

PayMeOn, Inc.
Form 10-K
April 26, 2017

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

FORM 10-K

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

For the fiscal year ended: December 31, 2016

or

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

For the transition period from: _____ to _____

Paymeon, Inc.

(Exact name of registrant as specified in its charter)

Nevada
*(State or Other Jurisdiction
of Incorporation or Organization)*

000-53574
*(Commission
File Number)*

20-4959207
*(I.R.S. Employer
Identification No.)*

2599 North Federal Highway, Fort Lauderdale, Florida 33305

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(Address of Principal Executive Office) (Zip Code)

954-565-0562

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

**Name of each exchange on which
registered**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock
(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232-405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) " Yes ☐ No ☐

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

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

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Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if a smaller reporting company)

Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has not elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter (\$0.35 per share). \$2,229,119.90 on June 30, 2015.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of April 17, 2017 there were 116,932,177 shares outstanding.

PART I

Item 1.

Business.

Overview

PayMeOn, Inc. (Paymeon), a Nevada corporation, is a company organized on May 30, 2006. Paymeon conducts business through three separate wholly-owned subsidiaries: HLM Paymeon, Inc., Paymeon Brands, Inc., and since February 2017 Rockstar Acquisitions, LLC (dba Basalt America).

Historically, Paymeon owned and operated products aimed at monetizing consumer influence through social, local and mobile marketing.

On July 18, 2014, PayMeOn acquired a 19.4% stake in Prodeco Technologies, LLC, a USA-based researcher, developer, marketer, and manufacturer of quality electric bicycles and entered the business of selling light electric vehicles and related products through its wholly-owned subsidiary, HLM Paymeon, Inc. In September 2014, HLM Paymeon began selling ProdecoTech electric bicycles online through its website www.irideelectric.com, under a non-exclusive dealer agreement.

In October 2015, HLM Paymeon launched a retail store located in Fort Lauderdale, Florida to sell ProdecoTech and other electric bicycles, as well as other alternative transportation products (such as hoverboards) and related products and accessories at our retail location. Effective November 18, 2016, the Company assigned all of its interests in Prodeco Technologies, LLC, held by Ebike, LLC and A Better Bike, LLC to Tavone Family Holdings, LLC in consideration of a total cash payment of \$30,000 pursuant to an Assignment and Assumption Agreement dated November 18, 2016. The Company owned its Prodeco Technologies LLC interests through its 100% ownership of Ebike, LLC and A Better Bike, LLC. The Company sold its interests as part of its changing focus. While the Company intends to maintain its light electric vehicles business, it is shifting its primary focus to its Basalt America business.

In March 2016, we formed Paymeon Brands, Inc to develop, market, manage and monetize lifestyle brands and products. It is our intention to acquire exclusive licensing rights to brands which we believe are expandable to additional product lines. In addition, Paymeon Brands may seek to develop or acquire its own products, which are not yet known brands, but that it believes are in substantial growth markets and can become lifestyle oriented brands.

On December 23, 2016, a third-party driver drove his car through our retail storefront located at 2599 North Federal Highway, Fort Lauderdale, Florida 33305. The accident caused serious damage to the building and seriously impacted our ability to sell to and service customers. Despite being in the process of reducing our focus on our light electric vehicles business, we are still conducting sales. The damaged storefront has substantially diminished sales volumes we expected to generate during the first quarter of 2017. While there can be no assurances that we will receive a settlement, we believe the driver was insured and are pursuing a claim for compensation for lost sales.

In February 2017 subsequent to our fiscal year end, we acquired 100% of the membership interests of Rockstar Acquisitions, LLC (dba Basalt America). Basalt America leverages its licensed intellectual property, technology and processes to produce Basalt Fiber Reinforced Polymer products that are used as replacements for steel products that reinforce concrete such as rebar. Basalt America is the exclusive licensee under a license agreement with Global Energy Sciences for its concrete reinforcement products known as RockRebar®, RockStirrups®, RockMesh®, and RockStaples. The license provides Basalt America with exclusivity for the United States, (excluding California and Hawaii), the Caribbean (excluding Cuba), and Peru. It also provides that Basalt America shall have a right of first refusal for all other territories in the world.

For the year ended December 31, 2016, revenues for Paymeon, Inc. on a consolidated basis were \$394,219 and were derived from the sale of electric bicycles made by multiple manufacturers, service, and lifestyle apparel.

Organization

PayMeOn holds a wholly owned interest in HLM Paymeon, Inc., and Paymeon Brands, Inc., both Florida corporations, and Rockstar Acquisitions, LLC (dba Basalt America), a Florida limited liability company. There is currently a limited public market for our common stock which is quoted on the OTC Markets under the symbol

PAYM. Our executive offices are located at 2599 North Federal Highway, Fort Lauderdale, Florida 33305. Our telephone number is 954-565-0562. We own and operate several websites, including www.paymeon.com, www.irideelectric.com, and www.basaltamerica.com. The information which appears on these websites is not part of this report.

Light Electric Vehicle Sales

Since acquiring our interest in ProdecoTech Technologies, LLC in 2014, we have been primarily engaged in the sale of electric bicycles, hoverboards and other related products and accessories, both online and at our retail location located at 2599 North Federal Highway, Fort Lauderdale, Florida. During 2014, 2015, and 2016, sales related to our light electric vehicles business constituted the majority of our sales. Our future focus will be on developing Basalt America, which we acquired in February of 2017.

Basalt Fiber Reinforced Polymer products

We acquired Rockstar Acquisitions, LLC. d/b/a Basalt America in February, 2017 to capitalize on the introduction of new technology and products towards the rebuilding of global infrastructure, especially as it applies to products that reinforce concrete. Rockstar Acquisitions, LLC. d/b/a Basalt America leverages its licensed intellectual property, technology and processes to produce Basalt Fiber Reinforced Polymer products that are used as replacements for steel products that reinforce concrete such as rebar. Basalt America is the exclusive licensee under a license agreement with Global Energy Sciences for its concrete reinforcement products known as RockRebar®, RockStirrups®, RockMesh®, and RockStaples. Basalt America's products often represent substantial improvements in strength and resistance relative to existing steel industry products. Our products will be produced in Oakland Park, Florida. We intend to sell our products primarily to government and commercial construction contractors, and home builders.

Social Income®

Through our Paymeon Brands, Inc. subsidiary we intend to capitalize on our Social Income® trademark by creating opportunities to monetize the substantial influence consumers exert through their networks. We are dedicated to growing and leveraging our own social media following, as well as extending our social media reach through partnerships with well-known influencers. We intend to aggregate social audiences across platforms to form a substantial network of potential buyers/influencers for our products. We will use our network to instantly garner

feedback for new product launches, as well as direct-sell many types of products. We also intend to use our network to continuously promote the lifestyle aspects of our brands, resulting in even more promotion by our audience to others outside of our audience.

We expect that our Social Income® based products will be available both over the web and through mobile devices. The primary aim of the products will be to allow consumers and merchants to browse, offer, and promote products and services, and most importantly, share them in exchange for social income® payments (which may be in the form of cash, points, additional savings, etc.).

Social income® is a registered trademark of PayMeOn. We define social income® as income or benefits derived from referring or recommending products or services to people in your network(s). The fundamental driver of PayMeOn's products is the opportunity for users to earn rewards through their referrals. Many products and services are sold over the Internet today through recommendations or referrals. Social networks have allowed users to connect seamlessly and have become powerful platforms for friends, family and colleagues to connect, share, and recommend products that are imbedded in the networking experience. We believe that users should be rewarded for their successful referrals. We call these rewards social income®. We believe that the ubiquitous adoption of mobile phones has created portable and real time social networks that can be monetized.

Competition

The Social and lifestyle -based marketing industry is a new, fragmented and competitive industry. Furthermore, the marketing industry in general is a large and competitive. In the United States and throughout the world, the marketing industry has a diverse set of channels, including direct mail, tele-marketing, television, radio, newspaper, magazines and the recently developed mobile and web-based markets. The list of market leaders fluctuates constantly. Many competitors are large and have significantly greater financial, marketing and other resources than our company.

The light electric vehicle retail market, which includes electric bicycles and hover boards, is new and evolving in the United States. We compete with large, established marketers of light electric vehicles and traditional bicycles and similar products. We also compete with online retailers, such as Amazon.com. In addition, we also compete with lesser-known distributors of electric bicycles and other products sourced primarily outside of the United States. As described above, we are shifting our focus to our Basalt America business.

The concrete reinforcement industry is well-established around the world and includes some of the largest steel companies in the world. While we believe that our products are unique and create a new segment within the concrete reinforcement industry, we still expect to compete with these large companies, both inside and outside of the United States, as they aggressively market their existing products.

Intellectual Property

The term social income® is a registered trademark of PayMeOn, Inc. Additionally, we have applied for registration of various trademarks related to Rockstar Acquisitions, LLC. d/b/a Basalt America. We have not applied for any other U.S. trademarks and, except for common law rights, we currently do not hold any other intellectual property rights on the products we have developed. Among many other related domain names, we have secured the following domain names: www.irideelectric.com; paymeon.com; paymeon.net; paymeon.tv; paymeon.org; paymeon.biz; paymeon.mobi; paymeon.co; paymeon.tel; paymeon.us; paymeonbrands.com; paymeonbrands.net; paymeonbrands.org; hyperloc.com; Hyperlocalmarketing.net; Hlmlc.com; Hlmlc.net, and basaltamerica.com.

As part of Rockstar Acquisitions, LLC. d/b/a Basalt America's license with Global Energy Sciences, we have acquired rights to use the trademarks RockRebar®, RockStirrups®, RockMesh®, and RockStaples®.

Governmental Regulation

Our potential mobile and e-commerce products are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the internet, many of which are still evolving and could be interpreted in ways that could harm our business. In the United States and abroad, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims. These regulations and laws may involve taxation, tariffs, subscriber privacy, data protection, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services and the characteristics and quality of services. It is not clear how existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the

internet or e-commerce. In addition, it is possible that governments of one or more countries may seek to censor content available on our websites or may even attempt to completely block access to our websites. Accordingly, adverse legal or regulatory developments could substantially harm our business. The CARD Act, as well as the laws of most states, contain provisions governing product terms and conditions of gift cards, gift certificates, stored value or pre-paid cards or coupons (gift cards), such as provisions prohibiting or limiting the use of expiration dates on gift cards or the amount of fees charged in connection with gift cards or requiring specific disclosures on or in connection with gift cards. PayMeOn coupon, gift card, stored value or prepaid card offers generally are included within the definition of gift cards in many of these laws. In addition, certain foreign jurisdictions have laws that govern disclosure and certain product terms and conditions, including restrictions on expiration dates and fees that may apply to PayMeOn offers. However, the CARD Act as well as a number of states and certain foreign jurisdictions also have exemptions from the operation of these provisions or otherwise modify the application of these provisions applicable to gift cards that are issued as part of a promotion or promotional program. If PayMeOn offers are subject to the CARD Act, and are not included in the exemption for promotional programs, it is possible that the purchase value, which is the amount equal to the price paid for the offer, or the promotional value, which is the add-on value of the offer in excess of the price paid, or both, may not expire before the later of (i) five years after the date on which the offer was issued or the date on which the customer last loaded funds on the offer if the offer has a reloadable feature; (ii) the offers stated expiration date (if any), unless offers come within an exemption in the CARD Act for promotional programs; or (iii) a later date provided by applicable state law. In addition, regardless of whether an exemption for PayMeOn offers applies under the CARD Act, in those states that prohibit or otherwise restrict expiration dates on gift cards that are defined to include offers and that do not have exemptions that apply to the purchase value or the promotional value, or both, of offers, PayMeOn offers may be required to be honored for the full offer value (the total of purchase value and promotional value) until redeemed. There can be no assurance that as PayMeOn incorporates new requirements as detailed under the CARD Act that merchants will continue to offer PayMeOn offers.

Products sold by Basalt America are subject to various approvals and certifications from various private and public entities, such as the Department of Transportation and the US Army Corps of Engineers. Such approvals and certifications are based on numerous, often changing standards and there can be no assurance that our products will receive or retain necessary approvals or certifications in the future.

Subsequent Events

On February 21, 2017, the Company entered into and completed a membership interest purchase agreement to acquire 100.0% of the membership interests of Rockstar Acquisitions, LLC ("Rockstar"). Rockstar was organized under the laws of the State of Florida in November 2016. Rockstar leverages its licensed intellectual property, technology and processes to produce Basalt Fiber Reinforced Polymer products that are used as replacements for steel products that reinforce concrete such as rebar. Our Chairman and CEO, Edward A. Cespedes and our Director and largest individual shareholder, Vincent L. Celentano, are the Managing Members of Rockstar. In consideration of the acquisition of all of the issued and outstanding membership interests of Rockstar, the Company issued an aggregate of 95,500,000 restricted shares of its common stock to the members of Rockstar. For accounting purposes the transactions are recorded at their historical cost.

On January 5, 2017, Rockstar Acquisitions, LLC ("Rockstar") entered into a letter agreement with Raw Materials Corp and Raw Energy Materials, Corp. ("RAW"). The letter agreement called for, among other things, Rockstar to purchase equipment for \$400,000, and when given notice in writing by RAW, to purchase additional equipment within 10 business days of receiving the notice. Rockstar's approximate total obligation was approximately \$3 million. On February 21, 2017, Paymeon completed its acquisition of Rockstar. On April 19, 2017, Rockstar received written notice from RAW to purchase the additional equipment. To date, Rockstar has funded approximately \$260,000 towards the purchase of equipment. As of April 20, 2017, Paymeon, and its affiliates, including Rockstar, has secured a commitment for equipment debt financing in the amount of \$600,000. Paymeon and its affiliates, including Rockstar, is currently in the process of pursuing additional financing to meet Rockstar's obligation. There is no guarantee that we will be able to obtain the additional financing.

On February 23, 2017, the Company announced the appointment of Don Smith, and Ronald LoRicco, Sr. Esq. to its board of directors to become effective March 6, 2017. The appointment of Don Smith and Ronald LoRicco, Sr. Esq will become effective on April 28, 2017.

On April 11, 2017, the Company appointed Paul Sallarulo to its board of directors.

Employees

At December 31, 2016, we had four full time employees. None of our employees are represented by a labor union, nor governed by any collective bargaining agreements. We consider relations with our labor force as satisfactory.

Item 1A.

Risk Factors.

Not applicable to smaller reporting companies. However, our principal risk factors are described under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 1B.

Unresolved Staff Comments.

None.

Item 2.

Properties.

Our principal offices are located at 2599 North Federal Highway, Fort Lauderdale, FL 33305. The sublease for approximately 4,150 square feet of retail and executive office space commenced on October 22, 2015 and is for an initial term of approximately 5 years at an initial monthly sum of \$5,617.50 and an additional 5 year term at a monthly sum of \$5,899. As additional consideration for entering into the sublease, the Company issued the lessor an unsecured promissory note in the principal amount of \$300,000. The facilities are sufficient to support our current operations.

Subsequent to year-end we entered into a lease for approximately 12,921 square feet located at Lauderdale Lakes Industrial Park, Building 13, 2688, 2694 and 2700 NW 29th Terrace, Oakland Park, FL 33311. The lease is for an initial term of 3 years at an initial monthly sum of \$11,519. The lease is for 6 six-month terms. The Company has the option to terminate the lease with 60-days notice prior to the end of any of the terms. The Company intends to domicile its Basalt America operations at this facility.

Item 3.

Legal Proceedings.

On March 31, 2014, the Company received a Notice of Default letter from legal counsel representing the California State Teachers Retirement System (CalSTRS) (the landlord for the Company's office space) alerting that the Company was in default of its lease for failure to pay monthly rent for the office space located at 2400 East Commercial Boulevard, Suite 612, Fort Lauderdale, FL 33304. The letter demanded immediate payment of \$41,937 for rent past due rent due as of April 1, 2014. As of April 9, 2014, the Company has not been able to pay its outstanding rent obligation. The landlord currently holds security deposits from the Company in the amount of \$31,407. The Company has indicated in writing its intention to cooperate with the landlord while trying to resolve the matter. There is no guarantee that the Company will be able to reach a resolution to this issue. On February 11, 2015, the landlord, through its attorneys, filed a motion for summary judgment. The motion asked for \$376,424 in unpaid rent, recovery of abated rents and tenant improvements and \$12,442 in attorney's costs incurred by the landlord as of December 31, 2014 we have reserved the entire amount. On April 22, 2015 the motion for unpaid rent, recovery of abated rents and tenant improvements and attorney's costs was granted by the Circuit Court of the 17th Judicial Circuit in and for Broward County. As previously disclosed, the Company has accrued the full amount of rent and attorney costs in its December 31, 2015 and December 31, 2016, audited financial statements. The Company intends to continue its efforts to work with the landlord to reach a mutually agreeable solution and is currently attempting to raise additional capital to address the default, as well its other outstanding obligations and working capital requirements.

To our knowledge we are not currently subject to any other legal proceedings.

Item 4.

Mine Safety Disclosures.

None.

PART II

Item 5.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

There is a limited public market for the shares of our common stock. Our stock has been thinly traded. There can be no assurance that a liquid market for our common stock will ever develop. Transfer of our common stock may also be restricted under the securities or blue sky laws of various states and foreign jurisdictions. Consequently, investors may not be able to liquidate their investments and should be prepared to hold the common stock for an indefinite period of time. Our common stock is quoted on the OTC Markets under the symbol PAYM. The range of closing prices for our common stock, as reported on the OTC Markets during each quarter since March 31, 2015, was as reported below. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Quarter Ended	High	Low
December 31, 2016	\$0.55	\$0.15
September 30, 2016	\$0.52	\$0.36
June 30, 2016	\$0.63	\$0.44
March 31, 2016	\$0.63	\$0.42
December 31, 2015	\$0.49	\$0.35
September 30, 2015	\$0.39	\$0.35
June 30, 2015	\$0.63	\$0.30
March 31, 2015	\$0.79	\$0.51

On April 17, 2017, our common stock had a closing price of \$0.65.

Holders

As of April 17, 2017, there were approximately 157 security holders of record of our common stock.

Transfer Agent and Registrant

Our transfer agent is Empire Stock Transfer, Inc., located at 1859 Whitney Mesa Drive, Henderson, Nevada. Our transfer agent's telephone number is 702-818-5898.

Dividend Policy

We have not paid any cash dividends on our common stock and do not plan to pay any such dividends in the foreseeable future. We currently intend to use all available funds to develop our business. We can give no assurances that we will ever have excess funds available to pay dividends.

Recent Sales of Unregistered Securities

During the period covered by this report we sold securities described below (see [Liquidity and Capital Resources](#)) without registration under the Securities Act of 1933, as amended, under the exemption from registration provided by Section 4(a)(2) of the Securities Act. The securities were issued with legend restricting their transferability without registration or applicable exemption and proceeds were used for working capital. We did not pay any finders fees or commission in connection with the sale of these securities.

On November 6, 2015, the Company entered into a business consulting and strategic planning agreement with Mayer and Associates. The Company issued 250,000 shares of common stock valued at \$97,500 (\$0.39 per share) the fair market value on the date of issuance and a one-time cash payment of \$50,000 to consultant. The agreement is for a six month term and includes standard non-competition, non-solicitation and other covenants. On January 4, 2016 both parties agreed to extend the consulting agreement six months and the Company issued an additional 500,000 shares of common stock valued at \$235,000 (\$0.47 per share). As of December 31, 2016 and December 31, 2015, the Company has expensed \$382,500 and \$44,331 and has a prepaid expense of \$0 and \$103,169, respectively.

On January 2, 2016, the Company entered into a six month investor relations agreement. The Company issued 60,000 shares of common stock valued at \$28,200 (\$0.47 per share) the fair market value on the date of issuance and a one-time cash payment of \$50,000 to consultant.

On March 8, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On March 9, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On March 23, 2016 the Company sold a total of 200,000 shares to two accredited investors for proceeds of \$40,000 (\$0.20 per share).

On April 15, 2016, the Company sold a total of 50,000 shares to an accredited investor for proceeds of \$10,000 (\$0.20 per share).

On May 2, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 6, 2016, the Company sold a total of 50,000 shares to an accredited investor for proceeds of \$10,000 (\$0.20 per share).

On May 11, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 12, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 24, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On June 2, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On June 10, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On June 10, 2016, the PayMeOn Brands entered into a legal services agreement. The Company issued 100,000 shares of common stock valued at \$50,000 (\$0.50 per share) in consideration of the services to be provided under the agreement. The agreement is for a twelve month term and includes standard non-competition, non-solicitation and other covenants. As of December 31, 2016 Company has expensed \$27,945.

On August 16, 2016, the Company sold a total of 75,000 shares to an accredited investor for proceeds of \$15,000 (\$0.20 per share).

On August 18, 2016, the Company sold a total of 12,500 shares to an accredited investor for proceeds of \$2,500 (\$0.20 per share).

On October 17, 2016, the Company issued 100,000 shares of common stock valued at \$32,000 (\$0.32 per share) to a consultant that will provide various marketing and operations services to the Company. The consulting agreement is for a term of one year and contains standard confidentiality and non-solicitation provisions. The term of the agreement is for one year. As of December 31, 2016 the Company expensed \$6,575.

On November 14, 2016, the Company sold a total of 12,500 shares to an accredited investor for proceeds of \$2,500 (\$0.20 per share).

On December 15, 2016 the holder of \$16,500 of purchase order financing converted the balance into 883,936 shares of common stock at a price of \$0.0187 per share and \$20,000 of purchase order financing and a \$5,000 note payable converted the balance into 1,142,849 shares of common stock at a price of 0.0175 per share. The Company recognized a loss of \$1,078,232 which was the difference of the stock price of \$0.50 on the date of conversion. See note 8.

On December 21, 2016, the Company issued 30,000 shares of common stock valued at \$15,000 (\$0.50 per share) to a consultant for legal services.

On December November 29, 2016, the Company sold a total of 200,000 shares to an accredited investor for proceeds of \$33,000 (\$0.165 per share).

Item 6.

Selected Financial Data.

Not required for smaller reporting companies.

Item 7.

Management's Discussion and Analysis of Financial Condition and Results of Operation.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes appearing in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. You should review the Risk Factors in this registration statement for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Since inception, we have incurred net operating losses. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of our products, which included the general and administrative expenses, associated with its organization and product development. We expect operating losses to continue, mainly due to the anticipated expenses associated with the marketing of all our products and development of our recently acquired business, Basalt America.

Results of Operations

Revenues for the year ended December 31, 2016, totaled \$394,219 and were derived from sales of electric bicycles made by multiple manufacturers, service, and lifestyle apparel. Revenues through Paymeon Brands began during the second quarter of 2016 and were principally from sales of lifestyle apparel. Revenues for the year ended December 31, 2015 were \$175,156 and were primarily derived from the sale of electric bicycles made by Prodeco Technologies. The \$219,063 increase represents an increase of 125% over the same periods in 2015 and reflects the growth of our light electric vehicle operations and the launch of our lifestyle brand apparel sales. We expect our revenues from light electric vehicles, and related products, such as apparel, to decrease, however, as we reduce our focus on light electric vehicle operations and apparel to focus on building our Basalt America business, which we expect will become the primary focus of our business during 2017.

Operating expenses for year ended December 31, 2016, totaled \$2,485,240, reflecting an increase of \$1,990,815 or 403% from \$494,425 for the year ended December 31, 2015.

The increases in operating expenses for the year ended December 31, 2016 over the year ended December 31, 2015 were primarily due to the increased general and administrative (G&A) expenses of \$816,125, increased consulting expenses of \$1,035,864 primarily due to the issuance of common stock for services, increased travel and entertainment expenses, increased professional fees of \$46,691, and increased payroll and payroll taxes of \$119,759 due to additional staff associated with the launch of our retail location dedicated to the sale of light electric vehicles and related products and services.

Liquidity and Capital Resources

At December 31, 2016, we had \$10,341 of cash and a working capital deficit of \$2,320,139. We require additional working capital. See "Plan of Operations" below.

Since inception, the Company has incurred net operating losses and used cash in operations. As of December 31, 2016, the Company had an accumulated deficit of \$11,764,087. The Company has also dedicated substantial resources required to research and development and marketing of the Company's products which included the general and administrative expenses associated with its organization and product development. We expect operating losses to continue, due to the anticipated costs to develop our Basalt America business. These conditions raise substantial doubt about the Company's ability to continue as a going concern. We require financing for our plan of operations.

We have historically satisfied our working capital requirements through the sale of restricted common stock and the issuance of promissory notes. From January 2012 through May 2012 the Company issued a series of secured promissory notes in the aggregate principal amount of \$155,000 (the "January Secured Notes"). The January Secured Notes were secured by all of the assets of the Company. On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of \$165,500 to Celentano Consulting Company, LLC, an affiliate of the Company. The secured convertible note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. The secured convertible note is secured by all of the assets of the Company and includes customary provisions concerning events of default. In addition, the secured convertible note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.345 per share, subject to adjustment and conversion limitations. The Company received \$165,500 in gross proceeds from the issuance of the secured convertible note and used substantially all of the proceeds from the secured convertible note to satisfy the January Secured Notes, along with outstanding and accrued interest on the January Secured Notes of approximately \$9,018. The secured convertible note was outstanding on December 31, 2016, and Celentano Consulting Company, LLC has agreed in writing to extend the maturity date to December 23, 2017.

During the year ended December 31, 2015, the Company issued a series of unsecured convertible promissory notes in the principal amount of \$359,500 to related parties. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance, subject to extension. In addition, the notes may be converted at any time, at the option of the holder, into shares of the Company's common stock at conversion prices ranging from \$0.12 to \$0.30 per share, subject to adjustment and subject to certain limitations on conversion.

On January 5, 2015 the Company sold a total of 50,000 shares to an individual for proceeds of \$17,500 (\$0.35 per share).

On January 20, 2015, the Company advanced \$75,000 to ProdecoTech in consideration of an unsecured promissory note in the principal amount of \$75,000 from ProdecoTech, an affiliated entity. The note payable to the Company bears interest at an annual rate of 7% and is payable January 20, 2018. The note holder shall pay interest in the amount of \$1,312.50 per quarter due on the 15th each month following the end of the quarter until the maturity date. On February 6, 2015 the Company advanced an additional \$9,760.90 to Prodeco under the same terms due on February 8, 2018. The note holder shall pay interest in the amount of \$170.81 per quarter due on the 15th each month following the end of the quarter until the maturity date. For the three and nine months ended September 30, 2015, no interest was paid on the note. As of September 30, 2015, a related party (an affiliate of the Company and ProdecoTech), elected to accept the note receivable of \$84,760 and accrued interest of \$2,967 as payment against the convertible notes payable related party.

On October 22, 2015 (the Closing Date) the Company's wholly owned subsidiary, HLM PayMeOn, Inc., entered into a sublease agreement with PDQ Auctions, LLC to lease retail premises located 2599 North Federal Highway, Fort Lauderdale, Florida. The Company used the premises to establish and operate a retail electric self-balancing scooter (hoverboard), bicycle and related product store under the Company's irideelectric brand. The sublease is for an initial term of approximately 5 years at an initial monthly sum of \$5,617.50 and an additional 5 year term at a monthly sum of \$5,899. As consideration for leasehold improvements, the Company issued PDQ an unsecured promissory note in the principal amount of \$300,000. The Note bears interest at an annual rate of 7% and is payable on or before October 22, 2017, unless the Note is converted or prepaid prior to the Maturity Date. Subject to certain limitations below, the Note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.35 per share, subject to adjustment. In the event the Company issues any new or additional promissory notes that pay an interest rate that exceeds 7% per annum, then the holder shall be entitled to request an increase in the Interest rate payable on the Note to an amount equal to the rate being paid on the new or additional notes. The conversion of the Note may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's common stock. The Note may be prepaid at the option of the Company commencing 190 days after the Closing Date.

During the year ended December 31, 2016, the Company issued a series of unsecured convertible promissory notes in the aggregate principal amount of \$63,975 to a related party. The notes bear interest at 7% and are payable on or before 12 months from the date of issuance. In addition, the notes may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment and limitations on conversion.

During the year ended December 31, 2016, the Company sold an aggregate of 1,500,000 shares of restricted common stock to accredited investors for gross proceeds of \$293,000.

On July 13, 2016, HLM Paymeon, Inc., the Company's wholly owned subsidiary, entered into a merchant agreement with Summit Capital Partners (SCP), whereby it sold \$40,500 of accounts receivable (the Receipts Purchased Amount) for a total purchase price of \$30,000. HLM Paymeon shall repay \$337 daily until the Receipts Purchased Amount is repaid. To secure HLM Paymeon's payment and performance obligations to SCP, HLM Paymeon has granted to SCP a security interest in all HLM Paymeon's accounts, chattel paper, documents, equipment, general intangibles, instruments and inventory. In addition, the Company's directors have individually guaranteed repayment of the Receipts Purchased Amount.

On August 17, 2016, PayMeOn Brands, Inc., a wholly-owned subsidiary of the Company, entered into a purchase order purchase and sale agreement with a related party, whereby PayMeOn Brands sold \$5,000 of current purchase orders in exchange for \$4,000. As a further inducement for Purchaser to enter into the agreement as collateral security for any and all obligations owing by PayMeOn Brands to Purchaser, PayMeOn Brands has granted to purchaser, as collateral security, a first lien security interest in all of PayMeOn Brands' accounts created as a result of Purchase Orders financed or purchased by purchaser and all inventory. As of December 31, 2016, the outstanding balance is

\$5,000.

On September 2, 2016, Paymeon Brands, Inc., a wholly-owned subsidiary of the Company, entered into a purchase order purchase and sale agreement with a third party, whereby Paymeon Brands sold \$50,000 of current purchase orders in exchange for \$40,000. During the year ended December 31, 2016 the Company repaid a total of \$33,500. On December 15, 2016 the holder converted the remaining balance of \$16,500 into 883,936 shares of common stock at \$0.0187 per share. The fair value price per share at August 17, 2016 was \$0.55 per share. Therefore the Company recorded a \$469,995 loss on conversion of debt.

On September 9, 2016, Paymeon Brands, Inc., a wholly-owned subsidiary of the Company, entered into a purchase order purchase and sale agreement with a third party purchaser, whereby Paymeon Brands sold \$20,000 of current purchase orders in exchange for \$15,000. As a further inducement for purchaser to enter into the agreement as collateral security for any and all obligations owing by PayMeOn Brands to purchaser, PayMeOn Brands has granted to purchaser, as collateral security, a first lien security interest in all of PayMeOn Brands' accounts created as a result of purchase orders financed or purchased by purchaser and all inventory. The Company recorded a \$5,000 deferred finance charge on the date of issuance. As of December 31, 2016 the Company amortized \$5,000 of the deferred finance charge and repaid \$5,000. On December 15, 2016 the holder converted the remaining balance of \$20,000 into 1,142,849 shares of common stock as \$0.0175 per share. The fair value price per share at August 17, 2016 was \$0.55 per share. Therefore the Company recorded a \$608,567 loss on conversion of debt.

On September 23, 2016, the Company entered into a short-term demand loan with a third party. The loan amount was \$5,000 and requires repayment of \$6,333 in 30 days. The Company repaid \$5,000 as of December 31, 2016.

Current working capital is not sufficient to maintain our current operations and there is no assurance that future sales and marketing efforts will be successful enough to achieve the level of revenue sufficient to provide cash to sustain operations. To the extent such revenues and corresponding cash flows do not materialize, we will attempt to fund working capital requirements through third party financing, including a private placement of our securities. In the absence of revenues, we currently believe we require a minimum of \$3,000,000 to maintain our current operations through the next 12 months. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

Critical Accounting Policies and Estimates

Revenue Recognition

The Company recognizes revenue on arrangements in accordance with FASB ASC No. 605, *Revenue Recognition*. In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes revenue from bike sales when delivered to our customers and collectability is reasonably assured.

Stock-Based Compensation

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification No. 718, *Compensation - Stock Compensation*. Under FASB Accounting Standards Codification No. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options, restricted share plans, performance based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification No. 505, *Equity Based Payments to Non-Employees*. In general, the measurement date is when either (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which relates to the accounting for employee share-based payments. This standard addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In April 2016, the FASB issued ASU 2016-10 Revenue from Contract with Customers (Topic 606): identifying Performance Obligations and Licensing. The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this Update are intended render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

All other newly issued accounting pronouncements but not yet effective have been deemed either immaterial or not applicable.

Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors before deciding whether to invest in the Company. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the risk factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline.

Risks Related to Our Business and Industry

Our independent auditors have raised substantial doubt about our ability to continue as a going concern.

As an early stage company, we have not yet generated significant revenues. We have incurred operating losses since its inception and will continue to incur net losses until we can produce sufficient revenues to cover our costs. Our independent auditors have included in their audit report an explanatory paragraph that states that our net loss and working capital deficiency raises substantial doubt about our ability to continue as a going concern.

We have a limited operating history, have incurred net losses in the past and expect to incur net losses in the future.

We have a limited operating history and have not recorded a profit since inception. As a result of this, and the uncertainty of the market in which we operate, we cannot reliably forecast our future results of operations. We expect to increase our operating expenses in the future as a result of developing, refining and implementing a sales strategy. There is no guarantee we will be profitable in the future. In addition, we expect our operating expenses to increase in the future as we expand our operations. If our operating expenses exceed our expectations, our financial performance could be adversely affected. If our revenue does not grow to offset these increased expenses, we may not be profitable in any future period.

We have a short operating history and a new business model in an emerging and rapidly evolving market. This makes it difficult to evaluate our future prospects and increases the risk of your investment.

We have very little operating history for you to evaluate in assessing our future prospects. You must consider our business and prospects in light of the risks and difficulties we will encounter as an early-stage company in a new and rapidly evolving market. We may not be able to successfully address these risks and difficulties, which could materially harm our business and operating results. In addition, we do not know if our current business model will operate effectively during the current economic downturn. Furthermore, we are unable to predict the likely duration and severity of the adverse economic conditions in the U.S. and other countries, but the longer the duration the greater risks we face in operating our business. There can be no assurance, therefore, that current economic conditions or worsening economic conditions, or a prolonged or recurring recession, will not have a significant adverse impact on our operating and financial results.

Mobile and e-Commerce Technology Risks

The markets that we are targeting for revenue opportunities are new and rapidly developing and may change before we can access them.

The markets for traditional Internet and mobile Web products and services that we are targeting for revenue opportunities are changing rapidly and are being pursued by many other companies, and the barriers to entry are relatively low. We cannot provide assurance that we will be able to realize these revenue opportunities before they change or before other companies dominate the market. Furthermore, we have based certain of our revenue opportunities on statistics provided by third party industry sources. Such statistics are based on ever changing customer preferences due to our rapidly changing industry. These statistics, including some of the statistics referenced in this memorandum, have not been independently verified by our company. With the introduction of new technologies and the influx of new entrants to the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, limit client attrition and maintain our prices.

We face significant competition from large and small companies offering products and services related to mobile marketing technologies and services, targeted advertising delivery and the delivery of Web-based video.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products. Our current and potential competitors may have more extensive client bases and broader client relationships than our company. In addition, these companies may have longer operating histories and greater name recognition.

These competitors may be better able to respond quickly to new technologies and to undertake more extensive marketing campaigns. If we are unable to compete with such companies, we may never generate demand for our products.

If we fail to promote and maintain our brand in a cost-effective manner, we may lose (or fail to gain) market share and our revenue may decrease.

We believe that developing and maintaining awareness of the PayMeOn brands in a cost-effective manner is critical to its goal of achieving widespread acceptance of our existing and future technologies and services and attracting new clients. Furthermore, we believe that the importance of brand recognition will increase as competition in our industry increases. Successful promotion of the brand will depend largely on the effectiveness of our marketing efforts and the effectiveness and affordability of our products and services for our target client demographic. Historically, efforts to build brand recognition have involved significant expense, and it is likely that our future marketing efforts will require us to incur significant expenses. Such brand promotion activities may not yield increased revenue and, even if they do, any revenue increases may not offset the expenses we incur to promote our brand. If we fail to successfully promote and maintain the brand, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain the brand, we may lose existing clients to our competitors or be unable to attract new clients, which would cause revenue to decrease.

If we do not innovate and provide products and services that are useful to users, revenues and operating results could suffer.

Our success depends on providing products and services that clients use to promote their brands and products via mobile Web or other Web-based advertising. Competitors are constantly developing innovations in customized communications, including technologies and services related to mobile marketing and targeted ad delivery. As a result, we must continue to invest significant resources in research and development in order to enhance existing products and services and introduce new high-quality products and services that people will use. If we are unable to predict user preferences or industry changes, if we are unable to manage our projects or product enhancements, or if we are unable to modify our products and services on a timely basis, we may lose users, clients and advertisers. Our operating results would also suffer if innovations are not responsive to the needs of users, clients and advertisers, are not appropriately timed with market opportunity or are not effectively brought to market.

The success of our business depends on the continued growth and acceptance of mobile marketing/advertising as a communications tool, and the related expansion and reliability of the Internet infrastructure. If consumers do not continue to use the mobile Web or alternative communications tools gain popularity, demand for our marketing and advertising technologies and services may decline.

The future success of our business depends on the continued and widespread adoption of mobile marketing as a significant means of advertising and marketing communication. Security problems such as viruses, worms and other malicious programs or reliability issues arising from outages and damage to the Internet infrastructure could create the perception that mobile or Web-based marketing/advertising is not a safe and reliable means of communication, which would discourage businesses and consumers from using such methods. Any decrease in the use of mobile devices or Web-based video resources would reduce demand for our marketing technologies and services and harm our business.

Problems with third party hosting companies or our inability to receive third party approvals for our products could harm us.

We rely on third-party hosting companies. Any disruption in the network access or co-location services provided by these third-party providers or any failure of these third-party providers to handle current or higher volumes of use could significantly harm our business. In addition, we depend on third parties to approve our products. If such approvals are unable to be obtained or are not obtained in a timely fashion, our ability to access additional users and customers from those products would be significantly diminished.

Our business depends on the growth and maintenance of the Internet infrastructure.

Our success will depend on the continued growth and maintenance of the internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet services. Internet infrastructure may be unable to support the demands placed on it if the number of internet users continues to increase or if existing or future internet users access the internet more often or increase their bandwidth requirements. In addition, viruses, worms and similar programs may harm the performance of the internet. The internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as our ability to provide our solutions.

In addition, some states and foreign jurisdictions also include gift cards under their unclaimed and abandoned property laws which require companies to remit to the government the value of the unredeemed balance on the gift cards after a specified period of time (generally between one and five years) and impose certain reporting and recordkeeping obligations. We do not remit any amounts relating to unredeemed PayMeOn offers based upon our assessment of applicable laws. The analysis of the potential application of the unclaimed and abandoned property laws to PayMeOn offers is complex, involving an analysis of constitutional and statutory provisions and factual issues, including our relationship with customers and merchants and our role as it relates to the issuance and delivery of our offers.

Regulations concerning data protection are evolving and the manner in which we handle personal data may be inconsistent with the interpretation of current laws.

Many states have passed laws requiring notification to subscribers when there is a security breach of personal data. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning data protection. In addition, data protection laws in Europe and other jurisdictions outside the United States may be more restrictive, and the interpretation and application of these laws are still uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business. Furthermore, the Digital Millennium Copyright Act has provisions that limit, but do not necessarily eliminate, our liability for linking to third-party websites that include materials that infringe copyrights or other rights, so long as we comply with the statutory requirements of this act. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business.

Our operating results may fluctuate.

Our operating results may fluctuate as a result of a number of factors, many of which are outside of our control. The following factors may affect our operating results:

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Our ability to compete effectively.

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Our ability to continue to attract clients.

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Our ability to attract revenue from advertisers and sponsors.

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The amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business, operations and infrastructure.

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General economic conditions and those economic conditions specific to the internet and internet advertising.

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Our ability to keep our websites operational at a reasonable cost and without service interruptions.

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The success of our product expansion.

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Our ability to attract, motivate and retain top-quality employees.

Fiber Reinforced Polymer Industry Risks

We compete with large, established companies

Our Basalt America products for reinforcement of concrete compete as replacements for traditional steel industry products. The steel industry is very mature and companies are often entrenched with our potential customers. There is no guarantee that we will be able to convince customers that our products are superior to steel products.

Regulatory Risks

Our products often require certain approvals and certifications to satisfy regulatory requirements for use as concrete reinforcements and for other uses. There is no guarantee that we will be able to maintain or secure such approvals and certifications in the future.

Limited Availability of Raw Materials

We source various raw materials for manufacture of our products from various different suppliers located in the United States and abroad. There is no guarantee that our suppliers will be able to provide us with sufficient supply of raw materials for us to maintain production levels necessary to satisfy customers.

Changes in the global economic environment may lead to declines in the production levels of our customers

We sell primarily to the construction industry. The construction industry is cyclical and can exhibit a great deal of sensitivity to general economic conditions. Low demand from the construction industry could adversely impact our financial position, results of operations and cash flows.

We may be adversely impacted by volatility in prices for raw materials

Depending on our customer demand, we may be faced with having to purchase raw materials at prices that are above the then current market price or in greater volumes than required. Additionally, other factors may force the price of composite materials down, which could affect our profit margins.

General Business Risks

We need additional capital to fund our operations, which, if obtained, could result in substantial dilution or significant debt service obligations. We may not be able to obtain additional capital on commercially reasonable terms, which could adversely affect our liquidity and financial position.

We will require additional capital to fund the anticipated expansion of our business and to pursue targeted revenue opportunities. We cannot assure you that we will be able to raise additional capital. If we are able to raise additional capital, we do not know what the terms of any such capital raising would be. In addition, any future sale of our equity securities would dilute the ownership and control of your shares and could be at prices substantially below prices at which our shares currently trade. Our inability to raise capital could require us to significantly curtail or terminate our operations. We may seek to increase our cash reserves through the sale of additional equity or debt securities. The sale of convertible debt securities or additional equity securities could result in additional and potentially substantial dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity. In addition, our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all. Any failure to raise additional funds on favorable terms could have a material adverse effect on our liquidity and financial condition.

We cannot assure you that we will be able to develop the infrastructure necessary to achieve the potential sales growth.

Achieving revenue growth will require that we develop additional infrastructure in sales, technical and client support functions. We cannot assure you that we can develop this infrastructure or will have the capital to do so. We will continue to design plans to establish growth, adding sales and sales support resources as capital permits, but at this time these plans are untested. If we are unable to use any of our current marketing initiatives or the cost of such initiatives were to significantly increase or such initiatives or its efforts to satisfy existing clients are not successful, we may not be able to attract new clients or retain existing clients on a cost-effective basis and, as a result, our revenue and results of operations would be affected adversely.

If we fail to manage our anticipated growth, our business and operating results could be harmed.

If we do not effectively manage our anticipated growth, the quality of our products and services could suffer, which could negatively affect our brand and operating results. To effectively manage our potential growth, we will need to improve our operational, financial and management controls and our reporting systems and procedures. These systems enhancements and improvements may require significant capital expenditures and allocation of valuable management resources. If the improvements are not implemented successfully, our ability to manage our growth will be impaired and we may have to make significant additional expenditures to address these issues, which could harm our financial position.

Our relationships with our channel partners may be terminated or may not continue to be beneficial in generating new clients, which could adversely affect our ability to increase our client base.

We maintain a network of active channel partners which refer clients to us within different business verticals. If we are unable to maintain contractual relationships with existing channel partners or establish new contractual relationships with potential channel partners, we may experience delays and increased costs in adding clients, which could have a material adverse effect on us. The number of clients we are able to add through these marketing relationships is dependent on the marketing efforts of our partners over which we exercise very little control.

Competition for employees in our industry is intense, and we may not be able to attract and retain the highly skilled employees whom we need to support our business.

Competition for highly skilled technical and marketing personnel is intense and we continue to face difficulty identifying and hiring qualified personnel in certain areas of our business. We may not be able to hire and retain such personnel at compensation levels consistent with existing compensation structure. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In particular, candidates making employment decisions, particularly in high-technology industries, often consider the value of any equity they may receive in connection with their employment. As a result, any significant volatility in the price of our stock may adversely affect our ability to attract or retain highly skilled technical and marketing personnel.

In addition, we invest significant time and expense in training employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements and the quality of our services and our ability to serve our clients could diminish, resulting in a material adverse effect on our business.

We may be unable to protect our intellectual property rights and any inability to protect them could reduce the value of our products, services and brand.

Excluding our U.S. trademark protection for social income, we have not filed with any regulatory authority for patent or trademark protection. We intend to protect our unpatented trade secrets and know-how through confidentiality or license agreements with third parties, employees and consultants, and by controlling access to and distribution of our proprietary information. However, this method may not afford complete protection particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States and unauthorized parties may copy or otherwise obtain and use our products, processes or technology and there can be no assurance that others will not independently develop similar know-how and trade secrets. If third parties take actions that affect our rights or the value of our intellectual property, similar proprietary rights or reputation or we are unable to protect our intellectual property from infringement or misappropriation, other companies may be able to use our proprietary know-how to offer competitive products at lower prices and we may not be able to effectively compete against these companies.

We may in the future be subject to intellectual property rights claims, which are costly to defend, could require us to pay damages and could limit our ability to use certain technologies in the future.

Companies in the internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition, the possibility of intellectual property rights claims against us grows. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle and could divert management resources and attention.

With respect to any intellectual property rights claim, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase our operating expenses. We have not fully reviewed and assessed the potential intellectual claims centered on our latest asset purchases, mergers, or acquisitions to evaluate any technology licenses required. The technology also may not be available for license to us at all. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and operating results.

Our ability to offer our products and services may be affected by a variety of U.S. and foreign laws.

The laws relating to the liability of providers of online and mobile marketing services for activities of their users are in their infancy and currently unsettled both within the U.S. and abroad. Future regulations could affect our ability to provide current or future programming.

We will depend on the services of Edward Cespedes and the loss of Mr. Cespedes or failure of Mr. Cespedes to dedicate all of his time to our business could materially harm our company.

We rely on Edward Cespedes, as our sole operating officer and director. While Mr. Cespedes currently dedicates substantially all of his time to our company, he is not required to dedicate all of his time and resources to our company and we have not been able to pay him his contractual salary. The loss of the services of Mr. Cespedes or Mr. Cespedes inability to dedicate 100% of his time and resources to our company could materially harm our business. In addition, we do not presently maintain a key-man life insurance policy on Mr. Cespedes. Our future depends, in part, on our ability to attract and retain key personnel. Our future also depends on the continued contributions of other key technical and marketing personnel. The loss of key personnel and the process to replace any of our key personnel would involve significant time and expense, may take longer than anticipated and may significantly delay or prevent the achievement of our business objectives.

We currently have no independent directors, which poses a risk for us from a corporate governance perspective.

Our directors and executive officer are required to make interested party decisions, such as the approval of related party transactions, his level of his compensation, and oversight of our accounting function. Our directors and executive officer also exercise substantial control over all matters requiring stockholder approval, including the nomination of directors and the approval of significant corporate transactions. Due to our lack of independent directors, we have not implemented various corporate governance measures, the absence of which may cause stockholders to have more limited protections against transactions implemented by our board of directors, conflicts of interest and similar matters. Stockholders should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

Failure to retain and attract qualified personnel could harm our business.

Aside from Mr. Cespedes, our success depends on our ability to attract, train and retain qualified personnel. Competition for qualified personnel is intense and we may not be able to hire sufficient personnel to support the anticipated growth of our business. If we fail to attract and retain qualified personnel, our business will suffer. Additionally, companies whose Employees accept positions with competitors often claim that such competitors have engaged in unfair hiring practices. We may receive such claims in the future as we seek to hire qualified Employees. We could incur substantial costs in defending against any such claims.

Risks Related to Our Common Stock

Because the market for our common stock is limited, persons who purchase our common stock may not be able to resell their shares at or above the purchase price paid for them.

Our common stock trades on the OTC Markets which is not a liquid market. There is currently only a limited public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained in the future. If an active market for our common stock does not develop or is not sustained, the price may continue to decline.

Because we are subject to the penny stock rules, brokers cannot generally solicit the purchase of our common stock which adversely affects its liquidity and market price.

The SEC has adopted regulations which generally define penny stock to be an equity security that has a market price of less than \$5.00 per share, subject to specific exemptions. The market price of our common stock on the Bulletin Board has been substantially less than \$5.00 per share and therefore we are currently considered a penny stock according to SEC rules. This designation requires any broker-dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities.

Due to factors beyond our control, our stock price may be volatile.

Any of the following factors could affect the market price of our common stock:

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Our failure to increase revenue in each succeeding quarter;

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Our failure to achieve and maintain profitability;

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Our failure to meet our revenue and earnings guidance;

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The loss of distribution relationships

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The sale of a large amount of common stock by our shareholders;

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Our announcement of a pending or completed acquisition or our failure to complete a proposed acquisition;

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Adverse court ruling or regulatory action;

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Our failure to meet financial analysts' performance expectations;

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Changes in earnings estimates and recommendations by financial analysts;

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Changes in market valuations of similar companies;

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Short selling activities;

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Our announcement of a change in the direction of our business;

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Our inability to manage our international operations;

Actual or anticipated variations in our quarterly or in our forecasted results of operations; or

Announcements by us, or our competitors, of significant contracts, acquisitions, commercial relationships, joint ventures or capital commitments.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business.

Because we may not be able to attract the attention of major brokerage firms, it could have a material impact upon the price of our common stock.

It is not likely that securities analysts of major brokerage firms will provide research coverage for our common stock since the firm itself cannot recommend the purchase of our common stock under the penny stock rules referenced in an earlier risk factor. The absence of such coverage limits the likelihood that an active market will develop for our common stock. It may also make it more difficult for us to attract new investors at times when we acquire additional capital.

The conversion of outstanding secured and unsecured convertible promissory notes will result in dilution to existing stockholders and could negatively affect the market price of our common stock.

At December 31, 2016, we have outstanding 7% secured and unsecured promissory notes convertible at the option of the holders in the aggregate principal amount of \$670,548 convertible at prices ranging from \$.10 to \$.35 per share; the conversion of certain notes limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's outstanding common stock. If all the outstanding notes are converted, our issued and outstanding shares would increase significantly. In the event that a market for our common stock develops, to the extent that holders of our notes convert such securities, our existing shareholders will experience dilution to their ownership interest in our company. In addition, to the extent that holders of convertible securities convert such securities and then sell the underlying shares of common stock in the open market, our common stock price may decrease due to the additional shares in the market. The secured notes are secured by all of the Company's assets.

Our principal shareholders and their affiliates beneficially own and control approximately 68% of our outstanding common stock and as majority shareholders are able to control voting issues and actions that may not be beneficial or desired by minority shareholders.

As of December 31, 2016, our principal shareholders beneficially own approximately 68% of the issued and outstanding common stock and as such could elect all directors, and dissolve, merge or sell our assets or otherwise direct our affairs. Our principal shareholders also own secured and unsecured promissory notes that are convertible at their option into a material number of shares of our common stock. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control; impede a merger, consolidation, takeover or other business combination involving the Company, which, in turn, could depress the market price of our common stock.

The issuance of preferred stock could change control of the company.

Our articles of incorporation authorize the Board of Directors, without approval of the shareholders, to cause shares of preferred stock to be issued in one or more series, with the numbers of shares of each series to be determined by the Board of Directors. Our articles of incorporation further authorize the Board of Directors to fix and determine the powers, designations, preferences and relative, participating, optional or other rights (including, without limitation, voting powers, preferential rights to receive dividends or assets upon liquidation, rights of conversion or exchange into common stock or preferred stock of any series, redemption provisions and sinking fund provisions) between series and between the preferred stock or any series thereof and the common stock, and the qualifications, limitations or restrictions of such rights. In the event of issuance, preferred stock could be used, under certain circumstances, as a method of discouraging, delaying or preventing a change of control of our company. Although we have no present plans to issue additional series or shares of preferred stock, we can give no assurance that we will not do so in the future.

Item 7A.

Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 8.

Financial Statements and Supplementary Data.

The requirements of this Item can be found beginning on page F-1 found elsewhere in the Annual Report.

Item 9.

Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial (and principal accounting) Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of December 31, 2016. Based upon that evaluation and the identification of the material weakness in the Company's internal control over financial reporting as described below under Management's Report on Internal Control over Financial Reporting, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were ineffective as of the end of the period covered by this report.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our internal control over financial reporting as of December 31, 2016, based on the criteria established in 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2016, our internal control over financial reporting is not effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles because of the Company's limited resources and limited number of employees. We have identified material weaknesses in our internal control over financial reporting due to our lack of internal control over financial reporting related to the timely entry of new inventory items and point of sales during the year ended December 31, 2016. The weakness has delayed the filing of this annual report.

To mitigate the current limited resources and limited employees, we rely heavily on direct management oversight of transactions, along with the use of legal and accounting professionals. As we grow, we expect to increase our number of employees, which will enable us to implement adequate segregation of duties within the internal control framework. To mitigate the inventory and point of sales controls the Company intends to develop and implement effective monitoring controls and assign additional employees to oversee such transactions.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the SEC that permit the company to provide only management's report in this annual report.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B.

Other Information.

None.

PART III

Item 10.

Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following table sets forth certain information regarding our executive officers and directors as of the date of this prospectus. Directors are elected annually and serve until the next annual meeting of shareholders or until their successors are elected and qualify. Executive officers are appointed by our Board of Directors and their term of office is at the discretion of our board.

Name	Age	Position
Edward Cespedes	50	Chairman of the Board of Directors, Chief Executive Officer and Principal Financial Officer
Vincent L. Celentano	49	Director
Paul M. Sallarulo	60	Director

Edward Cespedes. Edward Cespedes has served as sole officer and a director since March 2011. Prior to becoming our Chief Executive Officer and sole director, he was the founder and chief executive officer of Hyperlocal Marketing, LLC. Mr. Cespedes has served as the Vice Chairman of Tralliance Registry Management Corporation, the company that manages the .travel domain for the global Internet since 2009 and was Tralliance's Chief Executive Officer from 2006 through 2009. Mr. Cespedes has served as President of theglobe.com (OTCBB: TGLO) since June 2002 and as a director of theglobe.com, Inc. since 1997. Mr. Cespedes also serves as theglobe.com's Chief Financial Officer. Mr. Cespedes is also the President of E&C Capital Ventures, Inc., the general partner of E&C Capital Partners LLP. Mr. Cespedes served as the Vice Chairman of Prime Ventures, LLC, from May 2000 to February 2002. From August 2000 to August 2001, Mr. Cespedes served as the President of the Dr. Koop Lifecare Corporation (formerly Nasdaq: KOOP) and was a member of the Company's Board of Directors from January 2001 to December 2001. From 1996 to 2000, Mr. Cespedes was a Managing Director of Dancing Bear Investments, Inc., a private investment company. Concurrent with his position at Dancing Bear Investments, Inc., from 1998 to 2000, Mr. Cespedes also served as Vice President for corporate development for theglobe.com where he had primary responsibility for all mergers, acquisitions, and capital markets activities. In 1996, Mr. Cespedes was the Director of Corporate Finance for Alamo Rent-A-Car. From 1988 to 1996, Mr. Cespedes worked for J.P. Morgan and Company, where he focused on mergers and acquisitions. He is the founder of the Columbia University Hamilton Associates, a foundation for university academic endowments. Mr. Cespedes is also a member of the Board of Governors for the H. Wayne Huizenga School of Business and Entrepreneurship at Nova Southeastern University and an honorary board

member of the Special Olympics of Broward County. Mr. Cespedes received a Bachelor's degree from Columbia University in 1988.

Vincent L. Celentano. Vincent Celentano has served as a director of our company since February 2016. Mr. Celentano is an experienced investor with interests in real estate, online media and medical service facilities. From 2012 to present, Mr. Celentano has been an investor in Prodeco Technologies, LLC, a private manufacturer of electric bikes based in Fort Lauderdale, Florida. In 2010, Mr. Celentano became the principal investor in Legendary Trails, a 200 acre residential development located in Ocala, Florida. From 2007 to 2010, Mr. Celentano was the founder of WCIS Media, LLC, the owner of whocanissue.com, a legal lead generation platform. From 2007 to 2010, Mr. Celentano also owned interests in various medical industry related entities that owned and operated imaging facilities, ambulatory surgical centers, and chiropractic centers. In 2005, Mr. Celentano acquired an interest in Holiday Isle Resort and Marina located in the Florida Keys, which was later sold in April, 2006 for \$98.25 million. From 2002 until its sale in 2006, Mr. Celentano was the Managing Partner of Baypoint South in Naples, Florida, a 161 unit condominium conversion project.

Paul M. Sallarulo. Paul M. Sallarulo has served as a member of board of directors since April 2017. He served as Chairman of the Board, President and CEO of Nexera Medical Inc. As the Company's principal government contact, Mr. Sallarulo was responsible for Nexera receiving the first certification in Europe for an antimicrobial mask, in addition to the first certification of a predicate device anti bacterial respirator mask issued by the FDA. Mr. Sallarulo had an extensive financial career in capital markets and investment banking in senior positions with Wachovia Securities, Prudential, Raymond James, Meridian Capital Markets and CoreStates Capital Markets. Mr. Sallarulo was appointed Commissioner of the North Broward Hospital District by Florida Governor Jeb Bush for two four-year terms and served as Chairman of the Board of Commissioners, and Chairman of the Executive Committee. He oversaw four major hospitals, thirty-eight clinics, six thousand professionals, and a budget in excess of \$2 billion. He served as Chairman of the Audit Committee, Legal Review Committee, Joint Conference Committee, Broward Health Foundation, Community Relations Committee for Broward General Hospital, Community Relations Committee for Imperial Point Medical Center, and currently serves on the Liberty Health Foundation Board in Jersey City, New Jersey. Mr. Sallarulo served on the Board of Directors of Foss Manufacturing, LLC Company, Board of Trustees of Nova Southeastern University, Chairman of the Board of Governors of Nova Southeastern University - Wayne Huizenga School of Business, President of the International Alumni Association of NSU, Nova Southeastern University College of Dental Medicine Advisory Board, and was inducted as the first Honorary member into Sigma Beta Delta Society International Honor Society in Business, Management and Administration. Mr. Sallarulo also served as a member of the Planning and Zoning Board of Fort Lauderdale, Broward County Personal Advisory Board Fort Lauderdale, the Fort Lauderdale Marine Advisory Board, and the Economic Development Advisory Board. Mr. Sallarulo was Co-Founder of Broward Bank of Commerce, and served on the Board of Directors. He is Chairman of the Budget Committee, Strategic Planning Committee and Nominating Committee. He also served on the Marketing Committee, Loan Committee, ALCO Committee, and Compensation Committee. Mr. Sallarulo assisted in the Sale of Broward Financial Holdings, the parent company of Broward Bank of Commerce, to Home BancShares, parent company of Centennial Bank in 2014. Mr. Sallarulo currently serves on the Regional Board of Directors of Centennial Bank and serves on the Loan Committee, and Strategic Planning Committee. Mr. Sallarulo is the recipient of several prestigious awards including: Distinguished Alumni Achievement Award Nova Southeastern University 1996. Mr. Sallarulo is Chairman of The Special Olympics of Broward County, and has been an advocate for people with physical and mental challenges for more than 44 years.

Mr. Sallarulo graduated with a B.B.A. degree in Business Administration from Baruch College in New York City and an M.B.A. from Nova Southeastern University with honors in Fort Lauderdale, Florida.

Directors

Our Board of Directors consists of three members. The terms of directors expire at the next annual shareholders meeting unless their terms are staggered as permitted in our Bylaws. Each shareholder is entitled to vote the number of shares owned by him for as many persons as there are directors to be elected. Shareholders do not have a right to cumulate their votes for directors.

Committees of the Board of Directors

We have not established any committees including an Audit Committee, a Compensation Committee or a Nominating Committee, or any committee performing a similar function. We are an early stage company and have been unable to attract qualified independent directors to serve on our board. Our board of directors consists of only three members, and has not delegated any of its functions to committees. The entire board of directors acts as our audit committee as permitted under Section 3(a)(58)(B) of the Exchange Act. Our board of directors reviews the professional services provided by our independent auditors, the independence of our auditors from our management, our annual financial statements and our system of internal accounting controls. Further, as we are currently quoted on the OTC Markets, we are not subject to any exchange rule which includes qualitative requirements mandating the establishment of any particular committees. We do not have a policy regarding the consideration of any director candidates which may be recommended by our shareholders, including the minimum qualifications for director candidates, nor has our Board of Directors established a process for identifying and evaluating director nominees. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our shareholders, including the procedures to be followed. Our board has not considered or adopted any of these policies as we have never received a recommendation from any shareholder for any candidate to serve on our Board of Directors. Given the nature of our operations, we do not anticipate that any of our shareholders will make such a recommendation in the near future. While there have been no nominations of additional directors proposed, in the event such a proposal is made, all members of our Board will participate in the consideration of director nominees.

Director Compensation

None of our directors received any compensation for their services as a member of the Board of Directors during the periods covered by this report.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Involvement in Certain Legal Proceedings

None of our directors or executive officers have been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, or has been a party to any judicial or administrative proceeding during the past ten years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in *Certain Relationships and Related Transactions*, none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Code of Ethics

Our Board has adopted a Code of Ethics that applies to all of our employees, including our Chief Executive Officer and Chief Financial Officer. Although not required, the Code of Ethics also applies to our directors. The Code of Ethics provides written standards that we believe are reasonably designed to deter wrongdoing and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, full, fair, accurate, timely and understandable disclosure and compliance with laws, rules and regulations, including insider trading, corporate opportunities and whistle-blowing or the prompt reporting of illegal or unethical behavior. A copy of the Code of Ethics is posted on our website (www.paymeon.com). A request for a copy can be made in writing to PayMeOn, Inc., 2599 North Federal Highway, Fort Lauderdale, Florida 33305, Attention: Mr. Edward Cespedes.

Shareholder Communications

Although we do not have a formal policy regarding communications with our Board, shareholders may communicate with the Board by writing to us at PayMeOn, Inc., 2599 North Federal Highway, Fort Lauderdale, Florida 33305. Attention: Mr. Edward Cespedes. Shareholders who would like their submission directed to a member of the Board may so specify, and the communication will be forwarded, as appropriate.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and the other equity securities. Officers, directors and 10% beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of the forms furnished to us, we believe that all filing requirements were complied with during 2016.

Item 11.

Executive Compensation.

The following table summarizes all compensation recorded by us in the last two completed fiscal years for:

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our principal executive officer or other individual serving in a similar capacity;

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our two most highly compensated executive officers other than our principal executive officer who were serving as executive officers at December 31, 2016 as that term is defined under Rule 3b-7 of the Securities Exchange Act of 1934; and

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up to two additional individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer at December 31, 2016.

For definitional purposes, these individuals are sometimes referred to as the named executive officers .

Name	Years	Salary (\$)	Bonus(\$)	Stock	All Other	Total (\$)
				Awards(\$)	Compensation(\$)	
Edward Cespedes	2015	\$ 175,000	\$	\$	\$ 13,462	\$ 188,462 ¹
	2016	\$ 175,000	\$	\$	\$ 13,462	\$ 188,462 ²

¹ Approximately \$396,422 of salary and \$67,308 of vacation have been accrued but not paid.

² Approximately \$109,670 of salary and \$53,846 of vacation have been accrued but not paid.

Employment Agreements

Effective August 15, 2011, the Company entered into an executive employment agreement with Edward Cespedes. Under the terms of the executive employment agreement, Mr. Cespedes has agreed to serve as our chief executive officer. The term of the agreement is one year; however, the agreement shall continue on a day to day basis following the one year term unless the Company or Mr. Cespedes provides written notice to the other party not to further extend the agreement. The agreement provided for an initial base salary of \$250,000 per year with an increase at the discretion of the board of directors, paid vacation of at least four weeks per year and a reimbursement of all reasonable expenses. Mr. Cespedes is eligible to receive increases and annual cash incentive bonuses and was initially to be paid a guaranteed annual bonus of a minimum of \$50,000. Mr. Cespedes is also eligible to participate in benefit and incentive programs we may offer. Under the agreement, Mr. Cespedes is required to devote sufficient time to the Company as required to satisfactorily perform his duties. We have also entered into an indemnification agreement with Mr. Cespedes. Due to the Company's financial situation, on July 18, 2014, Mr. Cespedes forgave approximately \$326,727 of accrued payroll and amended his employment agreement to reduce his base salary by 30% and eliminated his guaranteed bonus of \$50,000 per year.

We may terminate the agreement at any time, with or without due cause. Due cause is defined as Mr. Cespedes' final conviction or plea of guilty or no contest to a felony involving moral turpitude or willful misconduct that is materially and demonstrably injurious economically to the Company. We may also terminate the agreement upon Mr. Cespedes' death and, if as a result of Mr. Cespedes' incapacity due to physical or mental illness, Mr. Cespedes, having been substantially unable to perform his duties for three consecutive months, we may terminate Mr. Cespedes for disability upon 30-days written notice.

Mr. Cespedes may terminate the agreement at any time, with or without good reason. However, termination for good reason must occur within 90 days of the occurrence of an event constituting good reason. Good reason includes: a material diminution in his authority, duties, responsibilities, titles or offices; a purported reduction in Mr. Cespedes base salary, guaranteed bonus or bonus opportunity; relocation of the Company's principal executive offices to a location more than 25 miles outside of Fort Lauderdale, Florida; change of control of the Company; or any other breach of a material provision of the agreement by the Company.

In the event Mr. Cespedes is terminated without cause or by Mr. Cespedes for good reason, the Company shall pay Mr. Cespedes within five days of such termination, all accrued benefits and a lump sum cash payment equal to ten times the sum of Mr. Cespedes' base salary and highest annual bonus. Furthermore, the Company shall maintain in full force and effect, for the continued benefit of Mr. Cespedes, his spouse and dependents, for a period of ten years following the date of termination, all health, dental and life insurance programs in which Mr. Cespedes, his spouse and his dependents were participating immediately prior to the date of termination. In addition, Mr. Cespedes shall be entitled to reimbursement for all reasonable expenses incurred, but not paid prior to termination and shall be entitled to any other rights, compensation and/or benefits as may be due to Mr. Cespedes. Furthermore, with respect to all equity awards granted to Mr. Cespedes, all such rewards shall immediately vest and Mr. Cespedes shall be permitted to exercise any and all such rights until the earlier of the third anniversary of the date of termination and the expiration term of such awards. Any restricted stock held by Mr. Cespedes shall become immediately vested as of the date of termination.

In the event of termination of Mr. Cespedes for cause or by Mr. Cespedes without good reason, the Company shall pay Mr. Cespedes his accrued benefits, reimburse Mr. Cespedes for reasonable expenses incurred, but not paid prior to such termination date and Mr. Cespedes shall be entitled to any other rights, compensation and/or benefits as may be due to Mr. Cespedes.

In the event of termination for disability, Mr. Cespedes shall receive his accrued benefits for a period of one year. In addition, he shall be reimbursed for all reasonable expenses incurred, but not paid prior to the termination date and Mr. Cespedes shall be entitled to any other rights, compensation and/or benefits as may be due to Mr. Cespedes. In the event employment is terminated due to Mr. Cespedes' death, the Company shall pay a lump sum to Mr. Cespedes beneficiary of his accrued benefits and shall provide Mr. Cespedes' spouse and dependents with continued benefits for ten years. Mr. Cespedes' beneficiary shall also be reimbursed for all reasonable expenses incurred, but not paid prior to Mr. Cespedes' death and shall be entitled to any other rights, compensation and benefits as may be due to any such beneficiaries.

Except as otherwise disclosed above, we have not entered into employment agreements with, nor have we authorized any payments upon termination or change-in-control to any of our executive officers or key employees.

How Compensation for our Directors and Executive Officers was Determined

None of our directors receive any compensation for their services as a member of the Board of Directors during the periods covered by this report. Our chief executive officer, Edward Cespedes, is compensated as per his employment agreement entered into on August 15, 2011 and amended agreement entered into on July 18, 2014. Mr. Cespedes is an experienced executive and we believe his compensation is commensurate with executives of publicly traded entities with similar background and experience.

2016 Option Grants to Executive Officers

On February 25, 2016, Mr. Vincent L. Celentano was appointed to the Board of Directors of the Company. In conjunction with his appointment, the Company issued Mr. Celentano an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 25, 2023. In addition, the Company appointed Edward A. Cespedes to be its Chairman of the Board of Directors. In conjunction with his appointment, Edward A. Cespedes was issued an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 29, 2023.

Director Compensation

The following table provides information concerning the compensation of our Board members for their services as members of our Board of Directors for 2016. The value attributable to any option awards is computed in accordance with FASB ASC Topic 718. The assumptions made in the valuations of the option awards are included in Note 12 of the Notes to our Financial Statements for the year ended December 31, 2016 appearing elsewhere in this report.

Director Compensation

	Fees		Non-equity		Nonqualified		
	earned		Incentive		Deferred		
	paid in	Stock	Option	Plan	Compensation	All other	
	cash	awards	awards	Compensation	earnings	compensation	Total
Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Vincent L. Celentano ⁽¹⁾			510,000				510,000
Edward A. Cespedes ⁽²⁾			510,000				510,000

(1)

On February 25, 2016, Mr. Vincent L. Celentano was appointed to the Board of Directors of the Company. In conjunction with his appointment, the Company issued Mr. Celentano an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 25, 2023

(2)

On February 26, 2016 Edward A. Cespedes to be its Chairman of the Board of Directors. In conjunction with his appointment, Edward A. Cespedes was issued an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 29, 2023.

Outstanding Equity Awards At Fiscal Year-End

None.

Equity Compensation Plan Information

None. We have not issued any options, warrants or other equity or non-equity based incentives nor has any equity award/compensation has been awarded to, earned by, or paid to any of our executive officers, directors or key employees; therefore, we have omitted an Outstanding Equity Awards at Fiscal Year End Table as permitted under Regulation S-K. Further, as a smaller reporting company we are providing the scaled disclosures as permitted by Regulation S-K and therefore, have omitted a Grants of Plan Based Award Table, Options Exercised and Stock Vested Table, Pension Benefits Table and Nonqualified Deferred Compensation Table.

Item 12.**Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table shows the number of shares and percentage of all shares of common stock issued and outstanding as of April 17, 2017, held by any person known to the Company to be the beneficial owner of 5% or more of the Company's outstanding common stock, by each executive officer and director, and by all directors and executive officers as a group. The persons named in the table have sole voting and investment power with respect to all shares beneficially owned. Unless otherwise noted below, each beneficial owner has sole power to vote and dispose of the shares and the address of such person is c/o our corporate offices at 2599 North Federal Highway, Fort Lauderdale, Florida 33305. Pursuant to Rule 13d-3 under the Exchange Act, a person has beneficial ownership of any securities as to which such person, directly or indirectly, through any contract, arrangement, undertaking, relationship or otherwise has or shares voting power and/or investment power or as to which such person has the right to acquire such voting and/or investment power within 60 days. Applicable percentage of ownership is based on 116,932,177 of common stock outstanding as of April 17, 2016, together with securities exercisable or convertible into shares of common stock within sixty (60) days of April 11, 2017, for each stockholder.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	% of Class
Edward Cespedes ⁽¹⁾	14,079,492	11.8%
Vincent L. Celentano ⁽²⁾	29,232,104	24.6%

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Paul M. Sallarulo	250,000	0.2%
All officers and directors as a group (three persons) ^{(1) (2) (3)}	8,346,246	49.5%
Celentano Consulting Company, LLC ⁽³⁾	1,623,106	12.1%
William D. Celentano ⁽⁴⁾⁽⁵⁾	848,297	0.7%
RVRM Holdings	15,000,000	12.8%

(1)

Includes shares of our Common Stock held of record by Edward A. Cespedes Revocable Trust dated August 22, 2007, beneficially owned and controlled by Edward A. Cespedes as trustee, and EAC Management, LLC, an entity controlled by Mr. Cespedes. Includes 1,000,000 shares of common stock issuable upon exercise of common stock purchase option exercisable at \$0.51 per share. The number of shares beneficially owned by Mr. Cespedes excludes 326,322 shares held in trust for the benefit of his children over which he disclaims beneficial ownership.

(2)

Includes 1,000,000 shares of common stock issuable upon exercise of common stock purchase option exercisable at \$0.51 per share. Includes ownership interests held by Celentano Consulting Company, LLC. Mr. Celentano is the Manager of Celentano Consulting Company, LLC. Excludes shares of our Common Stock issuable to Vincent L. Celentano upon the conversion of outstanding unsecured convertible notes in the aggregate principal and interest amount of \$280,346 at April 11, 2017. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's outstanding common stock. The address of Vincent L. Celentano is 987 Hillsboro Mile, Hillsboro, Florida 33062. Mr. Celentano disclaims any beneficial interest in securities held by his brother, William D. Celentano.

(3)

Excludes shares of our Common Stock issuable to Celentano Consulting Company, LLC upon the conversion of outstanding secured convertible notes in the aggregate principal and interest amount of \$204,149 at April 11, 2016. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's outstanding common stock. Mr. Celentano is the Manager of Celentano Consulting Company, LLC. The address of Celentano Consulting Company, LLC is 987 Hillsboro Mile, Hillsboro, Florida 33062.

(4)

Includes ownership interests held in a trust for the benefit of William D. Celentano. Excludes shares of our Common Stock issuable to William Celentano upon the conversion of outstanding unsecured convertible notes in the aggregate principal and interest amount of \$11,029 at April 11, 2016. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's outstanding common stock. The address of Vincent D. Celentano is 987 Hillsboro Mile, Hillsboro, Florida 33062. Mr. Celentano disclaims any beneficial interest in securities held by his brother, Vincent L. Celentano.

(5)

Excludes shares of our Common Stock issuable to a trust for the benefit of William D. Celentano upon the conversion of outstanding unsecured convertible notes in the aggregate principal and interest amount of \$197,700 at April 11, 2016. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's outstanding common stock. The address of Vincent D. Celentano is 987 Hillsboro Mile, Hillsboro, Florida 33062. Mr. Celentano disclaims any beneficial interest in securities held by his brother, Vincent L. Celentano.

Item 13.

Certain Relationships and Related Transactions, and Director Independence.

Except as disclosed below, we are currently not a part to any related party transaction, including transaction in which:

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the amounts involved exceeded or will exceed the lesser of \$120,000 or 1% of the average of our Company's total assets at year-end for the last two fiscal years; and

a director, executive officer or holder of more than 5% of our common stock or any member of his or her immediate family had or will have a direct or indirect material interest.

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of \$165,500 with Celentano Consulting Company, LLC, an entity controlled by Vincent Celentano and an affiliate of the Company. The secured convertible note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. The secured convertible note is secured by all of the assets of the Company and includes customary provisions concerning events of default. In addition, the secured convertible note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.345 per share, subject to adjustment. The Company received \$165,500 in gross proceeds from the issuance of the secured convertible note. As of December 31, 2016, the note was past its maturity date, however, Celentano Consulting Group has agreed in writing to extend the maturity date of such note to December 31, 2017. As of April 17, 2017 the aggregate amount due under the note was \$215,395.

As of December 31, 2016, the Company has issued and outstanding a series of unsecured promissory notes in the aggregate principal amount of \$535,048 to Vincent Celentano and William Celentano and their affiliated entities. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. Subject to certain limitations below, the notes may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price ranging from \$0.10 to \$0.345 per share, subject to adjustment. The conversion of the notes may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's common stock. The Company used the proceeds for working capital purposes. William Celentano is the brother of Vincent Celentano. Each person disclaims beneficial interest in the securities held by the other.

During the year ended December 31, 2014, the Company issued an aggregate of 3,522,180 shares of restricted common stock to Celentano Consulting Company, LLC, pursuant to the conversion of certain 7% unsecured convertible promissory notes held by Celentano Consulting Company in the aggregate principal amount and accrued interest of \$994,618. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. The notes were convertible at prices ranging from \$0.12 to \$0.345 per share at the option of the holder.

On February 12, 2013, we entered into an asset purchase agreement with WCIS Media, LLC, a related party, to acquire a web-based technology platform in exchange for 4,347,826 shares of our common stock. We believe that this platform has features and benefits which we will integrate into our PayMeOn Platform, including: (1) lead generation tracking and reporting, (2) merchant categorization and sub categorization, (3) consumer tracking and qualification, (4) merchant bidding capabilities, and (5) offline tracking and service, including live transfer capabilities for consumers. The closing of the asset purchase agreement occurred on April 1, 2013. From an accounting standpoint, we treated this transaction as an asset purchase as the transaction does not meet the criteria of a business combination with the guidelines of FASB Accounting Standards Codification 805 Business Combination. In addition, because we acquired this asset from a related party, under generally accepted accounting principles (GAAP) we recorded the asset on our financial statements at its historic cost. The asset was subsequently impaired.

Voting control of WCIS Media, LLC is held by Vincent L. Celentano. Mr. Celentano also holds voting control of Celentano Consulting Company LLC, a related party.

On July 18, 2014, the Company entered into and completed two membership interest purchase agreements to acquire a 19.4% equity interest in ProdecoTech, a private manufacturer of electric bicycles under the brand Prodeco with manufacturing facilities located in Fort Lauderdale, Florida. ProdecoTech was organized under the laws of the State of Florida in June 2012. The ProdecoTech membership interests were acquired through the acquisition of all of the issued and outstanding membership interests of A Better Bike, LLC and EBikes, LLC, members of Prodeco Technologies, LLC. A Better Bike, LLC was owned by Vincent L. Celentano, the Company's largest individual shareholder. EBikes was owned by Vincent D. Celentano, II. In consideration of the acquisition of all of the issued and outstanding membership interests of A Better Bike and EBikes, the Company issued an aggregate of 2,941,176 restricted shares of its common stock to the members of A Better Bike and EBikes. For accounting purposes the transactions are recorded at their historical cost basis of \$0 from related parties.

On January 20, 2015, the Company received an unsecured promissory note in the principal amount of \$75,000 from ProdecoTech, an affiliated entity. The note bears interest at an annual rate of 7% and is payable January 20, 2018. The note holder shall pay interest in the amount of \$1,312.50 per quarter due on the 15th each month following the end of the quarter until the maturity date. On February 6, 2015 the Company advanced an additional \$9,760.90 to ProdecoTech under the same terms due on February 8, 2018. The note holder shall pay interest in the amount of \$170.81 per quarter due on the 15th each month following the end of the quarter until the maturity date. For the three and nine months ended September 30, 2015 the Company has recorded \$0 and \$2,967 of interest income. As of December 31, 2015 the related party elected accept as a payment the note receivable of \$84,760 and accrued interest of \$2,967 against convertible notes payable related party.

Currently, we have no independent directors on our Board of Directors, and therefore have no formal procedures in effect for reviewing and pre-approving any transactions between us, our directors, officers and other affiliates. We will use our best efforts to insure that all transactions are on terms at least as favorable to the Company as we would negotiate with unrelated third parties.

Item 14.**Principal Accounting Fees and Services.**

Currently, our Board reviews and approves audit and permissible non-audit services performed by its independent registered public accounting firm of Liggett & Webb P.A.(formerly known as Liggett, Vogt & Webb, P.A.), as well as the fees charged for such services. In its review of non-audit service and its appointment of Liggett & Webb P.A., the Company's independent registered public accounting firm, the Board considered whether the provision of such services is compatible with maintaining independence. All of the services provided and fees charged by Liggett & Webb P.A. were approved by the Board, acting as our Audit Committee. The following table shows the fees for the years ended December 31, 2016 and 2015.

	2016	2015
Audit Fees ⁽¹⁾	\$ 47,000	\$ 31,000
Audit Related Fees	\$	\$
Tax Fees	\$	\$
All Other Fees	\$	\$

(1)

Audit fees – these fees relate to the audit of our annual financial statements and the review of our interim quarterly financial statements.

PART IV

Item 15.

Exhibits, Financial Statement Schedules.

(a)

Documents filed as part of the report.

(1) All Financial Statements

(2) Financial Statements Schedule

(3) Exhibits

Exhibits

Exhibit Number	Description
2.1	Merger Agreement dated February 17, 2011 (1)
3.1	Articles of Incorporation (2)
3.2	Amendment to Articles of Incorporation (2)
3.3	Amendment to Articles of Incorporation increasing capital stock and blank check preferred (6)
3.4	Amendment to Articles of Incorporation Name change and reverse split effective May 17, 2013 (8)
3.5	Bylaws (3)
10.1	Indemnification Agreement (4)
10.2	Sublease Agreement (13)
10.3	Employment Agreement with Edward Cespedes(5)
10.4	Agreement with Adility, Inc. (3)
10.5	Form of Secured Convertible Promissory Note (7)
10.6	Form of General Security Agreement (7)
10.7	Form of Unsecured Promissory Note (9)
10.8	WCIS Asset Purchase Agreement effective April 1, 2013 (10)
10.9	Membership Interest Purchase Agreement dated July 18, 2014, A Better Bike, LLC (11)
10.10	Membership Interest Purchase Agreement dated July 18, 2014, EBIKES, LLC (11)

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10.11	Amendment to Edward Céspedes Executive Employment Agreement dated July 18, 2014 (11)
10.12	Form of Non Exclusive Dealer Agreement with Prodeco Technologies LLC (12)
10.13	Form of 7% Unsecured 12 Month Promissory Note issued by Prodeco Technologies, LLC in Favor of Paymeon, Inc. (12)
10.14	7% Convertible Promissory Note dated October 22, 2015 (13)
14.1	Code of Ethics (filed as exhibit to Form 10-K Annual Report for year ended December 31, 2011)
21.1	List of subsidiaries of the Company (3)
31.1	Certification Pursuant to Rule 13a-14(a) (Provided herewith)
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) (Provided herewith)
32.1	Certification Pursuant to Section 1350 (Provided herewith)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1)

Incorporated by reference to Form 8-K filed March 21, 2011.

(2)

Incorporated by reference to Registration Statement on Form S-1 filed November 4, 2008 (333-155028).

(3)

Incorporated by reference to Registration Statement on Form S-1 (333-177318).

(4)

Incorporated by reference to Form 8-K filed February 18, 2011.

(5)

Incorporated by reference to Form 8-K filed August 15, 2011.

(6)

Incorporated by reference to Form 8-K filed April 3, 2013.

(7)

Incorporated by reference to Form 8-K filed January 3, 2013.

(8)

Incorporated by reference to Form 8-K filed on May 6, 2013.

(9)

Incorporated by reference to Form 8-K filed March 6, 2013.

(10)

Incorporated by reference to Definitive Proxy Statement on Schedule 14A filed on March 19, 2013.

(11)

Incorporated by reference to Form 8-K filed on July 22, 2014.

(12)

Incorporated by reference to Form 10-K Annual Report for the year ended December 31, 2014 filed on March 26, 2015.

(13)

Incorporated by reference to Form 8-K filed on October 28, 2016.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 26, 2016

PayMeOn, Inc.

By: /s/ Edward Cespedes
Edward Cespedes
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Edward Cespedes Edward Cespedes	Director	April 26, 2016
/s/ Vincent L. Celentano Vincent L. Celentano	Director	April 26, 2016
/s/ Paul M. Sallarulo Paul M. Sallarulo	Director	April 26, 2016

INDEX TO FINANCIAL STATEMENTS

PAYMEON, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of:

PayMeOn, Inc.

We have audited the accompanying consolidated balance sheets of PayMeOn, Inc. and Subsidiaries (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2016 and 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of PayMeOn, Inc. and Subsidiaries as of December 31, 2016 and 2015 and the results of its operations and its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has a net loss of \$3,697,453, a

working capital deficiency of \$2,320,139, used cash in operations of \$455,499 and an accumulated deficit of \$11,764,087 at December 31, 2016. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Very truly yours,

LIGGETT & WEBB, P.A.

Certified Public Accountants

Boynton Beach, Florida

April 26, 2017

PAYMEON, INC AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2016	2015
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 10,341	\$ 50,243
Inventory	11,916	67,752
Prepaid expenses	48,362	103,169
Other current assets	1,194	695
TOTAL CURRENT ASSETS	71,813	221,859
LONG TERM ASSETS		
Computer equipment, leasehold improvements and website costs, net	227,397	290,368
Deposits	12,397	12,397
	239,794	302,765
TOTAL ASSETS	\$ 311,607	\$ 524,624
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 333,938	\$ 286,141
Accounts Payable - related party		10,544
Due to related party	56,635	23,238
Customer deposits	34,634	3,598
Accrued expenses	1,058,446	838,046
Notes Payable	2,000	2,000
Purchase order financing	1,885	
Purchase order financing - related party, net	4,000	
Note payable - convertible	300,000	
Notes Payable related party- convertible (net of discount and notes receivable of \$100,134 and \$223,125 respectively)	600,414	413,448
TOTAL CURRENT LIABILITIES	2,391,952	1,577,015
NOTE PAYABLE - CONVERTIBLE		300,000
TOTAL LIABILITIES	2,391,952	1,877,015
COMMITMENTS AND CONTINGENCIES (SEE NOTE 10)		
STOCKHOLDERS DEFICIT		

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Preferred stock, \$0.001 par value, 5,000,000 shares authorized, none issued and outstanding, respectively

Common stock, \$0.001 par value, 1,000,000,000 shares authorized, 17,180,242 and 12,863,457 shares issued and outstanding, respectively as of December 31, 2016 and December 31, 2015

Additional paid in capital

Accumulated deficit

TOTAL STOCKHOLDERS'S DEFICIT

17,180	12,863
9,666,562	6,701,380
(11,764,087)	(8,066,634)
(2,080,345)	(1,352,391)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	311,607	\$	524,624
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See accompanying notes to consolidated financial statements.

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PAYMEON, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended	
	December 31,	
	2016	2015
Revenue		
Service Revenue	\$	\$ 6,502
Products Sales - Clothing	102,186	
Products Sales - Bicycles	292,033	168,654
Total revenue	394,219	175,156
Cost of products sold - Clothing	66,836	
Cost of products sold - Bicycles	187,386	101,386
Total cost of goods sold	254,222	
Gross Profit	139,997	73,770
OPERATING EXPENSES		
Professional fees	137,462	90,771
Payroll and payroll taxes	311,311	191,552
Consulting	1,097,407	61,543
Marketing - related party		27,624
General and administrative	939,060	122,935
Total Operating Expenses	2,485,240	494,425
NET LOSS FROM OPERATIONS	(2,345,243)	(420,655)
OTHER INCOME / (EXPENSES)		
Interest income - related party		2,967
Loss on conversion of debt	(1,078,232)	
Gain on sale of investment	30,000	
Interest on judgement	(18,521)	
Interest expense	(285,457)	(312,763)
Total other expenses	(1,352,210)	(309,796)
Net loss before provision for income taxes	(3,697,453)	(730,451)
Provision for Income Taxes		

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NET LOSS	\$	(3,697,453)	\$	(730,451)
Net loss per share - basic and diluted	\$	(0.26)	\$	(0.06)
Weighted average number of shares outstanding - basic and diluted		14,447,469		12,650,443

See accompanying notes to consolidated financial statements.

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PAYMEON, INC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Preferred Stock Shares	Par Value	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance December 31, 2014		\$	12,563,457	\$ 12,563	\$ 6,244,455	\$ (7,336,183)	\$ (1,079,165)
Beneficial Conversion feature on convertible debt					342,225		342,225
Common stock issued for services			250,000	250	97,250		97,500
Sale of common stock			50,000	50	17,450		17,500
Net Loss						(730,451)	(730,451)
Balance December 31, 2015		\$	12,863,457	\$ 12,863	\$ 6,701,380	\$ (8,066,634)	\$ (1,352,391)
Stock option expense					1,138,842		1,138,842
Beneficial Conversion feature on convertible debt					62,725		62,725
Common stock issued for services			790,000	790	359,410		360,200

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Sale of common stock	1,500,000	1,500	291,500		293,000
Conversion of debt to common stock	2,026,785	2,027	1,112,705		1,114,732
Net Loss				(3,697,453)	(3,697,453)
Balance December 31, 2016	\$ 17,180,242	\$ 17,180	\$ 9,666,562	\$ (11,764,087)	\$ (2,080,345)

See accompanying notes to consolidated financial statements.

PAYMEON, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Years Ended	
	December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (3,697,453)	\$ (730,451)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	65,131	11,478
Amortization of debt discount	200,716	262,318
Loss on conversion of debt	1,078,232	
Warrants and options issued for services	1,138,842	
Common stock issued for services	407,680	
Changes in operating assets and liabilities:		
Decrease / (increase) in prepaid expense	7,327	1,583
Decrease in inventory	55,836	(67,752)
Increase in deposits		3,598
Increase in other assets	(499)	(695)
Increase in interest receivable - related party		(2,967)
Decrease in accounts payable - related party	(10,544)	(13,499)
Increase in customer deposits	31,036	
Increase in accounts payable and accrued expenses	268,197	282,808
Net Cash Used In Operating Activities	(455,499)	(253,579)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of computers	(2,160)	(817)
Deposits		(12,397)
Notes receivable - related party		(84,760)
Net Cash Used in Investing Activities	(2,160)	(97,974)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from purchase order funding	55,000	
Proceeds from purchase order funding - related party	4,000	
Proceeds of due to related party	33,397	
Repayment of purchase order funding	(31,615)	
Proceeds from note payable	5,000	
Repayment of note payable	(5,000)	
Advances from related party		23,238
Proceeds from notes payable related party - convertible	63,975	359,500
Sale of common stock	293,000	17,500
Net Cash Provided By Financing Activities	417,757	400,238

NET INCREASE / (DECREASE) IN CASH	(39,902)	48,685
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	50,243	1,558
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 10,341	\$ 50,243

Supplemental disclosure of non cash investing & financing activities:

Cash paid for income taxes	\$	\$
Cash paid for interest expense	\$	\$

See accompanying notes to consolidated financial statements.

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PAYMEON, INC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

During the year ended December 31, 2016, the Company received \$63,975 from a related party in exchange for convertible notes payable of \$63,975 with the beneficial conversion feature valued at \$62,725.

During the year ended December 31, 2016, the Company issued 590,000 shares of common stock valued at \$360,200 and 200,000 shares of common stock valued at \$47,480 for prepaid consulting services.

During the year ended December 31, 2016, the Company issued 2,026,785 shares of common stock valued at \$1,114,732 (\$0.55 per share) for the conversion of \$36,500 of loans and purchase order financing. The Company recognized a loss on the conversion of \$1,078,232.

During the year ended December 31, 2015, the Company received \$359,500 from a related party in exchange for convertible notes payable of \$359,500 with the beneficial conversion feature valued at \$342,225.

During the year ended December 31, 2015 a related party elected to accept as the note receivable of \$84,760 and accrued interest of \$2,967 as payment against convertible notes payable related party.

During the year ended December 31, 2015 the Company purchased \$300,000 of leasehold improvements in exchange for a \$300,000 convertible note payable.

During the year ended December 31, 2015 the Company issued 250,000 shares for \$97,500 (\$0.39 per share) for prepaid services.

See accompanying notes to consolidated financial statements.

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PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016

NOTE 1 ORGANIZATION, NATURE OF BUSINESS AND GOING CONCERN

(A) Organization

On March 16, 2011 PayMeOn, Inc., a Nevada corporation organized on May 30, 2006 (the "Company") completed its agreement and plan of merger (the "Merger Agreement") to acquire Hyperlocal Marketing, LLC, a Florida limited liability company ("Hyperlocal"), pursuant to which Hyperlocal merged with and into HLM PayMeOn, Inc., a Florida corporation and wholly owned subsidiary of PAYM. Under the terms of the Merger Agreement, the Hyperlocal members received 301,296 shares of the Company common stock, which equals approximately 50.1% of the total shares of the Company issued and outstanding following the merger on a fully diluted basis. In accordance with ASC Topic 360-10-45-15, the transaction is accounted for as a reverse acquisition. Hyperlocal is considered the accounting acquirer and the acquiree is PayMeOn since the members of Hyperlocal obtained voting and management control of PayMeon and the transaction has been accounted for as a reverse merger and recapitalization.

Hyperlocal Marketing, LLC was originally organized in the State of Florida on January 22, 2010. The Company has focused its efforts on organizational activities, raising capital, software development and evaluating operational opportunities.

In 2014, the Company began selling Prodeco Technologies, LLC brand electric bicycles, an affiliate entity, of which the Company acquired a 19.4% equity interest (See note 13). During 2015, the Company expanded its sales of electric bicycles to include sales of electric bicycles and related products made by other manufacturers in a new retail store location in Fort Lauderdale.

During the first quarter of 2016, PayMeOn formed a new subsidiary, Paymeon Brands, Inc., to pursue the business of developing, marketing, managing and monetizing lifestyle brands and products. The Company intends to develop and leverage its relationships and expertise with respect to manufacturing processes, wholesale and retail distribution networks, and social influencer promotion, primarily targeting youth oriented "lifestyle" markets to create and grow new and existing brands across several market segments.

On April 19, 2016, the Company's wholly-owned subsidiary, Paymeon Brands, Inc., entered into a Memorandum of Understanding with Damion D Roc Butler to exclusively produce, manufacture and market certain intellectual property for certain trademarks held by Mr. Butler, including but not limited to, "Bad Boy Tour Merchandise," "Revolt," Invisible Bully and "Ciroc". The agreement provides for Paymeon Brands and Butler organizing a new entity equally owned by the parties. As of December 31, 2016 the parties have not formally reached an agreement.

On October 16, 2016, the Company formed a new, wholly-owned company called Xtreme Fat Tire Bike Holdings, LLC (Xtreme). The Company was formed to pursue potential development of the fat tire segment of the electric bikes market. To date, Xtreme has had no material operations.

PayMeOn Inc. and its wholly owned subsidiaries are herein referred to as the "Company".

(B) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of PayMeOn, Inc. and its wholly owned subsidiaries, Hyperlocal Marketing, LLC, PayMeOn Brands, Inc, HLM PayMeOn, Inc. and Xtreme Fat Tire Bike Holdings, LLC. All intercompany accounts have been eliminated in the consolidation.

(C) Going Concern

Since inception, the Company has incurred net operating losses and used cash in operations. As of December 31, 2016, the Company has an accumulated deficit of \$11,764,087, a working capital deficiency of \$2,320,139 and used cash in operations of \$455,499 for the year ended December 31, 2016. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of the Company's products which included the general and administrative expenses associated with its organization and product development.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties. Management believes that the actions presently being taken to obtain additional funding and implement its strategic plan provides the opportunity for the Company to continue as a going concern.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Cash and Cash Equivalents

The Company considers all highly liquid temporary cash instruments with a maturity of three months or less to be cash equivalents.

(B) Use of Estimates in Financial Statements

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates during the period covered by these financial statements include the useful lives of depreciable assets, valuation of inventory allowances, valuation of accounts receivable allowance, valuation of deferred tax asset, stock based compensation and any beneficial conversion features on convertible debt.

(C) Fair value measurements and Fair value of Financial Instruments

The Company adopted FASB ASC Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs

used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The Company did not identify any assets or liabilities that are required to be presented on the balance sheets at fair value in accordance with ASC Topic 820.

Due to the short-term nature of all financial assets and liabilities, their carrying value approximates their fair value as of the balance sheet date.

(D) Prepaid expenses

On November 6, 2015, the Company entered into a business consulting and strategic planning agreement with Mayer and Associates. The Company issued 250,000 shares of common stock valued at \$97,500 (\$0.39 per share) the fair market value on the date of issuance and a one-time cash payment of \$50,000 to consultant. The agreement is for a six month term and includes standard non-competition, non-solicitation and other covenants. On January 4, 2016 both parties agreed to extend the consulting agreement six months and the Company issued an additional 500,000 shares of common stock valued at \$235,000 (\$0.47 per share). On June 10, 2016, the Company entered into a legal services consulting agreement, whereby consultant agrees to provide legal review of certain retail agreements for the Company on an as needed basis. The Company issued 100,000 shares of common stock valued at \$50,000 (\$0.50 per share) the fair market value on the date of issuance. The agreement is for a twelve month term and includes standard non-competition, non-solicitation and other covenants. On October 12, 2016 the Company issued 100,000 shares of common stock valued at \$32,000 (\$0.32 per share) the fair market value on the date of issuance to a consultant for services. The agreement is for a twelve month term and includes standard non-competition, non-solicitation and other covenants. As of December 31, 2016 and December 31, 2015 Company has expensed \$372,690 and \$44,331 and has a prepaid expense of \$47,480 and \$103,169, respectively. As of December 31, 2016 the Company has other prepaid expenses of \$882.

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PAYMEON, INC. AND SUBSIDIARIES

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(E) Accounts Receivable

Accounts receivable are recorded at fair value on the date revenue is recognized. The Company provides allowances for doubtful accounts for estimated losses resulting from the inability of its customers to repay their obligation. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to repay, additional allowances may be required. The Company provides for potential uncollectible accounts receivable based on specific customer identification and historical collection experience adjusted for existing market conditions. If market conditions decline, actual collection experience may not meet expectations and may result in decreased cash flows and increased bad debt expense.

(F) Inventories

The Company's inventories consist entirely of purchased finished goods. Inventories are stated at lower of cost or market. Cost is determined on the first-in, first-out basis.

(G) Computer Equipment, Leasehold Improvements and Website Costs

Computer Equipment, Leasehold improvements and Website Costs are capitalized at cost, net of accumulated depreciation. Depreciation is calculated by using the straight-line method over the estimated useful lives of the assets, which is three to five years for all categories. Repairs and maintenance are charged to expense as incurred. Expenditures for betterments and renewals are capitalized. The cost of computer equipment and the related accumulated depreciation are removed from the accounts upon retirement or disposal with any resulting gain or loss being recorded in operations.

Software maintenance costs are charged to expense as incurred. Expenditures for enhanced functionality are capitalized.

The Company has adopted the provisions of ASC 350-50-15, "Accounting for Web Site Development Costs." Costs incurred in the planning stage of a website are expensed as research and development while costs incurred in the development stage are capitalized and amortized over the life of the asset, estimated to be three years.

Asset Category	Depreciation/ Amortization Period
Website costs	5 Years
Computer equipment	3 Years
Leasehold improvements	5 Years

Computer equipment, leasehold improvements and website costs consisted of the following:

	December 31,	December 31,
	2016	2015
Computer equipment	\$ 6,724	\$ 4,563
Lease hold improvements	300,000	300,000
Website development	24,775	24,775
Total	331,499	329,338
Accumulated depreciation	(104,102)	(38,970)
Balance	\$ 227,397	\$ 290,368

Depreciation expense for years ended December 31, 2016 and 2015 was \$65,131 and \$11,478 respectively.

PAYMEON, INC. AND SUBSIDIARIES

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On October 22, 2015, the Company issued an unsecured promissory note in the principal amount of \$300,000 to PDQ Auctions, LLC for leasehold improvements of the facilities subleased from PDQ Auctions, LLC. The note bears interest at an annual rate of 7% and is payable on or before October 22, 2017, unless the note is converted or prepaid prior to the maturity date. Subject to certain limitations below, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.35 per share, subject to adjustment. In the event the Company issues any new or additional promissory notes that pay an interest rate that exceeds 7% per annum, then the holder shall be entitled to request an increase in the interest rate payable on the note to an amount equal to the rate being paid on the new or additional notes. The conversion of the note may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's common stock. The note may be prepaid at the option of the Company commencing 190 days after the issuance of the note.

(H) Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment whenever events or a change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset.

(I) Revenue Recognition

The Company recognizes revenue from product sales to customers, distributors and resellers when products that do not require further services or installation by the Company are shipped, when there are no uncertainties surrounding customer acceptance and when collectability is reasonably assured in accordance with FASB ASC 605, *Revenue Recognition*, as amended and interpreted. Cash received by the Company prior to shipment is recorded as deferred revenue. Sales are made to customers under terms allowing certain limited rights of return and other limited product and performance warranties for which provision has been made in the accompanying financial statements.

Amounts billed to customers in sales transactions related to shipping and handling, represent revenues earned for the goods provided and are included in net sales. Costs of shipping and handling are included in cost of products sold.

(J) Investment Equity Method

On July 18, 2014 the Company entered into and completed two membership interest purchase agreements to acquire a 19.4% equity interest in Prodeco Technologies, LLC, a private manufacturer of electric bicycles under the brand "Prodeco" with manufacturing facilities located in Oakland Park, Florida. Prodeco Technologies was organized under the laws of the State of Florida in June 2012. The Prodeco Technologies membership interests were acquired through the acquisition of all of the issued and outstanding membership interests of A Better Bike, LLC and EBikes, LLC, members of Prodeco Technologies, LLC. A Better Bike, LLC is owned by Vincent L. Celentano, the Company's largest individual shareholder. EBikes is owned by Vincent D. Celentano, II. In consideration of the acquisition of all of the issued and outstanding membership interests of A Better Bike and EBikes, the Company issued an aggregate of 2,941,176 restricted shares of its common stock to the members of A Better Bike and EBikes. For accounting purposes the transactions are recorded at the historical cost basis of \$0 from the related parties. For financial statement purposes, the Company accounts for its investment in this affiliated entity under the equity method. During the year ended December 31, 2016 the Company sold its interest for total proceeds of \$30,000.

Under the equity method, investments are carried at cost, plus or minus the Company's proportionate share, based on present ownership interests, of: (a) the investee's profit or loss after the date of acquisition; (b) changes in the Company's equity that have not been recognized in the investee's profit or loss; and (c) certain other adjustments. The Company enjoys a close association with this affiliate through participation that allows for a significant amount of influence over the affiliates business decisions.

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(K) Loss Per Share

The basic loss per share is calculated by dividing the Company's net loss available to common shareholders by the weighted average number of common shares during the period. The diluted loss per share is calculated by dividing the Company's net loss by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. The Company has 4,207,181 and 199,065 shares issuable upon the exercise of options and warrants and approximately 4 million and 2 million shares issuable upon conversion of convertible notes payable that were not included in the computation of dilutive loss per share because their inclusion is anti-dilutive for the years ended December 31, 2016 and 2015, respectively.

(L) Stock-Based Compensation

The Company recognizes compensation costs to employees under FASB ASC Topic 718, Compensation – Stock Compensation. Under FASB ASC Topic. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options, restricted share plans, performance based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB ASC Topic 505, Equity Based Payments to Non-Employees. In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

(M) Income Taxes

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The Company accounts for income taxes under FASB Codification Topic 740-10-25 ("ASC 740-10-25"). Under ASC 740-10-25, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740-10-25, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company's income tax expense differs from the expected tax expense for federal income tax purpose by applying the Federal & State blended rate of 37.63% as follows:

	December 31,	
	2016	2015
Expected income tax (benefit) expense at the statutory rate of 37.63%	\$ (1,391,352)	\$ (274,869)
Tax effect of expenses that are not deductible for income tax purposes (net of other amounts deductible for tax purposes)	906,433	23,450
Change in valuation allowance	484,919	251,419
Provision for income taxes	\$	\$

The components of deferred income taxes are as follows:

	December 31,	
	2016	2015
Deferred income tax asset:	\$ 756,064	\$ 681,306
Net operating loss carryforwards	2,124,553	1,715,697
Valuation allowance	(2,880,617)	(2,397,003)
Deferred income taxes	\$	\$

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As of December 31, 2016, the Company has a net operating loss carry forward of approximately \$5,600,000 available to offset future taxable income through 2036. This results in deferred tax assets of approximately \$2,880,000 as of December 31, 2016. The valuation allowance at December 31, 2016 was approximately \$2,880,000. The change in the valuation allowance for the year ended December 31, 2016 was an increase of approximately \$484,000. Tax returns for the years ended December 31, 2016, 2015, 2014 and 2013 are subject to examination by the Internal Revenue Service.

As a result of the Hyperlocal acquisition in 2011 and the corresponding change in ownership, the Company's NOLs are subject to a Section 382.

(N) Cost of Sales

Components of cost of sales include product costs and shipping costs to customers.

(O) Shipping and Handling Costs

The Company includes shipping and handling fees billed to customers as revenue and shipping and handling costs to customers as cost of revenue.

(P) Reclassification

Certain amounts from prior periods have been reclassified to conform to the current period presentation.

(Q) Segment information

In accordance with the provisions of ASC 280-10, *Disclosures about Segments of an Enterprise and Related Information*, the Company is required to report financial and descriptive information about its reportable operating segments. The Company has two identifiable operating segments based on the activities of the company in accordance with the ASC 280-10. We had two operating segments at December 31, 2016, one that sells electric bicycles and related products made by other manufacturers in a retail store location in Fort Lauderdale and during the first quarter of 2016, PayMeOn formed a new subsidiary, Paymeon Brands, Inc., to pursue the business of developing, marketing, managing and monetizing lifestyle brands and products. The Company intends to leverage its relationships and expertise with respect to manufacturing processes, wholesale and retail distribution networks, and social influencer promotion, primarily targeting youth oriented "lifestyle" markets to create and grow new and existing brands across several market segments.

NOTE 3 RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which relates to the accounting for employee share-based payments. This standard addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

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In April 2016, the FASB issued ASU 2016 10 Revenue from Contract with Customers (Topic 606): identifying Performance Obligations and Licensing. The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this Update are intended to render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

All other newly issued accounting pronouncements not yet effective have been deemed either immaterial or not applicable.

NOTE 4 NOTES RECEIVABLE RELATED PARTY

On January 20, 2015, the Company received a 7% unsecured promissory note in the principal amount of \$75,000 (the Note Receivable) from Prodeco Technologies, LLC, an affiliated entity. The note was payable January 20, 2018. The note holder was required to pay interest in the amount of \$1,312 per quarter due on the 15th each month following the end of the quarter until the maturity date. On February 6, 2015 the Company advanced an additional \$9,761 to Prodeco Technologies, LLC under the same terms due on February 8, 2018. For the year ended December 31, 2015 the Company has \$2,967 of interest income. During the year ended December 31, 2015 Prodeco Technologies, LLC, a related party, elected to accept the Note Receivable of \$84,760 and accrued interest of \$2,967 as payment against convertible notes payable to the related party. See Note 13.

NOTE 5 CONVERTIBLE NOTES PAYABLE RELATED PARTY

December 31,	December 31,
2016	2015

Loan Amount	\$	612,821	\$	548,846
Discount		(12,407)		(135,398)
Balance	\$	600,414	\$	413,448

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of \$79,440 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of \$79,440 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized \$79,440 of the debt discount. Accrued interest at December 31, 2016 and December 31, 2015 amounted to \$22,320 and \$16,744, respectively. On April 15, 2014, the note holder agreed to extend the note through December 23, 2014. On December 23, 2015, the note holder agreed to extend the note through December 23, 2016. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of \$86,060 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of \$86,060 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized \$86,060 of the debt discount. Accrued interest at December 31, 2016 and December 31, 2015 amounted to \$24,179 and \$18,138, respectively. On April 15, 2014, the note holder agreed to extend the note through December 23, 2014. On December 23, 2015, the note holder agreed to extend the note through December 23, 2016. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

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On May 15, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$760 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. The Company recorded a debt discount of \$760 for the fair value of the beneficial conversion feature. On May 18, 2015, the note holder agreed to extend the note through May 15, 2016. On May 15, 2016, the note holder agreed to extend the note through May 15, 2017. As of December 31, 2016 and December 31, 2015 the Company amortized \$760 and \$760 and accrued interest amounted to \$140 and \$87, respectively.

On May 22, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$750 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. The Company recorded a debt discount of \$750 for the fair value of the beneficial conversion feature. On May 18, 2015, the note holder agreed to extend the note through May 15, 2016. On May 22, 2016, the note holder agreed to extend the note through May 22, 2017. As of December 31, 2016 and December 31, 2015 the Company amortized \$750 and \$750 and accrued interest amounted to \$137 and \$85, respectively.

On June 6, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On June 30, 2015, the note holder agreed to extend the note through June 6, 2016. On August 13, 2016 the note holder agreed to extend the note through June 2, 2017. The Company recorded a debt discount of \$10,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$10,000 and \$10,000 and accrued interest amounted to \$1,801 and \$1,099, respectively.

On June 15, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$781 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On June 30, 2015, the note holder agreed to extend the note through June 15, 2016. On August 13, 2016 the note holder agreed to extend the note through June 15, 2017. The Company recorded a debt discount of \$781 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$781 and \$781 and accrued interest amounted to \$139 and \$84, respectively.

On June 18, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On June 30, 2015, the note holder agreed to extend the note through June 18, 2016. On August 13, 2016 the note holder agreed to extend the note through June 18, 2017. The Company recorded a debt discount of \$500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$500 and \$500 and accrued interest amounted to \$89 and \$54, respectively.

On June 26, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On June 30, 2015, the note holder agreed to extend the note through June 26, 2016. On August 13, 2016 the note holder agreed to extend the note through June 26, 2017. The Company recorded a debt discount of \$1,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$1,000 and \$1,000 and accrued interest amounted to \$176 and \$106, respectively.

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On June 27, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$4,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On June 30, 2015, the note holder agreed to extend the note through June 27, 2016. On August 13, 2016 the note holder agreed to extend the note through June 27, 2017. The Company recorded a debt discount of \$4,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$4,500 and \$4,500 and accrued interest amount to \$792 and \$476, respectively.

On July 8, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$5,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$5,000 and \$5,000 and accrued interest amounted to \$870 and \$519, respectively.

On July 15, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$10,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 and 2014 the Company amortized \$10,000 and \$10,000 and accrued interest amounted to \$1,726 and \$1,024, respectively.

On July 17, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$7,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$6,250 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$6,250 and \$6,250 and accrued interest amounted to \$1,292 and \$765, respectively.

On July 28, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$24,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$12,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$12,000 and \$12,000 and accrued interest amounted to \$4,083 and \$2,398, respectively.

On August 19, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$7,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$6,875 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$6,875 and \$6,875 and accrued interest amounted to \$1,244 and \$718, respectively.

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On September 10, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$5,833 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$5,833 and \$5,833 and accrued interest amounted to \$1,617 and \$915, respectively.

On September 30, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On September 30, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$10,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$10,000 and \$10,000 and accrued interest amounted to \$1,578 and \$876, respectively.

On October 1, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On November 20, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. As of December 31, 2016 and December 31, 2015 and 2014 the Company recorded accrued interest of \$79 and \$44, respectively.

On October 2, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$382 to a related party. The note bears interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On November 20, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. As of December 31, 2016 and December 31, 2015 and 2014 the Company recorded accrued interest of \$60 and \$33, respectively.

On October 20, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$2,400 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On November 20, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$2,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$2,000 and \$1,890 and accrued interest of \$370 and \$201, respectively.

On October 22, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$6,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On November 20, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$5,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$5,000 and \$4,699 and accrued interest amounted to \$922 and \$501.

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On October 30, 2014, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.12 per share, subject to adjustment. On November 20, 2015, the note holder agreed to extend the note through April 30, 2016. On August 13, 2016 the note holder agreed to extend the note through April 30, 2017. The Company recorded a debt discount of \$9,167 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$9,167 and \$8,414 and accrued interest of \$1,521 and \$819, respectively.

On January 5, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On May 21, 2016 the note holder agreed to extend the note through January 5, 2017. The Company recorded a debt discount of \$1,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$1,000 and \$1,000 and accrued interest amounted to \$139 and \$69, respectively.

On January 20, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$85,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On May 21, 2017 the note holder agreed to extend the note through January 20, 2017. On March 15, 2016 note holder agreed to extend the note through December 31, 2017. The Company recorded a debt discount of \$85,000 for the fair value of the beneficial conversion feature. As December 31, 2016 and December 31, 2015 the Company amortized \$85,000 and \$80,342 and accrued interest amounted to \$11,590 and \$5,624.

On February 6, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$47,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On May 21, 2016 the note holder agreed to extend the note through February 6, 2017. The Company recorded a debt discount of \$47,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$47,500 and \$42,685 and accrued interest amounted to \$6,322 and \$2,988.

On March 13, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$50,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment. On May 21, 2016 the note holder agreed to extend the note through March 13, 2017. The Company recorded a debt discount of \$50,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$50,000 and \$40,137 and accrued interest amounted to \$6,319 and \$2,810, respectively.

On May 12, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$30,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through May 12, 2017. The Company recorded a debt discount of \$30,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$30,000 and \$19,068 and accrued interest amounted to \$3,441 and \$1,335, respectively.

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On June 3, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 3, 2017. The Company recorded a debt discount of \$900 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$900 and \$518 and accrued interest amounted to \$110 and \$40, respectively.

On June 9, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 9, 2017. The Company recorded a debt discount of \$450 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$450 and \$252 and accrued interest amounted to \$55 and \$20, respectively.

On June 9, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 9, 2017. The Company recorded a debt discount of \$4,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$4,500 and \$2,515 and accrued interest amounted to \$547 and \$196, respectively.

On June 16, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 16, 2017. The Company recorded a debt discount of \$900 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$900 and \$488 and accrued interest amounted to \$108 and \$38, respectively.

On June 16, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$3,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 16, 2017. The Company recorded a debt discount of \$2,700 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$2,700 and \$1,457 and accrued interest amounted to \$324 and \$113, respectively.

On June 16, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through June 16, 2017. The Company recorded a debt discount of \$900 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$900 and \$486 and accrued interest amounted to \$108 and \$38, respectively.

On July 13, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$8,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. On August 13, 2016 the note holder agreed to extend the note through July 13, 2017. The Company recorded a debt discount of \$6,375 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$6,375 and \$1,834 and accrued interest amounted to \$875 and \$279, respectively.

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On August 11, 2015, the Company received \$20,000 from an accredited investor for working capital in consideration of the issuance of unsecured convertible notes. These notes bear interest at 7% and are due in twelve months from issuance of the note. The note is convertible into shares of common stock at \$0.20 per share, subject to adjustment and certain limitations on conversion. The Company recorded a debt discount of \$15,000 for the fair value of the beneficial conversion feature. On August 13, 2016 the note holder agreed to extend the note through August 11, 2017. As of December 31, 2016 and December 31, 2015 the Company amortized \$15,000 and \$5,507 and accrued interest amounted to \$1,948 and \$545, respectively.

On October 2, 2015, the Company received \$1,000 from an accredited investor for working capital in consideration of the issuance of unsecured convertible notes. These notes bear interest at 7% and are due in twelve months from issuance of the note. The note is convertible into shares of common stock at \$0.20 per share, subject to adjustment and certain limitations on conversion. The Company recorded a debt discount of \$750 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$750 and \$185 and accrued interest amounted to \$87 and \$17, respectively. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On October 16, 2015, the Company received \$25,000 from an accredited investor for working capital in consideration of the issuance of unsecured convertible notes. This note bears interest at 7% and is due in twelve months from issuance of the note. The note is convertible into shares of common stock at \$0.20 per share, subject to adjustment and certain limitations on conversion. The Company recorded a debt discount of \$18,750 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$18,750 and \$3,904 and accrued interest amounted to \$2,119 and \$364, respectively. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On November 17, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$50,000 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$47,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$47,500 and \$5,466 and accrued interest amounted to \$3,912 and \$403, respectively. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On December 18, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$2,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$2,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$2,500 and \$89 and accrued interest amounted to \$182 and \$6, respectively. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On December 18, 2015, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$27,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$27,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 and December 31, 2015 the Company amortized \$27,500 and \$753 and accrued interest amounted to \$1,983 and \$53, respectively. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On January 15, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$12,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$12,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$12,021, and accrued interest amounted to \$841. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

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On February 16, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$4,000 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$4,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$3,496 and accrued interest amounted to \$245. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On February 16, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$3,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$3,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$3,059, and accrued interest amounted to \$214. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On February 17, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$5,000 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$5,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$4,356, and accrued interest amounted to \$305. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On February 26, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$10,000 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$10,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$8,466, and accrued interest amounted to \$593. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On March 7, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$2,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$2,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$2,048 and accrued interest amounted to \$143. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On March 7, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$2,500 to a related party. The note bears interest at 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$2,500 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$2,048, and accrued interest amounted to \$143. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

On April 14, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$18,975 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$18,975 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$13,568 and accrued interest amounted to \$143. On March 15, 2017 note holder agreed to extend the note through December 31, 2017.

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On July 1, 2016, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of \$5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.20 per share, subject to adjustment. The Company recorded a debt discount of \$5,000 for the fair value of the beneficial conversion feature. As of December 31, 2016 the Company amortized \$2,507, and accrued interest amounted to \$175.

During the year ended December 31, 2015 the related party elected to accept the Note Receivable of \$84,760 and accrued interest of \$2,967 as payment against convertible notes payable related party.

NOTE 6 CONVERTIBLE NOTES PAYABLE

On October 22, 2015, the Company issued an unsecured promissory note in the principal amount of \$300,000 to PDQ Auctions, LLC for leasehold improvements of the facilities subleased from PDQ Auctions, LLC. The note bears interest at an annual rate of 7% and is payable on or before October 22, 2017, unless the note is converted or prepaid prior to the maturity date. Subject to certain limitations below, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of \$0.35 per share, subject to adjustment. In the event the Company issues any new or additional promissory notes that pay an interest rate that exceeds 7% per annum, then the holder shall be entitled to request an increase in the Interest rate payable on the note to an amount equal to the rate being paid on the new or additional notes. The conversion of the note may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company's common stock. The note may be prepaid at the option of the Company commencing 190 days after the issuance of the note. As of December 31, 2016 and December 31, 2015 the Company accrued interest amounted to \$25,085 and \$4,027, respectively.

NOTE 7 NOTES PAYABLE

In December and September 2010, the Company issued unsecured, non-interest bearing, due on demand notes for \$8,000 and \$16,000, respectively. During the quarter ended December 31, 2010 the Company repaid \$22,000. As of September 30, 2016, the outstanding principal balance of the notes was \$2,000.

On July 13, 2016, HLM Paymeon, Inc., the Company's wholly owned subsidiary, entered into a merchant agreement with Summit Capital Partners (SCP), whereby it sold \$40,500 of accounts receivable (the Receipts Purchased Amount) for a total purchase price of \$30,000. HLM Paymeon shall repay \$337 daily until the Receipts Purchased Amount is repaid. The Company recorded a \$10,500 deferred finance charge on the date of issuance. To secure HLM Paymeon's payment and performance obligations to SCP, HLM Paymeon has granted to SCP a security interest in all HLM Paymeon's accounts, chattel paper, documents, equipment, general intangibles, instruments and inventory. In addition, the Company's directors have individually guaranteed repayment of the Receipts Purchased Amount. As of December 31, 2016 the Company has a balance owed \$1,885 and has amortized a total of \$10,500.

On September 23, 2016, the Company entered into demand note in the amount of \$5,000. The Company is obligated to repay the holder a total of \$6,333 after 30 days. During the year ended December 31, 2016 the Company repaid a total of \$5,000. Accrued interest at December 31, 2016 amounted to \$1,333.

NOTE 8 PURCHASE ORDER FINANCING

On August 17, 2016, Paymeon Brands, Inc., a wholly-owned subsidiary of the Company, entered into a purchase order purchase and sale agreement with a third party purchaser, whereby Paymeon Brands sold \$50,000 of current purchase orders in exchange for \$40,000. As a further inducement for purchaser to enter into the agreement as collateral security for any and all obligations owing by PayMeOn Brands to purchaser, PayMeOn Brands has granted to Purchaser, as collateral security, a first lien security interest in all of PayMeOn Brands' accounts created as a result of purchase orders financed or purchased by purchaser and all inventory. The Company recorded a \$10,000 deferred finance charge on the date of issuance. As of December 31, 2016 the Company amortized \$10,000 of the deferred finance charge. During the year ended December 31, 2016 the Company repaid a total of \$33,500. On December 15, 2016 the holder converted the remaining balance of \$16,500 into 883,936 shares of common stock at \$0.0187 per share. The fair value price per share at August 17, 2016 was \$0.55 per share. Therefore the Company recorded a \$469,665 loss on conversion of debt.

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On September 9, 2016, Paymeon Brands, Inc., a wholly-owned subsidiary of the Company, entered into a purchase order purchase and sale agreement with a third party purchaser, whereby Paymeon Brands sold \$20,000 of current purchase orders in exchange for \$15,000. As a further inducement for purchaser to enter into the agreement as collateral security for any and all obligations owing by PayMeOn Brands to purchaser, PayMeOn Brands has granted to purchaser, as collateral security, a first lien security interest in all of PayMeOn Brands' accounts created as a result of purchase orders financed or purchased by purchaser and all inventory. The Company recorded a \$5,000 deferred finance charge on the date of issuance. As of December 31, 2016 the Company amortized \$5,000 of the deferred finance charge and repaid \$5,000. On December 15, 2016 the holder converted the remaining balance of \$20,000 into 1,142,849 shares of common stock at \$0.0175 per share. The fair value price per share at August 17, 2016 was \$0.55 per share. Therefore the Company recorded a \$608,567 loss on conversion of debt.

NOTE 9 PURCHASE ORDER FINANCING RELATED PARTY

On September 14, 2016, Paymeon Brands, Inc. entered into a purchase order purchase and sale agreement with a related party, whereby Paymeon Brands sold \$5,000 of current purchase orders in exchange for \$4,000. As a further inducement for purchaser to enter into the agreement as collateral security for any and all obligations owing by PayMeOn Brands to purchaser, PayMeOn Brands has granted to purchaser, as collateral security, a first lien security interest in all of PayMeOn Brands' accounts created as a result of purchase orders financed or purchased by purchaser and all inventory. The Company recorded a \$1,000 deferred finance charge on the date of issuance. As of December 31, 2016 the Company amortized \$1,000 of the deferred finance charge.

NOTE 10 COMMITMENTS AND CONTINGENCIES

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling \$250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of \$50,000 in total. On July 18, 2014, the Company's Chief Executive Officer forgave \$326,727 of accrued payroll and amended his employment agreement to reduce his base salary by 30% and eliminated his guaranteed bonus of \$50,000 per year.

For the years ended December 31, 2016 and 2015 recorded a salary expense of \$175,000 and \$175,000, respectively. Accrued compensation at December 31, 2016 and December 31, 2015 was \$463,730 and \$286,572, respectively (See Note 13).

On May 1, 2013, the Company entered into a lease agreement for executive offices located at 2400 E. Commercial Blvd., Suite 612, Fort Lauderdale, Florida. The facility was approximately 4,777 square feet. The lease was for a term of 39 months at a current cost of approximately \$9,900 per month. The lease contained three months of deferred rent that would be forgiven if the Company made its 36 required monthly payments timely. The Company was also required to make a security deposit of \$31,407. As of March 31, 2014, the Company had not been timely on its monthly payments and is in default of the agreement. On March 31, 2014, the company received a "notice of default" from legal counsel representing the landlord for the office space. The letter demanded immediate payment of \$41,937 for rent past due as of April 1, 2014. On May 15, 2014, the Company returned the office space to the landlord. As of May 20, 2014, the Company has not been able to pay its outstanding rent obligation and the landlord has accelerated all rent obligations due under the lease agreement. The Company has been served with a civil lawsuit with Case # 14007105 filed on February 11, 2015. The Landlord is seeking \$376,424 in accelerated rent and damages and \$12,442 for its attorney's costs. On April 22, 2015, the motion for unpaid rent, recovery of abated rents and tenant improvements and attorney's costs was granted by the Circuit Court for the 17th Judicial Circuit in and for Broward County in the amount of \$388,866. The Company has accrued the full amount of rent and attorney costs as of December 31, 2016.

On October 22, 2015, the Company's wholly owned subsidiary, HLM PayMeOn, Inc., entered into a sublease agreement with PDQ Auctions, LLC to lease retail premises located 2599 North Federal Highway, Fort Lauderdale, FL 33305. The premises are used to operate a retail electric hover board, bicycle and related product store under the Company's irideelectric brand. The sublease is for an initial term of approximately 5 years at an initial monthly sum of \$5,617 and an additional 5 year term at a monthly sum of \$5,899. As consideration for leasehold improvements, the Company issued PDQ Auctions, LLC a convertible note payable in the amount of \$300,000 (See Note 6).

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Future minimum lease commitments due for facilities leases under non-cancellable capital and operating leases at December 31, 2016 are as follows:

2017	\$ 67,410
2018	67,410
2019	67,410
2020	33,705
Total minimum lease payments	\$ 235,935

Total rent expense for the year ended December 31, 2016 and 2015 amounted to \$65,410 and \$11,798, respectively.

Through its wholly-owned subsidiary, Paymeon Brands, the Company launched a crowd sourcing campaign through the online platform known as Indiegogo. The Company intended to crowd source donations for the development of a new, electrically powered tricycle known as the eChariot. As part of the campaign, the Company was required to establish a minimum goal of donations for its funding requirements. The Company set a minimum goal target for donations of \$25,000. The Company surpassed its goal during the quarter and on October 3, 2016 and October 31, 2016, received approximately \$25,000 from Indiegogo (after deducting platform and transaction fees). The Company is currently deciding if it will move forward with this endeavor. If not it will repay the amounts received.

On October 7, 2016, legal representatives of Remrylie Licensing, Inc. asked one of the Company's retail customers to cease and desist from selling items related to Christopher "Notorious BIG" Wallace's image on Paymeon Brands behalf. Remrylie, owner of the exclusive right to market Notorious BIG's image, claimed that Paymeon Brands did not have the right to sell certain items it was selling through its retail customer. While we believe that the claims were without merit, we decided to cooperate and allow our retail customer to remove the items in question. On November 29, 2016 the Company and Remrylie Licensing, Inc., agreed to settle their dispute over royalty payments for sales of merchandise related to the estate of Notorious BIG. The Company agreed to pay \$7,000 and the Parties mutually agreed to end the dispute and mutually indemnify each other. Paymeon does not expect to engage in any sales related to the estate of Notorious BIG in the future.

NOTE 11 STOCKHOLDERS DEFICIT

The Company is authorized to issue up to 1,000,000,000 shares of common stock, par value \$0.001, and up to 5,000,000 shares of preferred stock, the designations and attributes of the preferred stock are subject to the future determination by the Company's board of directors.

On January 5, 2015 the Company sold a total of 50,000 shares to an individual for proceeds of \$17,500 (\$0.35 per share).

On November 6, 2015, the Company entered into a business consulting and strategic planning agreement with Mayer and Associates. The Company issued 250,000 shares of common stock valued at \$97,500 (\$0.39 per share) the fair market value on the date of issuance and a one-time cash payment of \$50,000 to consultant. The agreement is for a six month term and includes standard non-competition, non-solicitation and other covenants. On January 4, 2016 both parties agreed to extend the consulting agreement six months and the Company issued an additional 500,000 shares of common stock valued at \$235,000 (\$0.47 per share). As of December 31, 2016 and December 31, 2015, the Company has expensed \$382,500 and \$44,331 and has a prepaid expense of \$0 and \$103,169, respectively.

On January 2, 2016, the Company entered into a six month investor relations agreement. The Company issued 60,000 shares of common stock valued at \$28,200 (\$0.47 per share) the fair market value on the date of issuance and a one-time cash payment of \$50,000 to consultant.

On March 8, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On March 9, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016

On March 23, 2016 the Company sold a total of 200,000 shares to two accredited investors for proceeds of \$40,000 (\$0.20 per share).

On April 15, 2016, the Company sold a total of 50,000 shares to an accredited investor for proceeds of \$10,000 (\$0.20 per share).

On May 2, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 6, 2016, the Company sold a total of 50,000 shares to an accredited investor for proceeds of \$10,000 (\$0.20 per share).

On May 11, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 12, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On May 24, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On June 2, 2016, the Company sold a total of 125,000 shares to an accredited investor for proceeds of \$25,000 (\$0.20 per share).

On June 10, 2016, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$20,000 (\$0.20 per share).

On June 10, 2016, the PayMeOn Brands entered into a legal services agreement. The Company issued 100,000 shares of common stock valued at \$50,000 (\$0.50 per share) in consideration of the services to be provided under the agreement. The agreement is for a twelve month term and includes standard non-competition, non-solicitation and other covenants. As of December 31, 2016 Company has expensed \$27,945 and has a prepaid balance of \$22,055.

On August 16, 2016, the Company sold a total of 75,000 shares to an accredited investor for proceeds of \$15,000 (\$0.20 per share).

On August 18, 2016, the Company sold a total of 12,500 shares to an accredited investor for proceeds of \$2,500 (\$0.20 per share).

On October 17, 2016, the Company issued 100,000 shares of common stock valued at \$32,000 (\$0.32 per share) to a consultant that will provide various marketing and operations services to the Company. The consulting agreement is for a term of one year and contains standard confidentiality and non-solicitation provisions. The term of the agreement is for one year. As of December 31, 2016 the Company expensed \$6,575 and has a prepaid balance of \$25,425.

On November 14, 2016, the Company sold a total of 12,500 shares to an accredited investor for proceeds of \$2,500 (\$0.20 per share).

On December 15, 2016 the holder of \$16,500 of purchase order financing converted the balance into 883,936 shares of common stock at a price of \$0.0187 per share and \$20,000 of purchase order financing and a \$5,000 note payable converted the balance into 1,142,849 shares of common stock at a price of 0.0175 per share. The Company recognized a loss of \$1,078,232 which was the difference of the stock price of \$0.50 on the date of conversion. See note 8.

On December 21, 2016, the Company issued 30,000 shares of common stock valued at \$15,000 (\$0.50 per share) to a consultant for legal services.

PAYMEON, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2016**

On December November 29, 2016, the Company sold a total of 200,000 shares to an accredited investor for proceeds of \$33,000 (\$0.165 per share).

NOTE 12 OPTIONS AND WARRANTS

The following tables summarize all options and warrant grants to consultants for the years ended December 31, 2016 and December 31, 2015 and the related changes during these periods are presented below.

Stock Options and Warrants

	Number of Options And Warrants	Weighted Average Exercise Price
Balance at December 31, 2014	380,225	\$7.23
Granted		
Exercised		
Expired	(181,160)	12.89
Balance at December 31, 2015	199,065	\$2.06
Granted	4,040,000	.51
Exercised		
Expired	(31,884)	12.82
Balance at December 31, 2016	4,207,181	\$.49

As of December 31, 2016 there are 4,167,181 options and warrants that are vested.

The Company's stock price was lower than the weighted average exercise price at December 31, 2016 and 2015, therefore there is no aggregate intrinsic value of the options and warrants.

On February 23, 2012, the Company granted warrants to purchase 31,884 shares of its common stock to consultants at an exercise price of \$12.42 per share. The warrants begin to vest upon the sale of 72 associated accounts by the consultant and will vest 6 warrants per account sold thereafter. The warrants were issued pursuant to a marketing and sales consulting agreement. The term of the agreement is through February 23, 2016, unless earlier terminated by either party. In the event the consultant ceases to perform services under the agreement or either party terminates the agreement, then any vested, but unexercised warrants shall expire at the earlier of 180 days of the date of termination or the expiration date of the warrants. The warrants expired on February 23, 2016.

On April 16, 2014, the Company granted options to purchase 167,181 shares of its common stock to consultants at an exercise price of \$.10 per share. The options vest immediately. The options expire on April 16, 2017. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 105%, risk free interest rate of .87%, an expected life of 3 years.

On February 25, 2016, Mr. Vincent L. Celentano was appointed to the Board of Directors of the Company. In conjunction with his appointment, the Company issued Mr. Celentano an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 25, 2023. In addition, the Company appointed Edward A. Cespedes to be its Chairman of the Board of Directors. In conjunction with his appointment, Edward A. Cespedes was issued an option to acquire 1,000,000 shares of the Company's common stock. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 29, 2023. The options were valued using the Black Scholes Option Pricing Model, with the following assumptions: dividend yield at 0%, annual volatility of 153%, risk free interest rates of .78% based on expected life of 2 years.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016

On February 25, 2016, the Company issued two consultants options to acquire 1,000,000 shares of the Company's common stock each. The options were fully vested at issuance and have a strike price of \$0.51 per share and expire February 25, 2023. In addition, based on consulting agreements, consultants may be entitled to additional compensation based on net income or net sales criteria. The option was fully vested at issuance and has a strike price of \$0.51 per share and expires February 29, 2023. The options were valued using the Black Scholes Option Pricing Model, with the following assumptions: dividend yield at 0%, annual volatility of 153%, risk free interest rates of .78% based on expected life of 2 years.

On February 29, 2016, the Company issued stock options to acquire a total of 40,000 shares of the Company's common stock to three employees. The options have a strike price of \$0.51 per share and expire on March 1, 2021. The options vest 25% per year over 4 years beginning on March 1, 2017. The options were valued using the Black Scholes Option Pricing Model, with the following assumptions: dividend yield at 0%, annual volatility of 153%, risk free interest rates of .78% based on expected life of 2 years.

During the year ended December 31, 2016 total stock option expense amounted to \$1,138,842.

NOTE 13 RELATED PARTIES

On July 18, 2014, the Company entered into and completed two membership interest purchase agreements to acquire a 19.4% equity interest in Prodeco Technologies, LLC, a private manufacturer of electric bicycles under the brand "Prodeco" with manufacturing facilities located in Oakland Park, Florida. Prodeco was organized under the laws of the State of Florida in June 2012. The Prodeco membership interests were acquired through the acquisition of all of the issued and outstanding membership interests of A Better Bike, LLC and EBikes, LLC, members of Prodeco. A Better Bike, LLC was owned by Vincent L. Celentano, the Company's largest individual shareholder. EBikes was owned by Vincent D. Celentano, II, the son of Vincent L. Celentano. In consideration of the acquisition of all of the issued and outstanding membership interests of A Better Bike and EBikes, the Company issued an aggregate of 2,941,176 restricted shares of its common stock to the members of A Better Bike and EBikes. For accounting purposes the transactions are recorded at the historical basis of \$0 from related parties. The effective closing date for this transaction is July 18, 2014. For financial statement purposes, the Company accounts for its investment in this affiliated entity under the equity method. The Company discontinued applying the equity method at December 31, 2015, as the investment is below \$0 and will not resume applying the equity method until the affiliate reports income greater than its losses during the time period under equity method.

Effective November 18, 2016, the Company assigned all of its interests in Prodeco Technologies, LLC to a non-affiliate third party in consideration of a total cash payment of \$30,000 pursuant to an Assignment and Assumption Agreement dated November 18, 2016.

On January 20, 2015, the Company received a 7% unsecured promissory note (the "Note Receivable") in the principal amount of \$75,000 from Prodeco Technologies, LLC, an affiliated entity. The note was payable January 20, 2018. The note holder shall pay interest in the amount of \$1,312 per quarter due on the 15th each month following the end of the quarter until the maturity date. On February 6, 2015 the Company advanced an additional \$9,761 to Prodeco under the same terms due on February 8, 2018. During the year ended December 31, 2015, the related party elected to accept the Note Receivable of \$84,760 and accrued interest of \$2,967 as payment against convertible notes payable related party.

During the year ended December 31, 2015, the Company reimbursed Vincent L. Celentano, the Company's majority shareholder \$18,500 for marketing expenses paid on behalf of the Company.

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling \$250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of \$50,000 in total. On July 18, 2014, the Company's Chief Executive Officer forgave \$326,727 of accrued payroll and amended his employment agreement to reduce his base salary by 30% and eliminated his guaranteed bonus of \$50,000 per year.

For the years ended December 31, 2016 and 2015 recorded a salary expense of \$175,000 and \$175,000, respectively. Accrued compensation at December 31, 2016 and December 31, 2015 were \$463,730 and \$286,572, respectively (See Note 10).

PAYMEON, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2016**

As of December 31, 2016 and December 31, 2015, the Company's Chief Executive Officer was owed \$56,635 and \$23,238 for amounts he paid on behalf of the Company.

See Note 5 for Convertible Notes Payable Related Party, Note 9 for Purchase Order Financing Related Party and Note 12 for issuance of stock options to related parties.

NOTE 14 SEGMENTS

We had two operating segments one that sells electric bicycles and related products made by other manufacturers in a new retail store location in Fort Lauderdale and during the first quarter of 2016, PayMeOn formed a new subsidiary, Paymeon Brands, Inc., to pursue the business of developing, marketing, managing and monetizing lifestyle brands and products. The Company intends to leverage its relationships and expertise with respect to manufacturing processes, wholesale and retail distribution networks, and social influencer promotion, primarily targeting youth oriented "lifestyle" markets to create and grow new and existing brands across several market segments.

	Year Ended December 31,	
	2016	2015
Revenues:		
Service revenue, net	\$	\$ 6,502
Product sales clothing, net	102,186	
Product sales bicycles	292,033	168,654
Total Revenues	\$ 394,219	\$ 175,156
Cost of goods sold:		
Service revenue	\$	\$
Clothing	66,836	
Bicycles	187,386	101,386
Total cost of goods sold	\$ 254,222	\$ 28,748
Gross Profit:		
Service revenue	\$	\$ 6,502

Clothing		35,350		
Bicycles		104,647		67,268
Total Gross Profit	\$	139,997	\$	73,770

As of December 31, 2016, the Company had inventory of bicycles and clothing \$11,916 and \$0, respectively.

NOTE 15 CONCENTRATIONS

For the year ended December 31, 2016, one customer amounted to 74% of the product sales - clothing and one vendor accounted for 100% of cost of goods sold - clothing. One vendor an affiliate entity accounted for 13% of the cost of goods sold - bicycles.

For the year ended December 31, 2015, no customer accounted for more than 10% of sales.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016

NOTE 16 SUBSEQUENT EVENTS

On January 30, 2017, the Company granted 200,000 stock options with an exercise price of \$.25 to a consultant. The options expire 7 years from the date of issuance.

On February 2, 2017, the Company sold a total of 349,800 shares to an accredited investor for proceeds of \$34,980 (\$0.10 per share).

On February 2, 2017, the Company sold a total of 250,000 shares to an accredited investor for proceeds of \$25,000 (\$0.10 per share).

On February 16, 2017, the Company sold a total of 200,000 shares to two accredited investor for proceeds of \$25,000 (\$0.125 per share).

On February 19, 2017, the Company sold a total of 322,857 shares to an accredited investor for proceeds of \$56,500 (\$0.175 per share).

On February 21, 2017, the Company entered into and completed a membership interest purchase agreement to acquire 100.0% of the membership interests of Rockstar Acquisitions, LLC (Rockstar). Rockstar was organized under the laws of the State of Florida in November 2016. Rockstar leverages its licensed intellectual property, technology and processes to produce Basalt Fiber Reinforced Polymer products that are used as replacements for steel products that reinforce concrete such as rebar. Our Chairman and CEO, Edward A. Cespedes and our Director and largest individual shareholder, Vincent L. Celentano, are the Managing Members of Rockstar. In consideration of the acquisition of all of the issued and outstanding membership interests of Rockstar, the Company issued an aggregate of 95,500,000 restricted shares of its common stock to the members of Rockstar. For accounting purposes the transactions are recorded at their historical cost. As part of this agreement Rockstar entered into a letter agreement with Raw Materials Corp and Raw Energy Materials, Corp. (RAW). The letter agreement called for, among other things, Rockstar to purchase equipment for \$400,000, and when given notice in writing by RAW, to purchase additional equipment within 10 business days of receiving the notice. Rockstar s approximate total obligation was

approximately \$3 million. On April 19, 2017, Rockstar received written notice from RAW to purchase the additional equipment. To date, Rockstar has funded approximately \$260,000 towards the purchase of equipment. As of April 20, 2017, Paymeon, and its affiliates, including Rockstar, has secured a commitment for equipment debt financing in the amount of \$600,000. Paymeon and its affiliates, including Rockstar, is currently in the process of pursuing additional financing to meet Rockstar's obligation. There is no guarantee that we will be able to obtain the additional financing.

On March 7, 2017, the Company sold a total of 300,000 shares to an accredited investor for proceeds of \$60,000 (\$0.20 per share).

On March 17, 2017, the Company sold a total of 39,920 shares to an accredited investor for proceeds of \$9,980 (\$0.25 per share).

On March 17, 2017, the Company sold a total of 800,000 shares to an accredited investor for proceeds of \$200,000 (\$0.25 per share).

On March 17, 2017, the Company sold a total of 60,000 shares to an accredited investor for proceeds of \$15,000 (\$0.25 per share).

On March 17, 2017, the Company sold a total of 60,000 shares to an accredited investor for proceeds of \$15,000 (\$0.25 per share).

On March 17, 2017, the Company sold a total of 60,000 shares to an accredited investor for proceeds of \$15,000 (\$0.25 per share).

On March 19, 2017, the Company sold a total of 400,000 shares to an accredited investor for proceeds of \$100,000 (\$0.25 per share).

PAYMEON, INC. AND SUBSIDIARIES

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On March 23, 2017, the Company entered into a line of credit to purchase equipment in the amount up to \$600,000. The line bears interest at a rate of 7.5%. The Company will repay loan over 60 months.

On March 24, 2017, the Company sold a total of 40,000 shares to an accredited investor for proceeds of \$10,000 (\$0.25 per share).

On March 29, 2017, the Company sold a total of 100,000 shares to an accredited investor for proceeds of \$25,000 (\$0.25 per share).

On April 4, 2017, a consultant exercised previously issued stock options of 167,181 with an exercise price of \$.10

On April 5, 2017, the Company sold a total of 52,000 shares to an accredited investor for proceeds of \$13,000 (\$0.25 per share).

On April 5, 2017, the Company issued 250,000 shares of common stock to a newly appointed Director.

On April 10, 2017, the Company sold a total of 400,000 shares to an accredited investor for proceeds of \$100,000 (\$0.25 per share).

On April 11, 2017, the Company sold a total of 400,000 shares to an accredited investor for proceeds of \$100,000 (\$0.25 per share).

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