

Beyond Commerce, Inc.



**CONDENSED CONSOLIDATED UNAUDITED
FINANCIAL STATEMENTS
FOR THE THREE & NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2013 & 2012**

BEYOND COMMERCE, INC.

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UNAUDITED

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BEYOND COMMERCE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

	<u>September 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
ASSETS		
Current assets:		
Cash	\$ 15	\$ 196
Accounts receivable, net of allowance for doubtful accounts of \$0 and \$0	-	720
Total current assets	<u>15</u>	<u>916</u>
Property, web site and computer equipment	1,354,620	1,354,620
Less: Accumulated depreciation	<u>(1,187,435)</u>	<u>(1,112,438)</u>
Property, web site and computer equipment, net	167,185	242,182
Investment in related parties	<u>2,163,422</u>	<u>2,163,422</u>
Total assets	<u>\$ 2,330,622</u>	<u>\$ 2,406,520</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Short- term borrowings	\$ 2,946,704	\$ 2,946,704
Short-term borrowings-related party	756,750	1,143,322
Accounts payable	2,566,425	2,553,644
Note derivative liability	1,339,867	1,339,867
Other current liabilities	3,065,435	2,389,700
Accrued payroll & related items	1,929,691	1,669,671
Accrued payroll taxes	<u>1,012,935</u>	<u>1,013,336</u>
Total current liabilities	<u>13,617,806</u>	<u>13,056,243</u>
Commitments and contingencies (Pursglove Judgment)	6,020,775	6,020,775
Stockholders' deficit :		
Common stock, \$0.001 par value, 1,000,000,000 shares authorized as of September 30, 2013 and December 31, 2012 respectively, and 998,443,368 and 511,243,910 issued and outstanding as of September 30, 2013 and at December 31, 2012 respectively.	998,444	511,244
Preferred stock, \$0.001 par value of 250,000,000 shares authorized and no shares issued	-	-
Additional paid in capital	23,076,066	23,176,694
Accumulated deficit	<u>(41,382,470)</u>	<u>(40,358,436)</u>
Total stockholders' deficit	<u>(17,307,959)</u>	<u>(16,670,498)</u>
Total liabilities and stockholders' deficit	<u>\$ 2,330,622</u>	<u>\$ 2,406,520</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYOND COMMERCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the three month period ended September 30,	
	2013	2012
Revenues		
Net revenues	\$ -	\$ -
Operating expenses		
Selling general and administrative	83	394
Payroll expense	45,000	97,500
Professional fees	3,302	300
Depreciation and amortization	24,999	24,999
Total costs and operating expenses	73,384	123,193
Loss from operations	(73,384)	(123,193)
Non-operating income (expense)		
Interest expense	(205,245)	(205,245)
Total non-operating (expense)	(205,245)	(205,245)
Loss from operations before income taxes	(278,629)	(328,438)
Provision for income tax	-	-
Net loss before equity loss of investee	(278,629)	(328,438)
Loss from equity method of investee	-	-
Net loss	\$ (278,629)	\$ (328,438)
Net loss per common share-basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding basic and diluted	\$ 998,443,368	\$ 511,493,910

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYOND COMMERCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the nine month period ended September 30,	
	2013	2012
Revenues		
Net revenues	\$ -	\$ -
Operating expenses		
Selling general and administrative	1,169	(22,602)
Payroll expense	260,020	292,500
Professional fees	12,112	1,100
Depreciation and amortization	74,997	74,997
Total costs and operating expenses	348,299	345,995
Loss from operations	(348,299)	(345,995)
Non-operating income (expense)		
Interest expense	(675,735)	(665,735)
Total non-operating (expense)	(470,490)	(460,490)
Loss from operations before income taxes	(1,024,033)	(1,011,729)
Provision for income tax	-	-
Net loss before equity loss of investee	(1,024,033)	(1,011,729)
Loss from equity method of investee	-	-
Net loss	\$ (1,024,033)	\$ (1,011,729)
Net loss per common share-basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding basic and diluted	\$ 546,857,660	\$ 511,493,910

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYOND COMMERCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the nine month period ended September 30,	
	2013	2012
Net loss	\$ (1,024,033)	\$ (1,011,729)
Cash flows from operating activities:		
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	74,997	74,997
Bad debt write-off	720	-
Changes in assets and liabilities:		
(Increase) decrease in prepaid loan cost and other assets	-	(15,845)
Increase (decrease) in accounts payable	12,781	(3,001)
Increase (decrease) in payroll liabilities	259,619	289,843
Increase (decrease) in other current liabilities	675,735	665,735
Net cash used in operating activities.	\$ (181)	\$ 0
Net decrease in cash and cash equivalents	\$ (181)	\$ 0
Cash and cash equivalents, beginning balance	\$ 196	\$ -
Cash and cash equivalents, ending balance	\$ 15	\$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYOND COMMERCE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Beyond Commerce, Inc., formerly known as BOOMj, Inc. (the “Company”, and “we”), is a multi-faceted business serving as a media hub for high traffic web properties, and owns and operates synergistic technology, in Ad Networking, and E-Commerce. Our initial business was BOOMj.com, Inc. a niche portal and social networking site for Baby Boomers and Generation Jones. This migrated into our E-Commerce platform known as i-SUPPLY, an online storefront that offered easy to use, fully customizable E-commerce services, and revenue solutions for any third party Web site large or small, and hosted local ads, providing extensive reach for our proprietary advertising partner network platform.

During the third quarter of 2009 the Company formed another subsidiary, KaChing KaChing, Inc., a Nevada corporation (“KaChing Nevada” or “KaChing KaChing” or “KaChing”). KaChing KaChing has an E-commerce platform that provides a complete turn-key E-commerce solution to third party Store Owners. Individual KaChing KaChing on line Store Owners have the ability to create, manage and earn money from product sales generated from their individual Web stores. On April 22, 2010, KaChing merged with Duke Mining Company, Inc. to become a new public company. As a result of the merger transaction, KaChing KaChing no longer was a wholly-owned subsidiary, and our interest in outstanding capital stock of KaChing KaChing, Inc. was reduced to 20.8%. Although we still own approximately 19.1%, at December 31, 2010, of KaChing’s outstanding stock, our future operating results will include only our proportionate share of the income or loss of KaChing KaChing.

On October 9, 2009, LocalAdLink Inc., a wholly-owned subsidiary of the Company sold its LocalAdLink Software (the “Software”) and all of their assets related to the Software including the rights to the name LocalAdLink, the LocalAdLink trademark, the Web site, *www.LocalAdLink.com*, and a local search directory and advertising network that brings local advertising to geo-targeted consumers. The Company will continue to sell advertising as it had prior to inception of Local Ad Link, Inc., however on a different scale with a greater emphasis on business to business sales.

During the second quarter 2010 we acquired 100% of the outstanding stock of Adjuce, Inc. in order to enhance our presence in the Ad Networking business. The Adjuce network distributes leads to over 350 retail clients along seven major verticals, all offering top payouts. Adjuce owns and manages over 120 sites, all optimized for brand recognition and conversion performance. Adjuce has a solid infrastructure for selling its own products, targeting advertisers and publishers and their related downstream partners with Adjuce’s tailored lead generation programs.

On June 30, 2011, we acquired AIM Connection, Inc., a leading direct sales affiliate, SEO provider, social network and website generator. AIM Connection is the combination of tried-and-true Internet marketing techniques and cutting-edge automation software, it allows every aspect to be controlled and managed by the client. This is how AIM Connection, through its Alliance Members, puts business owners back in the driver's seat. Instead of having to rely on outside individuals with little to no knowledge of their business or industry, our clients have the tools required to create a marketing program truly tailored to them; a program created on the strength of their knowledge, experience, and passion.

History of the Company

The Company, formerly known as Reel Estate Services, Inc. (“RES”), was incorporated in Nevada on January 12, 2006. As of December 28, 2007, RES was a public shell company, defined by the Securities and Exchange Commission (“SEC”) as an inactive, publicly quoted company with nominal assets and liabilities. Subsequent to the merger, RES changed its name to BoomJ, Inc.

In December 2008, the Company changed its name once again from BOOMj, Inc. to Beyond Commerce, Inc. to more accurately reflect the new structure of the Company consisting at that point in time of two operating divisions: BOOMj.com d/b/a i-SUPPLY and until its assets were sold, LocalAdLink, Inc.

Basis of Presentation

The condensed consolidated financial statements and the notes thereto for the periods ended September 30, 2013 and 2012 included herein have been prepared by management and are unaudited. Such condensed financial statements reflect, in the opinion of management, all adjustments necessary to present fairly the financial position and results of operations as of and for the periods

indicated and in order to make the financial statements not misleading. All such adjustments are of a normal recurring nature. These interim results are not necessarily indicative of the results for any subsequent period or for the fiscal year ending December 31, 2013.

Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). These consolidated financial statements should be read in conjunction with the unaudited financial statements and the notes thereto for the fiscal year ended December 31, 2012.

Plan of Operations

Continuing in 2013 the Company has reduced operations significantly and began a plan to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation and, to a lesser extent that desires to employ our funds in its business. Our principal business objective for the next 12 months and beyond will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. We will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

The analysis of new business opportunities will be undertaken by our executive management team. In our efforts to analyze potential acquisition targets, we may consider the following kinds of factors:

- 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 scheduled for recruitment;
- Capital 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 extent to which the business opportunity can be advanced;
- The accessibility of required management expertise, personnel, raw materials, services, professional assistance and other required items; and
- Other relevant factors.

In applying the foregoing criteria, no one of which will be controlling, our management will attempt to analyze all factors and circumstances and make a determination based upon reasonable investigative measures and available data. Potentially available business opportunities may occur in many different industries, and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex. Due to the limited capital we have available for investigation, we may not discover or adequately evaluate adverse facts about the opportunity to be acquired.

The manner in which we participate in an opportunity will depend upon the nature of the opportunity, our respective needs and desires as well as those of the promoters of the opportunity, and the relative negotiating strength of us and such promoters.

It is likely that we will acquire our participation in a business opportunity through the issuance of common stock or other securities. Although the terms of any such transaction cannot be predicted, it should be noted that in certain circumstances the criteria 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"), depends upon the issuance to the stockholders of the acquired company of at least 80% of the common stock of the combined entities immediately following the reorganization. If a transaction were structured to take advantage of these provisions rather than other "tax free" provisions provided under the Code, all prior stockholders would in such circumstances retain 20% or less of the total issued and outstanding shares. Under other circumstances, depending upon the relative negotiating strength of the parties, prior stockholders may retain substantially less than 20% of the total issued and outstanding shares. This could result in substantial additional dilution to the equity of those who were our stockholders prior to such reorganization.

Our present stockholders will likely not have control of a majority of our voting shares following a reorganization transaction. As part of such a transaction, our current director may resign and new directors may be appointed without any vote by stockholders.

In the case of an acquisition, the transaction may be accomplished upon the sole determination of our management without any vote or approval by stockholders. In the case of a statutory merger or consolidation directly involving our company, it will likely be necessary to call a stockholders' meeting and obtain the approval of the holders of a majority of the 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. Most likely, management will seek to structure any such transaction so as not to require stockholder approval if possible.

It is anticipated that 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, attorneys and others. If a decision not to participate in a specific business opportunity is made, the costs theretofore incurred in the related investigation would not be recoverable. Furthermore, even if an agreement is reached for the participation in a specific business opportunity, the failure to consummate that transaction may result in our loss of the related costs incurred.

We do not currently engage in any business activities that provide us with positive cash flows. As such, the costs of investigating and analyzing business combinations for the next approximately 12 months and beyond will be paid with our current cash and if necessary, with additional funds raised through other sources, which may not be available on favorable terms, if at all.

We do not believe that we will be able to meet these costs with our current cash on hand and will require additional debt or equity funding in order to maintain operations.

NOTE 2. SELECTED ACCOUNTING POLICIES

Use of Estimates

The preparation of consolidated financial statements and accompanying notes in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the determination of depreciation and amortization and the valuation for non-cash issuances of equity instruments, web site, income taxes, and contingencies, among others. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

The Company classifies as cash and cash equivalents amounts on deposit in banks and cash temporarily in various instruments with original maturities of three months or less at the time of purchase. The Company's cash management system is currently integrated within three separate banking institutions.

Investments Accounted for Under the Equity Method

Under the equity method of accounting, we record our original investment at cost and periodically adjust it for the Company's proportionate share of the investees' net income or loss which is included in the line item "Loss from equity method of Investee" in the consolidated statements of operations. Any excess of the carrying value of the investment over the underlying net equity of the investee is evaluated each reporting period for impairment.

Fair Value of Financial Instruments

The carrying value of the current assets and liabilities approximate fair value due to their relatively short maturities.

Fair Value Measurements

In January 2010, the Financial Accounting Standards Board ("FASB") issued additional disclosure requirements for fair value measurements. The guidance requires previous fair value hierarchy disclosures to be further disaggregated by class of assets and liabilities. A class is often a subset of assets or liabilities within a line item in the statement of financial position. In addition, significant transfers between Levels 1 and 2 of the fair value hierarchy are required to be disclosed. These additional requirements became effective January 1, 2010 for quarterly and annual reporting. These amendments did not have an impact on the consolidated

financial results as this guidance relates only to additional disclosures. In addition, the fair value disclosure amendments also require more detailed disclosures of the changes in Level 3 instruments. These changes will be effective January 1, 2011 and are not expected to have an impact on the consolidated financial results as this guidance only relates to additional disclosures.

The Company applies the fair value hierarchy as established by GAAP. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure the fair value as follows.

- *Level 1* – quoted prices in active markets for identical assets or liabilities.
- *Level 2* – other significant observable inputs for the assets or liabilities through corroboration with market data at the measurement date.
- *Level 3* – significant unobservable inputs that reflect management’s best estimate of what market participants would use to price the assets or liabilities at the measurement date.

Management considers all of its derivative liabilities to be Level 3 liabilities. At September 30, 2013 and December 31, 2012 the Company had outstanding derivative liabilities, including those from related parties of \$1,339,867, respectively.

Valuation of Derivative Instruments

GAAP requires that embedded derivative instruments be bifurcated and assessed, along with free-standing derivative instruments such as warrants and non-employee stock-options to determine whether they should be considered a derivative liability and subject to re-measurement at their fair value. In estimating the appropriate fair value, the Company uses both binomial and Black-Scholes models, depending on the complexity and terms of the specific embedded or free-standing derivative.

Impairment of Long-lived Assets

The Company accounts for long-lived assets in accordance with the provisions of ASC 360-10-35-21, *Accounting for the Impairment of Long-Lived Assets*. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. 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 assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Fair values are determined based on quoted market value, discounted cash flows or internal and external appraisals, as applicable. During 2011 and 2010, the Company did not recognize any impairment charges.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits at financial institutions. At various times during the year, the Company may exceed the federally insured limits. To mitigate this risk, the Company places its cash deposits only with high credit quality institutions. Management believes the risk of loss is minimal.

Reclassifications

Certain comparative amounts from prior periods have been reclassified to conform to the current year's presentation. These changes did not affect the previously reported net loss.

Recent Accounting Pronouncements

The Company reviews all of the Financial Accounting Standard Board’s updates periodically to ensure the Company’s compliance of its accounting policies and disclosure requirements to the Codification Topics.

In February 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2013-02, Comprehensive Income (Topic 220)—Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02), to require entities to provide information about significant amounts reclassified out of accumulated other comprehensive income by component and their corresponding effect on net income. ASU 2013-02 is effective for us in the first quarter of our fiscal year ending February 28, 2014. We not believe that this updated standard will have a significant impact on our consolidated financial

statements.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350)—Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02), to simplify how entities test intangibles with indefinite lives for impairment. ASU 2012-02 gives entities the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of an intangible asset is less than its carrying amount. If greater than 50 percent likelihood exists that the fair value is less than the carrying amount then a quantitative impairment test as described in Subtopic 350-30 must be performed. ASU 2012-02 is effective for us in the first quarter of our fiscal year ending February 28, 2014. We currently do not believe that this updated standard will have a significant impact on our consolidated financial statements.

In September 2011, the FASB issued an amendment to an existing accounting standard which provides entities an option to perform a qualitative assessment to determine whether further impairment testing on goodwill is necessary. An entity now has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step impairment test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. This standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted this new standard on January 1, 2012 and the adoption did not have a material impact on our financial statements.

The Company will continue to monitor these emerging issues to assess any potential future impact on its financial statements.

NOTE 3. GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because of recent events the business, no certainty of continuation can be stated. The accompanying condensed consolidated financial statements for September 30, 2013 and 2012 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has a working capital deficit, which raises substantial doubt about its ability to continue as a going concern. Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in attempting to raise capital from additional debt and equity financing. Due to its nonexistent revenues, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations. If we are unable to obtain additional funds, or if the funds cannot be obtained on terms favorable to us, we will be required to delay, scale back or eliminate our plans to continue to develop and expand our operations or in the extreme situation, cease operations altogether.

NOTE 4. PROPERTY, WEB SITE AND COMPUTER EQUIPMENT, NET

Property, web site and computer equipment, net of depreciation, at September 30, 2013 December 31, 2012 consist of the following:

	2013	2012
Office and computer equipment	\$ 166,054	\$ 166,054
Web site	1,188,566	1,188,566
Total property, web site and computer equipment	1,354,620	1,354,620
Less: accumulated depreciation	(1,187,435)	(1,112,438)
Total property, web site and computer equipment, net	<u>\$ 167,185</u>	<u>\$ 242,182</u>

Depreciation expense for the three month period ended September 30, 2013 was \$24,999, compared to \$24,999 for the three month period ended September 30, 2012 and for the nine month period ended September 30, 2013 was \$74,997, compared to \$74,997 for the nine month period ended September 30, 2012.

NOTE 5. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	<u>September 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Accrued interest	\$ 2,980,371	\$ 2,304,636
Accrued payroll and related expenses	1,929,691	1,669,671
Payroll tax liability	1,012,935	1,013,336
Other	85,064	85,064
Total other current liabilities	<u>\$ 6,008,061</u>	<u>\$ 5,072,707</u>

NOTE 6. SHORT TERM BORROWINGS

Short term borrowings consist of the following:

	<u>September 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Note payable to Carole Harder, bearing an annual interest rate of 12%, unsecured, due 1/31/10*	\$ 140,000	\$ 140,000
Convertible Promissory Notes, bearing an annual interest rate of 12%, secured, due 1/31/10*	1,760,000	1,760,000
Convertible Promissory Notes due 10/15/2010 (original note discount of \$11,666)**	-	69,994
Convertible Promissory Notes due 10/15/2010 (original note discount of \$53,332)**	56,754	373,332
Convertible Promissory Notes due 10/15/2010 (original note discount of \$99,996)**	699,996	699,996
Sundry Bridge Notes, bearing an annual interest rate of 12%, unsecured, due 1/31/2010 - 10/05/2011*	356,704	356,704
Convertible Promissory Notes, bearing a default interest rate of 18%, due 2/26/11*	150,000	150,000
Convertible Promissory Notes, bearing an interest rate of 10%, Linlithgow Holdings, Inc.	140,000	140,000
Convertible Promissory Notes, bearing a default interest rate of 24%, due 8/17/11*	400,000	400,000
Total principal	\$ 3,703,454	\$ 4,090,026
Less: unamortized debt discount	-	-
Total short term borrowings	<u>\$ 3,703,454</u>	<u>\$ 4,090,026</u>

The above notes listed as Convertible Promissory Note Holders, except for \$356,704, have liens on all the assets of the Company.

** The above notes with maturity dates on January 31, 2010, February 26, 2011 and August 17, 2011 are in default as of the date of these consolidated financial statements for failure to pay the principal and accrued interest at Maturity.*

*** The above Convertible Preferred Promissory Notes due OmniReliant Holdings, which is to a related party, with maturity dates ranging from July 29, 2010 through October 15, 2010 are also in default under cross-default provisions contained in those agreements. These Notes were acquired for an undisclosed amount of cash and securities by Robert J. McNulty on February 8, 2011 through a mutual release agreement entered into with OmniReliant.*

On May 15, 2013 the company converted \$386,572 of discounted debt that was originally issued to Omni Reliant and subsequently purchased by Robert J. McNulty in a private transaction (see Note 9.) to five separate entities that Mr. McNulty had previously sold his position in unrelated transactions. These entities subsequently requested the Company issued an aggregate of 487,200,000 shares of its restricted common stock to convert their respective debt.

The Company did not enter into any new debt securities during the third quarter 2013. The Company recorded \$105,000 and \$105,000 as interest expense on the above notes for the three month period ended September 30, 2013 and 2012, respectively and \$375,000 and \$315,000 as interest expense on the above notes for the nine month period ended September 30, 2013 and 2012, respectively

NOTE 7. COMMON STOCK, WARRANTS AND PAID IN CAPITAL

Common Stock

As of September 30, 2013 our authorized capital stock consisted of 1,000,000,000 shares of common stock, par value \$0.001 per share. As of September 30, 2013, there were 998,443,368 issued and outstanding shares of common stock. The Company issued 487,200,000 shares of its common stock during the three month period ended June 30, 2013.

On May 15, 2013 the company converted \$386,572 of discounted debt that was originally issued to Omni Reliant and subsequently purchased by Robert J. McNulty in a private transaction (see Note 9.) to five separate entities that Mr. McNulty had previously sold his position, in a series of private transactions. The Company issued 487,200,000 shares of its restricted common stock to convert this debt.

Holder of common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. Except as otherwise required by law, the holders of our common stock possess all voting power. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of our common stock that are present in person or represented by proxy. A vote by the holders of a majority of our outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to our Articles of Incorporation. Our Articles of Incorporation do not provide for cumulative voting in the election of directors. Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

Warrants

The following is a summary of the Company's outstanding common stock purchase warrants:

Exercise Price	Outstanding at December 31, 2012	Issued in 2013	Expired	Outstanding September 30, 2013
\$ 0.10	116,023,215	—	(3,984,081)	112,039,134
\$ 0.50	—	—	—	—
\$ 0.70	1,216,616	—	(1,216,616)	—
\$ 0.93	1,457,145	—	(1,457,145)	—
\$ 1.00	822,143	—	(822,143)	—
\$ 2.40	—	—	—	—
	<u>119,519,119</u>	<u>—</u>	<u>(7,479,985)</u>	<u>112,039,134</u>

The balances of these outstanding warrants have expiration dates between December 31, 2013 and August 26, 2015.

2008 Equity Incentive Stock Option Plan

During the three month period ended September 30, 2013, the Company did not issue any stock options.

Dividends

The Company anticipates that all future earnings will be retained to finance future growth. The payment of dividends, if any, in the future to the Company's common stockholders is within the discretion of the Board of Directors of the Company and will depend upon the Company's earnings, its capital requirements and financial condition and other relevant factors. The Company has not paid a dividend on its common stock and does not anticipate paying any dividends on its common stock in the foreseeable future but instead intends to retain all earnings, if any, for use in the Company's business operations. The Company is restricted from paying dividends in cash while any principal or accrued interest is outstanding under the OmniReliant Holdings Convertible Notes (see Note 6).

NOTE 8. COMMITMENTS AND CONTINGENCIES

Legal Matters

In 2008 the Company filed suit against its former President, CEO for breach of confidentiality and non-compete while employed and also postemployment, breach of fiduciary duty and other matters, and the Company is seeking to enforce certain non-compete agreements. The former CEO subsequently counter-sued the Company for breach of contract, breach of implied covenant of good faith and fair dealing and other matters. The former CEO is seeking to be awarded \$75,000 in cash plus at least 3.3 million shares of stock of the Company. On July 28, 2011 the Company received a jury verdict ordering and adjudging in Case Number 2:08-cv-00496-KJD-LRL where Boomj.com was the Plaintiff and the former CEO was the Defendant & Counterclaimant, that a judgment be entered in favor of the Defendant and Counterclaimant against the Plaintiff, Boomj.com, in the amount of \$20,775 for damages as to the claim for failure to pay wages, \$3,000,000 for damages as to the conversion claim, and \$3,000,000 for punitive damages. As of December 31, 2011 and the date of these financial statements, \$6,020,775 has been recorded by the Company related to this matter. The Company is accruing interest at an annual rate of 5.29% on the outstanding balance.

The Company filed suit in the Eighth Judicial District of Nevada on July 7, 2010 against Sichenzia, Ross, Friedman, Ference, LLP; the Company's former law firm and against Darrin Ocasio, an attorney at that firm. The claims alleged include breach of contract and breach of fiduciary duty while representing the Company.

Operating Lease

The Company does not lease any equipment or facilities at the moment. The Company closed its previous California office in May of 2009 and its Las Vegas Office in June of 2011.

Tax Lien

On February 17, 2010, the Internal Revenue Service placed a federal tax lien of \$756,711 and an additional \$176,097 on June 14, 2010, against all of the property and rights to the property of BOOMj.com for unpaid federal payroll withholding taxes for the year ended December 31, 2009. The current amount outstanding including penalty and interest is \$1,012,935.

NOTE 9. RELATED PARTIES

On February 8, 2011 the Company, Robert J. McNulty and Infusion Brands International, Inc. f/k/a Omni Reliant Holdings, Inc. ("OMNI") entered into a mutual agreement to terminate in consideration for the covenants contained herein (to compensate OMNI for surrendering and/or assigning its right, title and interest in all its Warrants, Notes, Stock Options, all shares pledged or otherwise held by OMNI either by the company or in Escrow, any and all debt obligations owed to BYOC, and any and all other ownership interests in BYOC), OMNI releases and forever discharges BYOC, from all past, present and future liability and obligations in connection with any and all acts, failures to act, omissions, claims, demands, damages, liabilities, attorneys' fees, costs, liens, debts, expenses, interest, punitive damages, compensatory damages and all other relief of any kind, both known and unknown, suspected or unsuspected, whether in the past, present or future, whether based upon contract, tort, statute or other legal or equitable theory of recovery. OMNI hereby also surrenders its Warrants, Notes, Stock Options, shares pledged to it, and all other ownership interests in BYOC. Mr. McNulty for an undisclosed amount of cash and other securities purchased all of the Omni debt of \$1,623,292 and 6,978,963 and its related warrants.

During the first Quarter of 2011 Linlithgow Holdings advanced the Company in three separate tranches the aggregate principal amount of \$140,000. These advances bear 10% interest, are convertible into the Company's common stock at a strike price of \$0.10 rate and do not carry any maturity date.

NOTE 10. NET LOSS PER SHARE OF COMMON STOCK

The Company follows ASC 260-10 which requires presentation of basic and diluted Earnings per Share ("EPS") on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. In the accompanying condensed consolidated financial statements, basic net loss per share of common stock is computed by dividing the net loss by the weighted average number of shares of common stock outstanding during the year. Basic net loss per common share is based upon the weighted average number of common shares outstanding during the period. The shares associated with convertible debt, stock options and stock warrants are not included because the inclusion would be anti-dilutive, (i.e., reduce the net loss per common share).

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations for the six month period ended September 30, 2013 and 2012:

	Nine month period ended	
	September 30,	
<u>Numerator</u>	2013	2012
Net loss available to common stockholders	\$ (1,024,033)	\$ (1,011,729)
<u>Denominator</u>		
Basic and diluted weighted average number of shares outstanding	546,857,660	511,243,910
Basic and diluted net loss per share	\$ (0.00)	\$ (0.00)

NOTE 11. SUPPLEMENTAL DISCLOSURES OF CASH FLOWS

The Company paid \$0 and \$0 for the nine months ended September 30, 2013 and 2012, respectively for interest. The Company did not make any payments for income tax during the nine months ended September 30, 2013 and 2012.

NOTE 12. SUBSEQUENT EVENTS

The Company has not been a reporting Company within the rules of the security exchange commission since May of 2011, and has attempted to solicit funding for the continuing operations or a potential sale. We currently plan to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation and, to a lesser extent that desires to employ our funds in its business. Our principal business objective for the next several months and beyond will be to achieve long-term growth potential through a combination with a business rather than immediate, short-term earnings. We will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

In our efforts to analyze potential acquisition targets, we may consider the following kinds of factors:

- 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 scheduled for recruitment;
- Capital 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 extent to which the business opportunity can be advanced;
- The accessibility of required management expertise, personnel, raw materials, services, professional assistance and other required items; and
- Other relevant factors.

In applying the foregoing criteria, no one of which will be controlling, our management will attempt to analyze all factors and circumstances and make a determination based upon reasonable investigative measures and available data. Potentially available business opportunities may occur in many different industries, and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex. Due to the limited capital we have available for investigation, we may not discover or adequately evaluate adverse facts about the opportunity to be acquired.

The manner in which we participate in an opportunity will depend upon the nature of the opportunity, our respective needs and desires as well as those of the promoters of the opportunity, and the relative negotiating strength of us and such promoters.