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for - 3000 , with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300 - for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;

“FOR” Proposal 2 to approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;

“FOR” Proposal 3 to approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;

“FOR” Proposal 4 to approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;

“FOR” Proposal 5 to approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and

“FOR” Proposal 6 to approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

Can I revoke my written consent after sending it?

Yes. A written consent, once dated, signed and delivered to us, will remain effective unless and until revoked by a written notice of revocation dated, signed and delivered to us before the time that we have received written consents to the Proposals from our stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date. Please send your notice of revocation by fax, email or mail via the same address that you would send your written consent, as disclosed elsewhere in this consent solicitation statement.

Do I have rights of appraisal or similar rights of dissenters with respect to the Proposals?

No. Neither Delaware law nor our Certificate of Incorporation or Bylaws provide our stockholders with rights of appraisal or similar rights of dissenters with respect to the Proposals.

Have Shareholders Indicated that they will Execute Consents that Vote in Favor of the Proposals?

No, no shareholder has indicated that he, she or it will execute a consent and no shareholder has been formally solicited to provide consent.

Who pays for the expense of this consent solicitation?

We will be making the solicitation. We will pay for the expense of soliciting the written consents and the cost of preparing, assembling and mailing material in connection therewith. Copies of solicitation materials may be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock beneficially owned by others to forward to the beneficial owners. We may reimburse persons representing beneficial owners of our common stock for their costs of forwarding solicitation materials to the beneficial owners. Original solicitation of written consents by mail may be supplemented by telephone, facsimile, other approved electronic media or personal solicitation by our directors, officers, or regular employees. These individuals will receive no additional compensation for such services.

## Forward-Looking Statements

This consent solicitation statement contains forward-looking statements. These statements relate to future events. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

## OUTSTANDING VOTING STOCK OF THE COMPANY

As of the Record Date, there were 10,989,608 shares of common stock issued and outstanding. The common stock constitutes the only outstanding class of voting securities of the Company. Each share of common stock entitles the holder to one (1) vote on all matters submitted to the stockholders. Stockholders do not have cumulative voting rights or pre-emptive rights for the purchase of additional shares of capital stock. The additional shares of common stock for which authorization is now sought are identical to the shares of common stock now authorized.

## Delivery of Consents

When a consent is properly executed and returned, the shares it represents will be voted as directed. If no specification is indicated, the shares will be voted:

“FOR” Proposal 1 to consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;

“FOR” Proposal 2 to approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;

“FOR” Proposal 3 to approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;

“FOR” Proposal 4 to approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;

“FOR” Proposal 5 to approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and

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“FOR” Proposal 6 to approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

Proposal	Vote Required
Proposal 1 - To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation.	Consent by a majority of the outstanding shares of common stock.
Proposal 2 - To approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.	Consent by a majority of the outstanding shares of common stock.
Proposal 3 - To approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors.	Consent by a majority of the outstanding shares of common stock.
Proposal 4 - To approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors.	Consent by a majority of the outstanding shares of common stock.
Proposal 5 - To approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split).	Consent by a majority of the outstanding shares of common stock.
Proposal 6 - To approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.	Consent by a majority of the outstanding shares of common stock.



If your shares are held in street name and you do not instruct your broker on how to vote your shares, your brokerage firm, in its discretion, is permitted to either leave your shares unvoted or vote your shares on matters that are considered routine. None of the Proposals is considered routine. Consequently, without your voting instructions, your brokerage firm will not be able to vote your shares on any of the Proposals. Unvoted shares, called “broker non-votes,” refer to shares held by brokers who have not received voting instructions from their clients and who do not have discretionary authority to vote on non-routine matters. Broker non-votes will have the same effect as a vote “AGAINST” each of the Proposals.

#### Householding of Proxy Materials

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” consent or proxy statements and related materials. This means that only one copy of our consent solicitation statement and related materials may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of these consent solicitation materials to any stockholder upon written or oral request to our Corporate Secretary by mail at 200 Friberg Parkway, Suite 4004, Westborough, MA 01581 or by phone at (617) 861-6050.

Any stockholder who wants to receive separate copies of consent solicitation materials in the future, or any stockholder who is receiving multiple copies and would like to receive only one copy per household, should contact that stockholder’s bank, broker, or other nominee record holder, or that stockholder may contact us at the above address and phone number.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

To the knowledge of the management of the Company the following table sets forth the beneficial ownership of our common stock as of the Record Date of August 19, 2016 of each of our directors and executive officers, and all of our directors and executive officers as a group, and other beneficial owners holding more than five percent of the Company’s issued and outstanding shares. The address of the Company is the address of each holder.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (4)
W. Austin Lewis, IV	2,576,329(1)	22%
Terry Fokas	60,000(2)	1%
Andrew Pilaro	113,374(3)	1%
All directors and executive officers as a group (3 individuals)	2,769,703	24%

(1) Included are options to purchase 300,000 shares of the Company’s common stock and shares held for the following funds for which W. Austin Lewis, IV is the General Partner, 2,276,329 by Lewis Opportunity Fund, L.P.

(2) Included are options to purchase 60,000 shares of the Company’s common stock all of which are vested.

(3) Includes 3,374 shares held indirectly as custodian for Mr. Pilaro’s minor sons and options to purchase 110,000 shares of the Company’s common stock all of which are vested.

(4) Percentages are calculated on the basis of the amount of outstanding securities plus for such

person or group, any securities that person or group has the right to acquire within 60 days.

The following shareholders have 5 percent or greater of the issued and outstanding shares.

Name of Beneficial Owner	Shares	Percent of Class
Christopher J. Coghlin	961,844	8.8%
Scott Peters	659,992	6.0%
Jeffery Racenstein	642,279	5.8%
Lotus Investors LLC	600,000	5.5%
James W. Coghlin Jr.	507,439	4.6%
All other shareholders exceeding 5%	3,371,554	30.7%

To the knowledge of the management of the Company, based solely on our review of SEC filings, no other stockholder is the beneficial owner of more than five percent of the Company's common stock.

There are no voting trusts or similar arrangements known to us whereby voting power is held by another party not named herein. We know of no trusts, proxies, power of attorney, pooling arrangements, direct or indirect, or any other contract arrangement or device with the purpose or effect of divesting such person or persons of beneficial ownership of our common shares or preventing the vesting of such beneficial ownership.

#### Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change of control of our Company other than as described below under the heading "Amalgamation Agreement".

#### PROPOSAL 1

TO CONSIDER AND VOTE ON A PROPOSAL GIVING THE BOARD THE AUTHORITY TO EFFECT A REVERSE SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 1-FOR-500 AND 1-FOR-3000, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, IMMEDIATELY FOLLOWED BY A FORWARD SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 50-FOR-1 AND 300-FOR-1, RESPECTIVELY, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, BY FILING AMENDMENTS TO THE COMPANY'S CERTIFICATE OF INCORPORATION

We are asking our shareholders to approve an amendment to the Company's Certificate of Incorporation providing for a reverse stock split of the outstanding common stock (the "Reverse Split"), which the Board of Directors, in its discretion, would be authorized to implement, with an exchange ratio ranging between 1-for-500 and 1-for - 3000 (each the "Reverse Exchange Ratio" and collectively, the "Reverse Exchange Ratios"), and immediately thereafter providing for a forward stock split of the outstanding common stock (the "Forward Split"), which the Board of Directors, in its discretion, would be authorized to implement, with an exchange ratio ranging between 50-for-1 and 300 - for-1, respectively (each the "Forward Exchange Ratio" and collectively, the "Forward Exchange Ratios"). Together the Reverse Split and the Forward Split may be referred to as the "Reverse/Forward Split". The Reverse Exchange Ratio and the Forward Exchange Ratio, when discussed together may be referred to as the "Exchange Ratios".

The Board believes that shareholder approval granting us discretion to set the actual Exchange Ratios within the ranges articulated herein, rather than shareholder approval of a specified exchange ratio, provides us with maximum flexibility to react to then-current market conditions and volatility in the market price of our common stock. If the

Board elects to effect a Reverse/Forward Split utilizing one of the Reverse Exchange Ratios and one of the Forward Exchange Ratios, the Board will be deemed to have abandoned its authorization related to the other Reverse Exchange Ratios or Forward Exchange Ratios.

The determination as to whether the Reverse/Forward Split will be effected and, if so, pursuant to which Exchange Ratio, will be based upon those market or business factors deemed relevant by the Board at that time, including, but not limited to:

- existing and expected marketability and liquidity of our common stock;
- prevailing stock market conditions;
- business developments affecting us;
- our actual or forecasted results of operations; and
- the likely effect on the market price of our common stock.

If the Board elects to implement the Reverse/Forward Split, we intend to issue a press release announcing the terms and effective date of the Reverse/Forward Split before we file the Reverse/Forward Amendment with the Secretary of State of the State of Delaware. We will also file notice with the Financial Industry Regulatory Authority or "FINRA", pursuant to Rule 10b-17 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

If approved, the Reverse/Forward Split is expected to take place at the discretion of the Board of Directors, but in any event prior to effectiveness of Proposal 5 and Proposal 6, which increases the authorized shares of common stock and creates a new class of preferred stock, and without any additional action on the part of the holders of the Common Stock. The proposed amendments to the Company's Certificate of Incorporation necessary to effect the Reverse/Forward Split are attached to this proxy statement as Appendix A. A summary overview of the Reverse/Forward Split follows.

## Summary

The Board of Directors has authorized, and recommends for your approval, a reverse stock split in a range of 1-for-500 to 1-for - 3000 followed immediately by a forward stock split in the range of 50-for-1 to 300 - for-1 of each share of our common stock. As permitted under Delaware state law, stockholders whose shares of stock are converted into less than 1 share in the reverse split will be converted into the right to receive a cash payment. We believe that the Reverse/Forward Split will result in significantly reduced stockholder record keeping and mailing expenses to the Company, and provide smaller stockholders with a way to cash out their investments at no cost to them.

## Effect on Stockholders

If consent is received, the Reverse/Forward Split will have the following effects on the Company's stockholders, assuming that the Reverse Exchange Ratio is set by our Board at [3000]-to-1 and the Forward Exchange Ratio is set by our Board at 1-to-[300]:

Stockholder before completion of the Reverse/Forward Split	Net Effect After Completion of the Reverse/Forward Split
Registered stockholders holding 3000 or more shares	Will have at least 300 shares based on the number of shares held.
Registered stockholders holding fewer than 3000 shares	Shares will be converted into the right to receive cash at a price based on the average daily closing price of the five days prior to and including the effective date of the Reverse/Forward Split (see "Determination of Cash-Out Price" below). Holders of these shares will not have any continuing equity interest in the Company.
Stockholders holding shares in street name through a nominee, such as bank or broker	The Company intends for the Reverse/Forward Split to treat stockholders holding in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures, and the Company stockholders holding shares in street name should contact their nominees.

## Reasons for the Reverse/Forward Split

The Board recommends that the stockholders approve the Reverse/Forward Split for the following reasons. These, and other reasons, are described in detail under "Background and Purpose of the Reverse/Forward Split" below and in this "Reasons for the Reverse/Forward Split" section.

The Reverse/Forward Split is intended to decrease the number of smaller shareholders. In many cases it is expensive for small stockholders to sell their shares on the open market. The Reverse/Forward Split allows stockholders with

small accounts to cash out their positions without transaction costs, such as brokerage fees. However, if these stockholders do not want to cash out their holdings of common stock, they will have the opportunity to purchase additional shares on the open market to increase their account to at least 500 to 3,000 shares (depending on the exchange ratio), or, if applicable, consolidate/transfer their accounts into an account with at least 500 to 3,000 shares (depending on the exchange ratio). These actions would need to be taken far enough in advance so that the consolidation or the purchase is complete and settled by the close of business on the Effective Date of the Reverse/Forward Split. When our Board decides to effect the Reverse/Forward Split, we intend to file a Certificate of Amendment (in the form of Appendix A attached hereto) with the Delaware Secretary of State effecting the Reverse/Forward Split as soon as practicable after we provide timely information on the Reverse/Forward Split in accordance with 10-day advance notice of the Reverse Stock Split to FINRA pursuant to Rule 10b-17 of the Exchange Act.

Reducing the number of outstanding shares of our common stock through the Reverse/Forward Split is intended, absent other factors, to increase the per share market price of our common stock. However, other factors, such as our financial results, market conditions and the market perception of our business (including the market's perception of and reaction to a proposal for or the implementation of a reverse stock split) may adversely affect the market price of our common stock. As a result, there can be no assurance that the Reverse/Forward Split, if completed at a net ratio that will reduce the number of shares outstanding, will result in the intended benefits described above, that the market price of our common stock will increase following the Reverse/Forward Split or that the market price of our common stock will not decrease in the future.

## Structure of the Reverse/Forward Split

The Reverse/Forward Split includes both a reverse stock split and a forward stock split of shares of the Company's common stock. If the Reverse/Forward Split is approved and occurs, the Reverse/Forward Split of the Company's Common Stock will become effective at the discretion of the Board of Directors on any date designated by the Board of Directors (the "Effective Date") prior to effectiveness of Proposal 5 and Proposal 6, which increase the authorized shares of common stock and creates a new class of preferred stock, and therefore Proposal 1 must be approved before Proposals 5 and 6 are approved. All stockholders on the Effective Date will receive 1 share of the Company common stock for every 3000 shares of common stock held in their accounts at that time, assuming that the Board establishes the ratio at the maximum range of the Reverse Split. Transactions involving the purchase or sale of the Company's common stock not settled by 6:00 p.m. on the Effective Date will be ignored for purposes of the Reverse/Forward Split. Assuming a ratio of 3000 : 1 for the Reverse Split, if a registered holder has 3000 or more common shares, any fractional share in such account will not be cashed out after the reverse split. Any registered stockholder who holds fewer than 3000 shares of common stock, at the time of the reverse stock split also referred to as a "Cashed-Out Stockholder", will receive a cash payment instead of fractional shares. This cash payment will be determined and paid as described below under "Determination of Cash-Out Price" at below.

Proposal 5, which proposes to increase the number of shares of common stock after the Reverse/Forward Split, and Proposal 6, which proposes to authorize blank check preferred shares, were proposed using share totals under the assumption that Proposal 1 will be authorized. While Proposal 1 is not directly required in order to approve the amalgamation described below, if Proposal 1 is not authorized, the Company would have to re-propose Proposal 5 and Proposal 6 to adjust the number of shares to no longer take into effect the Reverse/Forward Split. In light of Proposal 1, the additional shares of common stock and new shares of preferred stock are significantly lower than what would have been proposed if Proposal 1 were not authorized.

Immediately following the Reverse Split, all stockholders who are not Cashed-Out Stockholders will receive up to 300 shares of common stock for every 1 share of stock they held following the reverse stock split. We intend for the Reverse/Forward Split to treat stockholders holding shares in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names and nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. Accordingly, we also refer to those street name holders who receive a cash payment instead of fractional shares as "Cashed-Out Stockholders." However, nominees may have different procedures, and the Company's stockholders holding shares in street name should contact their nominees.

In general, the Reverse/Forward Split can be illustrated by the following examples, assuming that the Reverse Exchange Ratio is set by our Board at 3000 - to-1 and the Forward Exchange Ratio is set by our Board at 1-to - 300 and a per share Cash-Out Price of \$0.\_\_\_\_:

### Hypothetical Scenario

Mr. Smith is a registered stockholder who holds 2160 shares in his account immediately prior to the Reverse/Forward Split.

### Result

Instead of receiving a fractional share (2160 / 3000 ) of a share) of common stock after the reverse split, Mr. Smith's 2160 shares will be converted into the right to receive cash. If the procedure described under "Determination of Cash-Out Price" would result in a per share price of \$0.\_\_\_\_ per share, Mr. Smith would receive \$\_\_\_\_ (\$0.\_\_\_\_ × 2160 shares).

Note: If Mr. Smith wants to continue his investment in the Company, he can buy at least 840 more shares of the Company common stock and hold them in his

account. Mr. Smith would have to act far enough in advance of the Reverse/Forward Split so that the purchase is complete and settled by the close of business on the Effective Date for the Reverse/Forward Split.

Ms. Jones has 2 separate record accounts. As of the Effective Date of the Reverse/Forward Split, she holds 750 shares in one account and 1350 shares in the other. All of her shares are registered in her name only.

Ms. Jones will receive cash payments equal to the Cash-Out Price of her shares in each record account instead of receiving fractional shares (750 / 3000 share and 1350 / 3000 share). Assuming a hypothetical Cash-Out Price of \$0.\_\_\_\_ per share, Ms. Jones would receive two checks totaling \$\_\_\_\_ (750 × \$\_\_\_\_ = \$\_\_\_\_; 1350 × \$0.\_\_\_\_ = \$\_\_\_\_; \$\_\_\_\_ + \$\_\_\_\_ = \$\_\_\_\_).

Note: If Ms. Jones wants to continue her investment in the Company, she can consolidate/transfer her two record accounts prior to the Effective Date of the Reverse/Forward Split and purchase an additional 900 shares for the consolidated account. Alternatively, Ms. Jones could buy at least 2250 more shares for her first account and at least 1650 shares for her second account. In either case, her holdings will not be cashed out in connection with the Reverse/Forward Split because she will hold at least 3000 shares in each record account. She would have to act far enough in advance so that the consolidation or the purchase is complete by the close of business on the Effective Date of the Reverse/Forward Split.



Mr. Blue holds 3000 shares in his record account as of the Effective Date of the Reverse/Forward Split.

After the Reverse/Forward Split, Mr. Blue will continue to hold shares of the Company common stock based on the ratios established by the Board for the Reverse/Forward Split.

Ms. Frank holds 2730 shares in a brokerage account as of the Effective Date of the Reverse/Forward Split.

Ms. Frank will receive cash payments equal to the Cash-Out Price of her shares in her brokerage account instead of receiving fractional shares. Assuming a hypothetical Cash-Out Price of \$0.\_\_\_\_ per share, Ms. Frank would receive a check totaling \$\_\_\_\_\_ (\$0.\_\_\_\_ × 2730 shares).

The Company intends for the Reverse/Forward Split to treat stockholders holding its shares in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures and stockholders holding shares in street name should contact their nominees.

Note: If Ms. Frank wants to continue her investment in the Company, she could buy at least 270 more shares for her account. In such case, her holdings will not be cashed out in connection with the Reverse/Forward Split because she will hold at least 3000 shares in her nominee account. She would have to act far enough in advance so that the purchase is complete by the close of business on the Effective Date of the Reverse/Forward Split.

#### Background and Purpose of the Reverse/Forward Split

As of the Record Date, the Company had approximately 4,570 shareholders, comprised of approximately 1,542 holders of record and approximately 3,028 beneficial holders. Assuming all record and beneficial holders of our stock were cashed out at the time of the Reverse Split at 1 : 3000 and before the Forward Split at 300 : 1 we would be left with an excess of 300 shareholders after the Reverse/Forward Split, this exceeds the threshold that would enable the Company to be eligible to terminate its reporting obligations under Section 12(g) or Section 15(d) of the Exchange Act.

The Reverse/Forward Split will provide small stockholders (those who before the Effective Date own fewer than 3000 shares) with a cost-effective way to cash out their investments because the Company will pay all transaction costs such as brokerage or service fees in connection with the Reverse/Forward Split. In most other cases, small stockholders would likely incur brokerage fees disproportionately high relative to the market value of their shares if they wanted to sell their stock. In addition, some small stockholders might even have difficulty finding a broker willing to handle such small transactions. The Reverse/Forward Split, however, eliminates these problems for most small stockholders.

Moreover, the Company will benefit from substantial cost savings as a result of the Reverse/Forward Split. The costs of administering each registered stockholder's account are the same regardless of the number of shares held in each account. Therefore, the Company's costs to maintain these small accounts (which account for approximately \_\_\_% of all stockholders) are disproportionately high when compared to the total number of shares involved. These costs include printing and postage costs to mail the proxy materials and annual report, and similar costs associated with required mailings to stockholders holding shares in street name through a nominee (i.e., a bank or broker). We expect that these costs will only increase over time.

In light of these disproportionate costs, the Board believes that it is in the best interests of the Company and its stockholders as a whole to eliminate the administrative burden and costs associated with smaller stockholders, resulting in a potential annual savings to the Company. Although the ultimate Exchange Ratios implemented by the Board will likely leave some small stockholders, we believe that a meaningful reduction of the administrative burden is in the Company's best interests. The Board also believes that forward splitting the stock immediately after the reverse in some proportion less than the reverse split will provide additional liquidity by adding shares into the public float. The Company believes that as a result of its plan to acquire emergeIT Inc. (and the ShipTime brand) coupled with this recapitalization will make its stock attractive to new investors. While the reverse split process will assist in eliminating smaller shareholders and the aforementioned administrative costs and burden, the forward split will result in more shares being available and at a price per share that will ideally encourage such new investors into our stock. The Board believes that a simple reverse split, by itself, will result in too few shares being available to new investors and may result in a price per share of common stock that such potential investors will view as being too high relative to technical and fundamental factors. The Board believes that having the flexibility to forward split the stock as well as to effect a reverse split will enable it better to manage or balance these competing priorities. For these reasons, the Board is recommending that the shareholders approve the amendment to the Certificate of Incorporation as a forward split immediately after effecting the reverse split.

#### Street Name Holders of the Company Common Stock

The Company intends for the Reverse/Forward Split to treat stockholders holding the Company common stock in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures and stockholders holding the Company's common stock in street name should contact their nominees.

#### Determination of Cash-Out Price

To avoid the expense and inconvenience of issuing fractional shares to stockholders who hold less than one share after the reverse split, under Delaware state law the Company will pay cash for their fair value. If stockholders consent to this Proposal and the Reverse/Forward Split is completed, the Board of Directors has indicated that the Company will pay cash for the fractional shares. The price paid to stockholders will be determined based on the average daily closing price per share of the common stock on the OTCQB for the five trading days immediately before and including the effective date of the Reverse/Forward Split, without interest (the "Cash-Out Price"). The Company may elect to Cash Out some or all of the fractional shareholders by aggregating and selling fractional shares as authorized under Delaware law. All Cashed-Out Stockholders will receive the same Cash-Out Price.

### Effect of the Reverse/Forward Split on the Company

The Reverse/Forward Split will not affect the public registration of the Company's common stock with the SEC under the Securities Exchange Act of 1934, as amended. This Reverse/Forward Split is not a first step in a going-private transaction. On the contrary, our goal is to make our common stock more attractive. By reducing the number of shareholders while ideally increasing the price of our common stock, we believe that the Reverse/Forward Split will encourage a broader range of institutional investors, professional investors and other members of the investing public, to take a position in our common stock. As noted above, assuming a Reverse Split of 1 : 3000 and a Forward Split of 300 : 1, we will be left with a number of shareholders in excess of the 300 shareholder threshold that would qualify the Company to be able to terminate its reporting obligations under Section 12(g) or Section 15(d) of the Exchange Act. Thus, based on our current expectation, we do not believe it is possible that the Reverse/Forward Split will make the Company eligible to terminate the registration of the Company's common stock under Section 12(b) of the Exchange Act.

The number of shares of authorized common stock will not change as a result of the Reverse/Forward Split. As of the Record Date, there are 10,989,608 shares of the Company's common stock issued and outstanding. Following the Reverse/Forward Split, assuming a Reverse Split of 1 : 3000 and a Forward Split of 300 : 1, the total number of issued and outstanding shares of common stock will be reduced substantially in addition to the aggregate number of fractional shares of the Cashed-Out Stockholders that the Company purchases from the Cashed-Out Stockholders. The par value of the Company's common stock will remain at \$.001 per share after the Reverse/Forward Split.

The total number of shares that will be repurchased or aggregated for sale by the Company is unknown. Also, we do not know what the Cash-Out Price will be or, if applicable, what the net proceeds of the sale of the aggregate fractional shares by the transfer agent will be. However, if the Reverse/Forward Split had been completed as of the Record Date, when the average daily closing price per share of the Company common stock on the OTCQB for the five trading days immediately preceding and including such date was \$0.\_\_\_\_ and assuming a reverse split Exchange Ratio of 3000 - to-1, then the cash payments that would have been issued to Cashed-Out Stockholders, including both registered and street name holders, instead of fractional shares would have been approximately \$\_\_\_\_\_, with approximately \_\_\_\_\_ shares of common stock purchased, or, if permitted, aggregated for sale, by the Company. The actual amounts will depend on the number of Cashed-Out Stockholders on the date we affect the Reverse/Forward Split and the Cash-Out Price of the shares, each of which will vary from the number of such stockholders and price for the five trading days immediately preceding and including the Record Date.

### Effect on Par Value

The proposed Reverse/Forward Split will not affect the par value of our common stock, which will remain at \$0.001.

### Certain Federal Income Tax Consequences

We have summarized below the material federal income tax consequences to the Company and stockholders resulting from the Reverse/Forward Split. This summary is based on existing U.S. federal income tax law, which may change, possibly retroactively. This summary does not discuss all aspects of federal income taxation which may be important to you in light of your individual circumstances. Many stockholders (such as financial institutions, insurance companies, broker-dealers, tax-exempt organizations, and foreign persons) may be subject to special tax rules. Other stockholders may also be subject to special tax rules, including but not limited to: stockholders who received the Company stock as compensation for services or pursuant to the exercise of an employee stock option, or stockholders who have held, or will hold, stock as part of a straddle, hedging, or conversion transaction for federal income tax purposes. In addition, this summary does not discuss any state, local, foreign, or other tax considerations. This summary assumes that you are a U.S. citizen and have held, and will hold, your shares as capital assets for investment

purposes under the Internal Revenue Code of 1986, as amended (the “Code”). You should consult your tax advisor as to the particular federal, state, local, foreign, and other tax consequences, in light of your specific circumstances.

We believe that the Reverse/Forward Split will be treated as a tax-free “recapitalization” for federal income tax purposes. This will result in no material federal income tax consequences to the Company.

The federal income tax consequences to stockholders will depend in part on whether the Board purchase these fractional shares directly or chooses to arrange for the sale of the Cashed-Out Stockholders’ fractional shares on the open market, which as indicated above, the Board has no current plans to do. See “Determination of Cash-Out Price” above. The tax consequences of the various alternative outcomes following the Reverse/Forward Split are discussed below.

#### Federal Income Tax Consequences to Stockholders Who Are Not Cashed Out by the Reverse/Forward Split

If you (1) continue to hold Company common stock immediately after the Reverse/Forward Split, and (2) you receive no cash as a result of the Reverse/Forward Split, you will not recognize any gain or loss in the Reverse/Forward Split and you will have the same adjusted tax basis and holding period in your Company common stock, as the case may be, as you had in such stock immediately prior to the Reverse/Forward Split.

#### Federal Income Tax Consequences to Cashed-Out Stockholders:

If you receive cash as a result of the Reverse/Forward Split, your tax consequences will depend on whether, in addition to receiving cash, you or a person or entity related to you continues to hold Company common stock immediately after the Reverse/Forward Split, as explained below.

### Stockholders Who Exchange All of Their Company Common Stock for Cash as a Result of the Reverse/Forward Split

If you (1) receive cash in exchange for a fractional share as a result of the Reverse/Forward Split, (2) you do not continue to hold any Company stock immediately after the Reverse/Forward Split, and (3) you are not related to any person or entity that holds Company common stock immediately after the Reverse/Forward Split, you will recognize capital gain or loss. The amount of capital gain or loss you recognize will equal the difference between the cash you receive for your cashed-out stock and your aggregate adjusted tax basis in such stock.

If you are related to a person or entity who continues to hold Company common stock immediately after the Reverse/Forward Split, you will recognize gain in the same manner as set forth in the previous paragraph, provided that your receipt of cash either (1) is “not essentially equivalent to a dividend,” or (2) is a “substantially disproportionate redemption of stock,” as described below.

- “Not Essentially Equivalent to a Dividend.” You will satisfy the “not essentially equivalent to a dividend” test if the reduction in your proportionate interest in Company resulting from the Reverse/Forward Split is considered a “meaningful reduction” given your particular facts and circumstances.
- “Substantially Disproportionate Redemption of Stock.” The receipt of cash in the Reverse/Forward Split will be a “substantially disproportionate redemption of stock” for you if the percentage of the outstanding shares of Company common stock owned by you immediately after the Reverse/Forward Split is less than 80% of the percentage of shares of Company common stock owned by you immediately before the Reverse/Forward Split and you own less than 50% of the outstanding shares of Company common stock after the Reverse/Forward Split.

In applying these tests, you will be treated as owning shares actually or constructively owned by certain individuals and entities related to you. If the redemption of shares of Company common stock is not treated as capital gain under any of the tests, then the entire amount of the payment you receive for your shares will be treated first as ordinary dividend income to the extent of your ratable share of Company’s undistributed earnings and profits, then as a tax-free return of capital to the extent of your aggregate adjusted tax basis in your shares, and any remaining gain will be treated as capital gain.

### Stockholders Who Both Receive Cash and Continue to Hold Company Common Stock Immediately After the Reverse/Forward Split

If you receive cash as a result of the Reverse/Forward Split and continue to hold Company common stock immediately after the Reverse/Forward Split, you generally will be subject to the same rules for determining tax treatment as described above, the same as if you constructively continue to hold shares of Company common stock. If you meet either the “not essentially equivalent to a dividend” test or the “substantially disproportionate redemption of stock” test, then you will recognize gain, but not loss, in an amount equal to the lesser of (1) the excess of the sum of aggregate fair market value of your shares of Company common stock plus the cash received over your adjusted tax basis in the shares, or (2) the amount of cash received in the Reverse/Forward Split. In determining whether you meet either test, you must take into account as shares you own both shares of Company common stock that you actually own and constructively own ( i.e., shares owned by certain individuals or entities related to you) before and after the Reverse/Forward Split. Your aggregate adjusted tax basis in your shares of Company common stock held immediately after the Reverse/Forward Split will be equal to your aggregate adjusted tax basis in your shares of Company common stock held immediately prior to the Reverse/Forward Split, increased by any gain recognized in the Reverse/Forward Split, and decreased by the amount of cash received in the Reverse/Forward Split.

Any gain or loss recognized in the Reverse/Forward Split will be treated, for federal income tax purposes, as long-term capital gain or loss (assuming that your receipt of cash either (1) is “not essentially equivalent to a dividend” with respect to you, or (2) is a “substantially disproportionate redemption of stock” with respect to you) provided that you have held your shares for more than one (1) year. If you acquired shares redeemed in the Reverse/Forward Split at different times, you will be required to compute such gain or loss and determine whether such gain or loss is long-term or not, separately with respect to each such acquisition of shares. In applying these tests, you may be able to take into account sales of shares of Company common stock that occur substantially contemporaneously with the Reverse/Forward Split. If your gain is not treated as capital gain under any of these tests, the gain will be treated as ordinary dividend income to you to the extent of your ratable share of Company’s undistributed earnings and profits, then as a tax-free return of capital to the extent of your aggregate adjusted tax basis in your shares, and any remaining gain will be treated as a capital gain. Currently, long-term capital gain and dividend income are both subject to a maximum income tax rate of 20% (or higher in certain circumstances) for federal income tax purposes.

**YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF THE REVERSE/FORWARD SPLIT, IN LIGHT OF YOUR SPECIFIC CIRCUMSTANCES.**

#### Appraisal Rights

Dissenting stockholders do not have appraisal rights under Delaware state law or under Company’s Certificate of Incorporation or Bylaws in connection with the Reverse/Forward Split.

#### Reservation of Rights

We reserve the right to abandon the Reverse/Forward Split without further action by our stockholders at any time before the filing of the amendments to the Certificate of Incorporation with the Delaware Secretary of State, even if the Reverse/Forward Split has been authorized by our stockholders at the Annual Meeting, and by voting in favor of the Reverse/Forward Split you are expressly also authorizing us to determine not to proceed with the Reverse/Forward Split if we should so decide.

### Certain Risks Associated with the Reverse/Forward Split

- If the Reverse/Forward Split is made effective and the market price of the common stock declines, the percentage decline may be greater than would occur in the absence of a reverse stock split. The market price of the common stock will, however, also be based on performance and other factors, which are unrelated to the number of shares outstanding.
- There can be no assurance that the Reverse/Forward Split will result in any particular price for the common stock. As a result, the trading liquidity of the common stock may not necessarily improve.
- There can be no assurance that the market price per share of the common stock after the Reverse/Forward Split will increase in proportion to the reduction in the number of shares of the common stock outstanding before the Reverse/Forward Split. For example, based on the closing price of the common stock on the Record Date of \$\_\_\_\_\_ per share, if the Reverse/Forward Split were implemented and approved for a reverse stock split ratio of 1 : 3000 and a forward split of 300 : 1, there can be no assurance that the post-split market price of the common stock would be \$\_\_\_\_\_ or greater. Accordingly, the total market capitalization of the common stock after the Reverse/Forward Split may be lower than the total market capitalization before the Reverse/Forward Split. Moreover, in the future, the market price of the common stock following the Reverse/Forward Split may not exceed or remain higher than the market price prior to the Reverse/Forward Split.
- There are certain agreements, plans and proposals that may have material anti-takeover consequences. The proportion of unissued authorized shares to issued shares could, under certain circumstances, have an anti-takeover effect. For example, the issuance of a large block of common stock could dilute the stock ownership of a person seeking to make effective a change in the composition of the Board or contemplating a tender offer or other transaction for the combination of the Company with another company.
- The Reverse/Forward Split may result in some stockholders owning “odd lots” of less than 100 shares of common stock. Odd lot shares may be more difficult to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in “round lots” of even multiples of 100 shares.

The Board intends to make effective the Reverse/Forward Split only if it believes that a decrease in the number of shares is likely to improve the trading price of the common stock and if the implementation of the Reverse/Forward Split is determined by the Board to be in the best interests of the Company and its stockholders.

### No Appraisal Rights

Under the Delaware General Corporation Law, stockholders are not entitled to appraisal rights with respect to the Reverse/Forward Split, and the Company will not independently provide stockholders with any such right.

### Required Vote

Approval of the Reverse/Forward Split requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

RECOMMENDATION OF THE BOARD FOR PROPOSAL 1:

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE TO EFFECT A REVERSE SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 1- FOR -500 AND 1- FOR- 3000 , WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, IMMEDIATELY FOLLOWED BY A FORWARD SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 50- FOR -1 AND 300 -FOR -1, RESPECTIVELY, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, BY FILING AMENDMENTS TO THE COMPANY'S CERTIFICATE OF INCORPORATION .



PROPOSAL 2

TO APPROVE AN AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY FROM PAID, INC. TO SHIPTIME INC.

The Company proposes to amend the Company's Certificate of Incorporation to change the name of the Company from Paid, Inc. to ShipTime Inc. The Board of Directors considers the proposed change of the Company's name to be in the best interests of the Company and its stockholders. The Board of Directors has entered into an Amalgamation Agreement with emergeIT Inc., an Ontario corporation ("emergeIT"), whereby emergeIT will merge with a newly formed Canadian subsidiary of the Company. See the description of the amalgamation under the heading, "Amalgamation Agreement," below.

After the subsidiary merger, the Company will expand its current platform to provide customers the ability to quote, process, track and dispatch shipments while getting preferred rates on packages and skidded (LTL) freight shipments throughout North America and around the world. Currently, emergeIT Inc., under the brand name "ShipTime" is a leading provider of cloud based shipping technologies providing a platform bringing small and medium sized businesses together with many of the world's leading carriers.

We believe that the name change will result in a more recognizable corporate identity, better reflecting the Company's future plans. The Company will endeavor to "co-brand" the name with its stock symbol and website. The Board also believes that the name change will enhance marketing capabilities and will reflect the Company's expanded direction.