

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

**FORM 10-K**

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

For the fiscal year ended **November 30, 2016**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-55725**

**Lans Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other  
jurisdiction of  
incorporation or  
organization)

**47-4426774**

(I.R.S. Employer Identification No.)

**801 Brickell, Miami,**

**Florida**

(Address of principal  
executive offices)

**33133**

(Zip Code)

Registrant's telephone number: **305-755-7451**

Securities registered under Section 12(b) of the Exchange Act:

Title of  
each class

**None**

Name of each exchange on which registered

**Not applicable**

Securities registered under Section 12(g) of the Exchange Act:

Title of each class

**Common Stock, par value \$0.001**

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 checkmark 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 Web site, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange 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. \$5,558,233

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.  
44,807,673 common shares issued and outstanding as of February 17, 2017.



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## **PART I**

### **Item 1. Business**

#### **Our Business**

We pioneer solutions innovation by rewarding merchants to migrate to EMV (credit card chips). We provide white label solutions for payment service providers to enable business to consumer and business to business payments through physical POS, mobile devices, online and software integrations. We are focused to provide emerging payment solutions that motivate and reward our clients for adopting more secure payment systems in their businesses. Our mission is to revolutionize how payment solutions are delivered to businesses by providing flexibility, efficiency and creative control to our partners. We make it easy for sellers to start selling, and buyers to buy with confidence. Our solutions are used to enable businesses to process payments more efficiently whether online or in a retail store front.

#### **Paysperity**

We operate a payment processor business known as “Paysperity.” Paysperity is the evolution of the payment gateway into an EMV ready payment platform to serve as a “single-point” solution to our customers. Paysperity provides processing solutions for retail, mobile, Internet and call center types of business that process card present or card not present transactions. Paysperity provides processing of credit cards, debit cards, EMV and contactless or NFC (Near Field Communications) payments including Google Wallet and Apple Pay. Paysperity supports a wide base of customers with seamless integrated “app layers” for point of sale from a simple virtual terminal interface available for smartphones and PCs, a cash register-like interface for smartphones and tablets to a full featured point of sale with full retail management functionality operating on PCs, laptops and tablets. Paysperity enables Internet and call center based merchants to utilize email invoicing, hosted payment forms and shopping cart modules and plugins to capture payments for a single payment or recurring billing.

We offer six core solutions, which are discussed below.

#### ***Infrastructure on Demand***

Infrastructure on Demand (IoD) is a ‘compliant ready’ hosted solution that is custom engineered to comply with industry standards such as PCI-DSS, HIPAA, and FFIEC. We are committed to providing the highest levels of security, stability and reliability. We offer both fully dedicated and semi-dedicated ‘compliant ready’ hosted solutions designed for our clients’ specific security objectives. Both packages contain required network infrastructure and controls for compliance at an affordable price. We believe that our bundled solution provides an advantage over the competition because it combines custom services into a top-notch single-source secure platform, which improves performance and reduces costs.

#### ***Cloudecrypt***

Cloudecrypt is a breakthrough encryption platform for businesses faced with data security challenges. By virtualizing our Hardware Security Module on a fractionalized basis, and by leveraging our robust and industry certified complaint platform, we can help our clients increase their return on investment by reducing their infrastructure and by providing a branded Point to Point Encrypted (P2PE) platform.

#### ***Fractional Info Tech Services***

Fractional Info Tech Services (FITS) provides experienced “fractional” resources on demand. With the increase in data breaches and the consequences of non-compliance, the demand for network security continues to increase. Additionally, the costs of security experts is increasing, creating a financial hurdle for small to medium sized businesses. FITS provides resources for ethical hacking, security incident response management, and full disaster recovery implementation, including specialized managed services ranging from full network operations center support to monitoring and maintaining critical enterprise systems.

#### ***Platform as a Service***

Payment-Engine (PE) is an EMV ready platform that provides payment switching and routing to gateways and processors. Our PE platform provides revenue management of value added services distributed through the platform. The custom control panel manages client channels, including retail, mobile and ecommerce, with all the tools to capture payments, including API, hosted payment forms, and virtual terminal. PE utilizes Cloudecrypt for tokenization (the process of substituting a sensitive data element with a non-sensitive equivalent) and data encryption.



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### ***PaymentSandbox***

PaymentSandbox is a resource for developers and integrators, built by developers and integrators, to fast track the development and integration of emerging payment solutions into their mobile and web applications. We provide API, sample code and secure payment forms for a simple and secure integration. Our focus is to provide our partners a resource for developers and integrators, built by developers and integrators. We continue to publish updates, keep the content and resources fresh and current.

### ***Secure Transaction as a Service***

Secure Transaction as a Service (STaaS) is our specialized implementation of software as a service business model for payment professionals. Paysperity cloud delivered commerce revolutionizes how payment solutions are delivered to businesses by providing flexible, efficient and creative control. Our objective is to simplify how clients capture payments, manage their customer contact information and generate invoices. Paysperity provides crucial analytics that gives our clients the data and tools to manage their customer base and product offerings and buying behavior. We leverage artificial intelligence and machine learning to better understand customer's buying behavior through personalized marketing campaigns. Interact with their customers via: mobile app, SMS, push notifications, emails and digital receipts.

### **Strategic Partnerships**

#### ***Credit Call***

Credit Call provides EMV solutions from any device and caters to in-store, self-service, online or mobile clients. Our partnership with Credit Call resulted in Paysperity Enterprise POS, an adaptive "EMV Card Ready" payment solution powered by Creditcall's chip card technology, which became available for all size restaurants and retail businesses. The system empowers retailers and restaurant owners, using existing point of sale (POS) systems, to easily transition to the EMV chip card standard utilizing Creditcall's ChipDNA (SDK), a certified EMV integration tool.

#### ***SingPayment***

SingPayment is an innovative payment solutions firm licensed to offer CUP (China Union Pay) and providing merchant marketing and processing services to merchants/enterprises wishing to offer Union Pay card acceptance to their customers. We have an exclusive representation agreement with SingPayment. Our agreement gives us favored nations pricing worldwide and exclusive representation in North and South America. The partnership is expected to establish our company as the owner and distributor of the Global Payment Terminal that will embed China Union Pay processing into retail terminals alongside the existing EMV (Chip Card) capabilities to process Visa, MasterCard and other card brands.

We project that this agreement will increase our portfolio in several ways. First, it will expand our global capabilities with a direct licensed interface into China Union Pay's processing network. Second, as a result our platform can be used by not only traditional Card Payments like Visa, and MasterCard, but creates new commerce opportunities with emerging payment solutions like Alipay and WeChat (Alipay and WeChat are like ApplePay and Google Pay and the defacto "hidden payment" solution emerging in South East Asia). Third, we expand our offering by providing international business to business payments to connect buyers and sellers with multi-currency settlement solutions.

### **Competition**

The payment processing industry is highly competitive. The level of competition has increased in recent years as other providers of payment processing services have established a sizable market share in the small and medium sized merchant segment. Our primary competitors for these merchants in these markets include financial institutions and their affiliates and well-established payment processing companies that target merchants directly and through third parties, including Bank of America Merchant Services, Chase Paymentech, Elavon, Inc. (a subsidiary of U.S. Bancorp), First Data Corporation, Heartland Payment Systems, Inc., Vantiv, Inc., Global Payments, Inc. and Wells Fargo. Competing with financial institutions is challenging because they often bundle merchant acquiring services with other banking products. Our growth will depend on the continued growth of electronic payments and our ability to increase our market share through successful competitive efforts to gain new merchants.

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In addition, many financial institutions, subsidiaries of financial institutions or well-established payment processing companies that we compete with have substantially greater capital, technological, management and marketing resources than we have. These factors may allow our competitors to offer better pricing terms to merchants, which could result in a loss of our potential merchants. This competition may effectively limit the prices we can charge our merchants and require us to control costs aggressively in order to maintain acceptable profit margins. Additionally, our future competitors may develop or offer services that have price or other advantages over the services we provide.

### **Government Regulation**

We operate in an increasingly complex legal and regulatory environment. Our business and the products and services that we offer are subject to a variety of federal, state and local laws and regulations and the rules and standards of the payment networks that we utilize to provide our electronic payment services, as more fully described below.

#### ***Dodd-Frank Act***

The Dodd-Frank Act and the related rules and regulations have resulted in significant changes to the regulation of the financial services industry. Changes impacting the electronic payments industry include providing merchants with the ability to set minimum dollar amounts for the acceptance of credit cards and to offer discounts or incentives to entice consumers to pay with cash, checks, debit cards or credit cards, as the merchant prefers. New rules also contain certain prohibitions on payment network exclusivity and merchant routing restrictions. Additionally, the Durbin Amendment to the Dodd-Frank Act provides that the interchange fees that certain issuers charge merchants for debit transactions will be regulated by the Federal Reserve and must be “reasonable and proportional” to the cost incurred by the issuer in authorizing, clearing and settling the transactions. Rules released by the Federal Reserve in July 2011 to implement the Durbin Amendment mandate a cap on debit transaction interchange fees for issuers with assets of \$10 billion or greater.

The Dodd-Frank Act also created the Consumer Financial Protection Bureau (the “CFPB”), which has assumed responsibility for most federal consumer protection laws, and the Financial Stability Oversight Council, which has the authority to determine whether any non-bank financial company, such as us, should be supervised by the Board of Governors of the Federal Reserve System because it is systemically important to the U.S. financial system. Any new rules or regulations implemented by the CFPB or the Financial Stability Oversight Council or in connection with Dodd-Frank Act that are applicable to us, or any changes that are adverse to us resulting from litigation brought by third parties challenging such rules and regulations, could increase our cost of doing business or limit permissible activities.

#### ***Privacy and Information Security Regulations***

We provide services that may be subject to privacy laws and regulations of a variety of jurisdictions. Relevant federal privacy laws include the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. These laws and regulations restrict the collection, processing, storage, use and disclosure of personal information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of protected information. These laws also impose requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. Our business may also be subject to the Fair Credit Reporting Act, which regulates the use and reporting of consumer credit information and also imposes disclosure requirements on entities who take adverse action based on information obtained from credit reporting agencies. In addition, there are state laws restricting the ability to collect and utilize certain types of information such as Social Security and driver’s license numbers. Certain state laws impose similar privacy obligations as well as obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and consumer reporting agencies and businesses and governmental agencies that own data.

#### ***Anti-Money Laundering and Counter-Terrorism Regulation***

Our business is subject to U.S. federal anti-money laundering laws and regulations, including the Bank Secrecy Act of 1970, as amended by the USA PATRIOT Act of 2001, which we refer to collectively as the “BSA.” The BSA, among other things, requires money services businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity and maintain transaction records. We are also subject to certain economic and trade sanctions programs that are administered by the Treasury Department’s Office of Foreign Assets Control, or OFAC, that prohibit or restrict transactions to or from or dealings with specified countries, their governments and, in certain circumstances, their nationals, narcotics traffickers and terrorists or terrorist organizations. Similar anti-money laundering, counter terrorist financing and proceeds of crime laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified on lists maintained by organizations similar to OFAC in several other countries and which may impose specific data retention obligations or prohibitions on intermediaries in the payment process.

We have developed and continue to enhance compliance programs and policies to monitor and address related legal and regulatory requirements and developments.

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### ***Unfair or Deceptive Acts or Practices***

We and many of our merchants are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, or UDAP. In addition, the UDAP and other laws, rules and or regulations, including the Telemarketing Sales Act, may directly impact the activities of certain of our merchants, and in some cases may subject us, as the merchant's payment processor or provider of certain services, to investigations, fees, fines and disgorgement of funds if we are deemed to have aided and abetted or otherwise provided the means and instrumentalities to facilitate the illegal or improper activities of the merchant through our services. Various federal and state regulatory enforcement agencies including the Federal Trade Commission and the states attorneys general have authority to take action against non-banks that engage in UDAP or violate other laws, rules and regulations and to the extent we are processing payments or providing services for a merchant that may be in violation of laws, rules and regulations, we may be subject to enforcement actions and as a result may incur losses and liabilities that may impact our business.

### ***Other Regulations***

We are subject to U.S. federal and state unclaimed or abandoned property (escheat) laws which require us to turn over to certain government authorities the property of others we hold that has been unclaimed for a specified period of time such as account balances that are due to a distribution partner or merchant following discontinuation of its relationship with us. The Housing Assistance Tax Act of 2008 requires certain merchant acquiring entities and third-party settlement organizations to provide information returns for each calendar year with respect to payments made in settlement of electronic payment transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also subject to backup withholding requirements.

### ***Payment Network Rules and Standards***

Payment networks establish their own rules and standards that allocate responsibilities among the payment networks and their participants. These rules and standards, including the PCI DSS, govern a variety of areas including how consumers and merchants may use their cards, data security and allocation of liability for certain acts or omissions including liability in the event of a data breach. The payment networks may change these rules and standards from time to time as they may determine in their sole discretion and with or without advance notice to their participants. These changes may be made for any number of reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the networks and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks may fine and penalize and/or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards.

An example of a recent standard is EMV, which is mandated by Visa, MasterCard, American Express and Discover to be supported by payment processors by April 2013 and by merchants by October 2015. This mandate sets new requirements and technical standards, including requiring IPOS systems to be capable of accepting the more secure "chip" cards that utilize the EMV standard and setting new rules for data handling and security. Processors and merchants that do not comply with the mandate or do not use systems that are EMV compliant risk fines and liability for fraud-related losses.

To provide our electronic payments services, we must be registered either indirectly or directly as service providers with the payment networks that we utilize. Because we are not a bank, we are not eligible for membership in certain payment networks, including Visa and MasterCard, and are therefore unable to directly access these networks. The operating regulations of certain payment networks, including Visa and MasterCard, require us to be sponsored by a member bank as a service provider. We are not registered with any payment networks. In due course we plan to set up the necessary sponsorships with our banking connections. Any agreement with our bank sponsors give them substantial discretion in approving certain aspects of our business practices including our solicitation, application and qualification procedures for merchants and the terms of our agreements with merchants.

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### **Employees**

We have 4 officers, 2 directors, 0 full time employees and 0 part time employees working for us. In addition, we have 3 advisory board members, a technology consultant, a payment industry expert consultant and an investor relations consultant. Our advisory board members consist of the following persons. Our officers and directors are discussed elsewhere in this Annual Report.

#### ***Kevin Medina***

Kevin Medina is a senior technology executive with more than 26 years of industry experience. He is a "hands on" technologist who is fluent in 7 programming languages, databases, enterprise scaled platforms with a deep understanding of payment systems, security, network infrastructure and protocols. He has a keen understanding of consumer facing product design and large scale implementation.

Mr. Medina currently holds the positions of software Architect and CTO of the "POS ON CLOUD" (POS) point of sale platform. POS has grown to handle millions of dollars of transactions through its battle tested cloud platform. Previously Kevin was the CTO/CSO of the boutique consulting firm "4eyes" with offices in Miami and large projects in Los Angeles, Seattle and New York City. As part of "4eyes," Kevin served as interim CTO of several successfully funded startups. His firm has designed and developed over 150 mobile and tablet based apps and systems within the past 3 years in a variety of verticals. Kevin has also held director level technology positions for International giants KPMG, LLP (Accounting) and Reed-Elsevier PLC (Legal Publishing) running their internal e-technology technology initiatives.

For his services, we have issued 39,683 shares of common stock to Kevin Medina at \$0.378 per share, the closing price on August 17, 2015.

#### ***Jose Enrique Perez***

Mr. Perez has amassed a wealth of experience as an executive in international businesses with successful experience building high-performance sales, engineering and marketing teams. Mr. Perez has more than 20 years of experience in the payment industry as well international management, global transaction processing, networking and compliance. Mr. Perez was the SVP and Chief of Global Software Development for Hypercom Corporation before it was acquired by Verifone with a 14+ year tenure, where he successfully lead software and product development worldwide including the development of Hypercom's first EMV POS terminal and EMV card migrations for acquirers and financial institutions.

For his services, we have issued 39,683 shares of common stock to Jose Enrique Perez at \$0.378 per share, the closing price on August 17, 2015.

#### ***Jerome Zhu***

Mr. Zhu is the president of Quality Merchant Services, Inc., a merchant services company (US), President and founder of Transpay Systems Co. LTD (Hong Kong), former chairman of US China Chamber of Commerce of Dallas, member of the Electronic Transfer Association-ETA, member of American Bankers Association. He has more than 20 years' experience in the third-party payment TPP and bank industry. He is also a consultant of M&A and financing for international business.

His role with us is activity in the business development strategies in South East Asia. For his services, we have issued 37,736 shares of common stock to Jerome Zhu at \$0.3975 per share, the closing price on August 28, 2015.

### **Item 1A. Risk Factors**

The following risk factors could materially affect our business, financial condition, and results of operations. These risk factors and other information in this Annual Report on Form 10-K should be carefully considered in evaluating our business. They are provided for investors as permitted by the Private Securities Litigation Reform Act of 1995. It is not possible to identify or predict all such factors and, therefore, the following should not be considered to be a complete statement of all the uncertainties we face.

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### **Risks Relating To Our Financial Condition and Business**

***Because we have a limited operating history, you may not be able to accurately evaluate our operations.***

We have had limited operations to date and have generated only a small amount of revenue. Therefore, we have a limited operating history upon which to evaluate the merits of investing in our company. Because we are in the early stages of operating our business, we are subject to many of the same risks inherent in the operation of a business with a limited operating history, including the potential inability to continue as a going concern.

***Our investors may lose their entire investment because our financial status creates a doubt whether we will continue as a going concern.***

Our auditors, in their opinion dated March 15, 2017, have stated that we have suffered recurring losses from operations and have a net capital deficiency that raise substantial doubt about our ability to continue as a going concern. We seek to raise operating capital to implement our business plan in an offering of our common stock. Our company's plan specifies a minimum amount of \$375,000 in additional operating capital to operate for the next twelve months. However, there can be no assurance that such offering will be successful. You may lose your entire investment.

***We are dependent on outside financing for continuation of our operations.***

Because we have generated only a small amount of revenue and currently operate at a significant loss, we are completely dependent on the continued availability of financing in order to continue our business. There can be no assurance that financing sufficient to enable us to continue our operations will be available to us in the future. Our failure to obtain future financing or to produce levels of revenue to meet our financial needs could result in our inability to continue as a going concern and, as a result, investors in our company could lose their entire investment.

***We are subject to the risks faced by new businesses.***

We are an early-stage company with a limited operating history and lack profitability, and is, therefore, subject to many of the risks and uncertainties faced by new enterprises. There is no assurance we will be able to manage our business effectively, identify, employ, and retain any needed management or technical personnel, further develop and implement our products and services, obtain third-party contracts or financing, or achieve the other components of our business plan.

***Evolving products and technological changes could make our products and services obsolete.***

We anticipate that our payment processing products and services will continue to evolve and be subject to technological change. Accordingly, our ability to maintain a competitive advantage and build our business requires us to continually invest in research and development. Many of the companies we expect to compete with have greater capital resources, research and development staffs, and facilities than us. Our products and services could be rendered obsolete by the introduction and market acceptance of competing services, technological advances by current or potential competitors, or other approaches. Additionally, our processing technology platform will require upgrades to meet our business plan, and new problems or delays could develop and limit our ability to grow.

***If we fail to attract and retain qualified senior executive and key technical personnel, our business will not be able to expand.***

We are dependent on the continued availability of the services of our employees, many of whom are individually key to our future success, and the availability of new employees to implement our business plans. We rely heavily on the experience of Anthony Ribas, Trevor Allen, Ritesh Mitra, Noah Fitzgerald, David Christensen and others to develop our payment processing products and services and to move them into channels for sale. As we move forward we will need to engage professionals with various specific experience. We will need individuals with specific knowledge in designing and developing payment processing products and services and there are limited resources available that have this specific experience. We will also need to identify sales and marketing professionals with specific experience in selling into certain channels of distribution.

The market for skilled employees is highly competitive, especially for employees in technical fields. There can be no assurance that we will be able to retain the services of all our key employees or a sufficient number to execute our plans, nor can there be any assurance we will be able to continue to attract new employees as required.

Despite having some consulting agreements in place, our personnel may voluntarily terminate their relationship with us at any time, and competition for qualified personnel is intense. The process of locating additional personnel with the combination of skills and

attributes required to carry out our strategy could be lengthy, costly and disruptive.

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If we lose the services of key personnel, or fail to replace the services of key personnel who depart, we could experience a severe negative effect on our financial results and stock price. In addition, there is intense competition for highly qualified technical and marketing personnel in the locations where we principally operate. The failure to acquire the services of any key technical, marketing or other personnel or our failure to attract, integrate, motivate and retain additional key employees could have a material adverse effect on our business, operating and financial results and stock price.

***Any new or changes made to laws, regulations, payment processing rules or other industry standards affecting our business may have an adverse impact on our financial results.***

We are subject to numerous regulations that affect the electronic payments industry. Regulation and proposed regulation of the payments industry has increased significantly in recent years. Failure to comply with regulations may have an adverse effect on our business, including the limitation, suspension, or termination of services provided to, or by, third parties, and the imposition of penalties, including fines. We are also subject to U.S. financial services regulations, numerous consumer protection laws, escheat regulations, and privacy and information security regulations, among others. Changes to legal rules and regulations, or the interpretation or enforcement thereof, could have a negative financial effect on us. We are also subject to the rules of Visa, MasterCard, and various other credit and debit networks. Furthermore, we are subject to the Housing Assistance Tax Act of 2008, which requires information returns to be filed by merchant acquiring entities for each calendar year starting in 2011.

Interchange fees, which are typically paid by the acquirer to the issuer in connection with transactions, are subject to increasingly intense legal, regulatory, and legislative scrutiny. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which was signed into law in July 2010, significantly changes the U.S. financial regulatory system, including by regulating and limiting debit card fees charged by certain issuer banks and allowing merchants to offer discounts for different payment methods, as well as other measures. The impact of the Dodd-Frank Act on us is difficult to estimate, as it will take time for the market to react and adjust to regulations that have been implemented and because certain additional regulations have yet to be developed.

Regulatory actions such as these, even if not directed at us, may require us to make significant efforts to change our products and services and may require that we change how we price our services to customers. Furthermore, regulatory actions may cause changes in business practices by us and other industry participants which could affect how we market, price and distribute our products and services. These regulations may materially and adversely affect our business or operations, either directly or indirectly.

***We rely on third-party processors and service providers; if they fail or no longer agree to provide their services, our merchant relationships could be adversely affected and we could lose business.***

We rely on agreements with several large payment processing organizations to enable us to provide card authorization, data capture, settlement and merchant accounting services and access to various reporting tools for the merchants we serve. We also outsource to third parties other services, such as reorganizing and accumulating daily transaction data on a merchant-by-merchant and card issuer-by-card issuer basis and forwarding the accumulated data to the relevant bankcard companies. Many of these organizations and service providers are our competitors, and we do not have long-term contracts with most of them. Typically, our contracts with these third parties are for one-year and are subject to cancellation upon limited notice by either party. The termination by our service providers of their arrangements with us or their failure to perform their services efficiently and effectively may adversely affect our relationships with the merchants whose accounts we serve and may cause those merchants to terminate their processing agreements with us.

***Changes in credit card association or other network rules or standards could adversely affect our business.***

Our company and our current and potential customers are subject to card association and network rules that could subject us or our customers to a variety of fines or penalties that may be levied by the card companies or networks for certain acts or omissions by us, acquirer customers, processing customers and merchants. Visa, MasterCard and other networks, some of which are our competitors, set the standards with respect to which we must comply. Our status as a certified service provider, or any changes in card association or other network rules or standards, including interpretation and implementation of the rules or standards, that increase the cost of doing business or limit our ability to provide services to or through our customers, could have an adverse effect on our business, results of operations and financial condition.

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### ***Unauthorized disclosure of merchant and cardholder data, whether through breach of our computer systems or otherwise, could negatively impact our operations and expose us to protracted and costly litigation.***

As part of our business, we operate a proprietary payment gateway that collects and stores certain cardholder data related to transactions processed through the gateway, including credit card and debit card numbers and cardholder addresses. We also maintain a database of similar cardholder data relating to specific transactions not processed through our proprietary gateway for purposes of processing such transactions and for fraud prevention and other internal processes. In addition, we collect and store on our servers data about merchants and their principal owners, including names, addresses, social security numbers, driver's license numbers, checking and savings account numbers, and payment history records. Although plans and procedures are in place to protect this sensitive data, we cannot be certain that our measures will be successful and will be sufficient to counter all current and emerging technology threats designed to breach our systems in order to gain access to confidential information. A security breach or other misuse of this data could harm our reputation and deter existing and prospective customers from using our products and services, increase our operating expenses in order to contain and remediate the breach, expose us to unbudgeted or uninsured liability, disrupt our operations (including potential service interruptions), increase our risk of regulatory scrutiny, result in the imposition of penalties and fines under state, federal and foreign laws or by the card networks, and adversely affect our continued card network registration and financial institution sponsorship.

Although we generally require that our agreements with our sales agents and other service providers who may have access to merchant and customer data include confidentiality obligations that restrict these parties from using or disclosing any customer or merchant data except as necessary to perform their services under the applicable agreements, we cannot assure you that these contractual measures will prevent the unauthorized disclosure of merchant or customer data by the sales agent or service providers. In addition, our agreements with financial institutions (as well as card association requirements) require us to take certain protective measures to ensure the confidentiality of merchant and consumer data. The costs of systems and procedures associated with such protective measures may increase and could adversely affect our ability to compete effectively. Any failure to adequately comply with these protective measures could result in fees, penalties, and/or protracted and costly litigation.

### ***The payments industry is highly competitive and we expect to compete with larger firms having greater financial resources. Such competition could increase and adversely influence our prices to merchants and our operating margins.***

We compete in a highly competitive market with a wide variety of processing service providers including, but not limited to, Bank of America Merchant Services, Chase Paymentech, Elavon, Inc. (a subsidiary of U.S. Bancorp), First Data Corporation, Heartland Payment Systems, Inc., Vantiv, Inc., Global Payments, Inc. and Wells Fargo. These and other providers have established a sizable market share in the small- and medium-size merchant processing sector. Developing and maintaining our growth will depend on a combination of the continued growth in electronic payment transactions and our ability to increase our market share. If competition causes us to reduce the prices we charge, we will have to aggressively control our costs in order to maintain acceptable results of operations.

The primary competitive factors in our industry are the price of services rendered and the contractual terms between the merchant and the processor. Our competitors that are financial institutions or subsidiaries of financial institutions do not incur the costs associated with being sponsored by a bank for registration with the card. These competitors have substantially greater financial, technological, management, and marketing resources than we have. This may allow them to offer more attractive fees to our current and prospective merchants, or offer other products or services that we do not. This could result in a loss of customers, greater difficulty attracting new customers, and a reduction in the price we can charge for our services.

The market for credit and debit card processing services is highly competitive and has relatively low barriers to entry. The level of competition has increased in recent years as other providers of processing services have established a sizable market share in the small merchant processing sector. There are also a large number of small providers of processing services that provide various ranges of services to small and medium sized merchants. This competition may effectively limit the prices we can charge and requires us to control costs aggressively in order to maintain acceptable profit margins. Further, if the use of cards other than Visa or MasterCard, such as American Express, grows, or if there is increased use of certain debit cards, our average profit per transaction could be reduced. In addition, our competitors in recent years have consolidated as large banks merged and combined their networks. This consolidation may also require that we increase the consideration we pay for future acquisitions and could adversely affect the number of attractive acquisition opportunities presented to us. Our future competitors may develop or offer services that have price or other advantages over the services we provide. If they do so and we are unable to respond adequately, our business, financial condition, and results of operations could be materially adversely affected.

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***We may find our business operations are regulated by current privacy laws, such as the Gramm-Leach Bliley Act, and that we are not in compliance with such laws and regulations as it applies to consumer information we may process and collect.***

The laws governing privacy generally remain unsettled; however, even in areas where there has been some legislative action such as the Gramm-Leach-Bliley Act (the “Act”) and other consumer statutes, it is difficult to determine whether and how existing privacy laws apply to our business. For example, the Act requires nonaffiliated third-party service providers to financial institutions to take certain steps to ensure the privacy and security of financial information; however, the law is new and there have been few rulings interpreting its provisions. We may be mistaken in our belief that our activities fall under exceptions to the consumer notice and opt-out requirements contained in the Act and find that we are not in compliance with these laws, or that we may not be able to become compliant, if at all, without significant time and expense. The cost of compliance or limitation on our business operations if we must restrict our access to and use of consumer information could adversely affect our ability to provide the services we intend to offer to our merchants or could impair the value of these services.

New and potential governmental regulations designed to reduce, regulate, or change interchange costs, network access fees or any other fee charged to a merchant or the terms of merchant contracts, or to require specified data security levels on transactions, or the enactment of any other additional regulations or modifications of existing regulations could adversely affect our results of operations.

Due to changing regulations at various levels of government, we are unable to determine the potential outcomes of the regulations. For example, the “Durbin Amendment” legislation was enacted to regulate the basis on which interchange rates for debit card transactions are made so as to ensure that interchange rates are “reasonable and proportionate to costs.” The amendment could limit the debit card interchange fees paid by retailers to ISOs and potentially limit the revenue we could derive from interchange fee markups. The likelihood of future similar legislation is uncertain. In addition, federal or state legislation could be enacted requiring ISOs like our Company to be responsible for data security with respect to transactions in which it is involved despite never having access to, or being in possession of, any consumer data. Such regulations would have an adverse impact on our economic results due to both reduction in revenues and increases in operating expenses.

***New and potential governmental regulations designed to protect or limit access to consumer information could adversely affect our ability to provide, or the value of, the services we currently provide to our merchants.***

Due to the increasing public concern over consumer privacy rights, governmental bodies in the United States and abroad have adopted, and are considering adopting, additional laws and regulations restricting the purchase, sale and sharing of personal information about customers. For example, the Gramm-Leach-Bliley Act requires non-affiliated third-party service providers to financial institutions to take certain steps to ensure the privacy and security of consumer financial information. We believe our present activities fall under exceptions to the consumer notice and opt-out requirements contained in this law for third-party service providers to financial institutions. However, the laws governing privacy generally remain unsettled. Even in areas where there has been some legislative action, such as the Gramm-Leach-Bliley Act and other consumer statutes, it is difficult to determine whether and how existing and proposed privacy laws or changes to existing privacy laws will apply to our business. Limitations on our ability to access and use customer information could adversely affect our ability to provide the services we currently offer to our merchants or impair the value of these services.

Several states have proposed legislation that would limit the use of personal information gathered using the Internet. Some proposals would require proprietary online service providers and website owners to establish privacy policies. Congress has also considered privacy legislation that could further regulate the use of consumer information obtained over the Internet or in other ways. Our compliance with these privacy laws and related regulations could materially affect our operations.

Changes to existing laws or the passage of new laws could:

- create uncertainty in the marketplace that could reduce demand for our services;
- restrict or limit our ability to sell certain products and services to certain customers;
- limit our ability to collect and to use merchant and cardholder data;
- increase the cost of doing business as a result of litigation costs or increased operating costs; or
- in some other manner have a material adverse effect on our business, results of operations and financial condition.

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Any change in the regulatory environment could have a material adverse effect on our business, financial condition and results of operations.

We are subject to federal and state laws regarding anti-money laundering, including the Patriot Act, and if we break any of these laws we could be subject to significant fines and/or penalties, and our ability to conduct business could be limited.

We are subject to U.S. federal anti-money laundering laws and the requirements of the Office of Foreign Assets Control (OFAC), which prohibit us from transmitting money to specified countries or on behalf of prohibited individuals. The money transfer business has been subject to increased scrutiny following the events of September 11, 2001. The Patriot Act, enacted following those events, mandates several new anti-money laundering requirements. The federal government or the states may elect to impose additional anti-money laundering requirements. Changes in laws or regulations that impose additional regulatory requirements, including the Patriot Act, could increase our compliance and other costs of doing business, and therefore have an adverse effect on our results of operation.

Failure to comply with the laws and regulatory requirements of federal and state regulatory authorities could result in, among other things, revocation of required registrations, loss of approved status, termination of contracts with banks, administrative enforcement actions and fines, class action lawsuits, cease and desist orders and civil and criminal liability. The occurrence of one or more of these events could materially adversely affect our business, financial condition and results of operations.

If we were to inadvertently transmit money on behalf of, or unknowingly conduct business with, a prohibited individual, we could be required to pay significant damages, including fines and penalties. Likewise, any intentional or negligent violation of anti-money laundering laws by our employees could lead to significant fines and/or penalties, and could limit our ability to conduct business in some jurisdictions.

### **Risks Relating To Our Common Stock**

***Our common stock is thinly traded, so you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.***

Our common stock has historically been sporadically or “thinly-traded” on the OTCPink, meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or nonexistent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. In addition, due to the current trading price range of our common stock many broker/dealers will not agree to honor sell orders or clear trades in our common stock. In this case, shareholders may be required to open a new brokerage account with one of the broker/dealers that is willing to honor sell orders in our common stock. There can be no assurance that such a broker/dealer would not impose higher commission rates on such sell orders than might be customary for more actively traded stocks trading in higher price ranges. It is also possible that the number of buyers in the market for our common stock could be reduced if a potential investor expects that the effort to sell shares of our common stock is too cumbersome.

As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a mature issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. It is possible that a broader or more active public trading market for our common stock will not develop or be sustained, or that current trading levels will continue.

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***Because we do not intend to pay dividends for the foreseeable future, stockholders will only benefit from an investment in our common stock if it appreciates in value.***

We have never declared any dividends and our board of directors does not intend to declare and distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors and will depend upon, among other things, the results of our operations, cash flows, financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends. We currently intend to retain our future earnings, if any, to finance further research and development, commence production of our products and services and pay for our general and administrative expenses. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no assurance that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

***Our Articles of Incorporation provide for indemnification of officers and directors at our expense and limit their liability which may result in major costs to us and hurt the interests of our shareholders because corporate resources may be expended for the benefit of officers and/or directors.***

Our articles of incorporation and applicable Nevada law provide for the indemnification of our directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities on our behalf. We will also bear the expenses of such litigation for any of our directors, officers, employees, or agents, upon such person's written promise to repay us if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by us which we will be unable to recoup.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter if it were to occur is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares.

***Because we will be subject to the "Penny Stock" rules if the shares are quoted on the OTCPink, the level of trading activity in the shares may be reduced and shareholders may be unable to sell their shares.***

The SEC has adopted regulations which generally define a "penny stock" to be any equity security that has a market price of less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities will likely be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and other quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to executing a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure and suitability requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our capital stock. Trading of our capital stock may be restricted by the SEC's "penny stock" regulations which may limit a stockholder's ability to buy and sell our stock.

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### ***Our issuance of preferred stock could adversely affect the value of our common stock.***

Our Articles of Incorporation provides for the issuance of up to 100,000,000 shares of what is commonly referred to as “blank check” preferred stock. Such stock may be issued by our Board of Directors from time to time, without shareholder approval, as one or more separate series of shares as designated by resolution of our Board setting forth the relative rights, privileges, and preferences of the series, including, if any, the: (i) dividend rate; (ii) price, terms, and conditions of redemption; (iii) voluntary and involuntary liquidation preferences; (iv) provisions of a sinking fund for redemption or repurchase; (v) terms of conversion to common stock, including conversion price; and (vi) voting rights.

On April 21, 2015, we designated a class of Series A Preferred Stock. The Series A Preferred Stock consists of 599,859 shares. The Series A Preferred Stock may bear quarterly dividends of 7% per annum in cash or common stock at our option. The Series A Preferred Shares have voting rights of 112 votes per share, liquidation preference of \$5.00 per share, and are convertible into common shares on a 1:100 basis at \$0.05 per share, with adjustments.

On September 22, 2016, we designated a class of Series B Preferred Stock. The Series B Preferred Stock consists of 2,000,000 shares. The holders of Series B Preferred Stock have the right to convert each share of Series B Preferred Stock into 100 shares of common stock. The holders of Series B Preferred Stock also have the right to cast 10 votes for each share of Series B Preferred Stock on all matters submitted to a vote of holders of the Company’s common stock and Series A Preferred Stock, including the election of directors, and all other matters as required by law.

The issuance of such shares, with superior rights and preferences, could adversely affect the interests of holders of our common stock and potentially the value of our common stock. Our ability to issue such preferred stock also could give our Board of Directors the ability to hinder or discourage any attempt to gain control of us by a merger, tender offer at a control premium price, proxy contest, or otherwise.

### ***We do not have any independent directors.***

We have no “independent directors” as defined in Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and our Board of Directors may never have a majority of independent directors. In the absence of a majority of independent directors, our existing directors, who also are significant shareholders, could establish policies and enter into transactions without independent review and approval.

### ***Our executive officers, directors, and major shareholders hold a majority of our common stock and may be able to prevent other shareholders from influencing significant corporate decisions.***

Our directors and executive officers beneficially own a significant portion of our outstanding common stock. As a result, acting together they would be able to influence many matters requiring shareholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control, and could deprive our shareholders of an opportunity to receive a premium for their shares of common stock as part of a sale of our company and may affect the market price of our stock.

## **Item 2. Properties**

Currently, we do not own any real estate. We are leasing our corporate offices, which are located at 801 Brickell, Miami, Florida 33133. We currently utilize this space at a cost of approximately \$300 per month. We do not expect this arrangement to be changed during the next 12 months.

## **Item 3. Legal Proceedings**

We became a defendant in a civil matter pending in Miami-Dade County, Florida. The lawsuit was brought by a current vendor, seeking restitution for an outstanding debt totaling \$8,144, plus interest. We and the vendor settled out of court and we agreed to pay the vendor \$2,000 a month until the debt has been paid.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information

Our common stock is quoted under the symbol "LAHO" on the OTCPink operated by OTC Markets Group, Inc.

There is currently no active trading market for our securities. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a shareholder may be unable to resell his securities in our company.

The following table sets forth the range of high and low bid quotations for our common stock for each of the periods indicated as reported by the OTCPink. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Year Ending November 30, 2015		
Quarter Ended	High \$	Low \$
November 30, 2016	0.12	0.075
August 31, 2015	0.17	0.075
May 31, 2015	0.13	0.02
February 28, 2015	0.240	0.06

  

Fiscal Year Ending November 30, 2016		
Quarter Ended	High \$	Low \$
November 30, 2016	0.155	0.067
August 31, 2016	0.31	0.10
May 31, 2016	0.12	0.075
February 28, 2016	0.3585	0.075

#### Penny Stock

The Securities Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the Commission, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;(b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of Securities' laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;(d) contains a toll-free telephone number for inquiries on disciplinary actions;(e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and;(f) contains such other information and is in such form, including language, type, size and format, as the Commission shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with; (a) bid and offer quotations for the penny stock;(b) the compensation of the broker-dealer and its salesperson in the transaction;(c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock if it becomes subject to these penny stock rules. Therefore, because our common stock is subject to the penny stock rules, stockholders may have difficulty selling those securities.

**Holders of Our Common Stock**

As of February 17, 2017, we had 44,807,673 shares of our common stock issued and outstanding, held by 15 shareholders of record, with others holding shares in street name.

## **Dividends**

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of cash dividends on our common stock will depend on earnings, financial condition and other business and economic factors at such time as the board of directors may consider relevant. If we do not pay cash dividends, our common stock may be less valuable because a return on your investment will only occur if its stock price appreciates.

## **Securities Authorized for Issuance under Equity Compensation Plans**

We have no equity compensation plans.

## **Item 6. Selected Financial Data**

A smaller reporting company is not required to provide the information required by this Item.

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### **Forward-Looking Statements**

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

### **Results of operations for the years ended November 30, 2016 and 2015**

We generated \$276,583 in revenues during the year ended November 30, 2016, as compared with \$39,878 in revenues for the same period ended November 30, 2015. All of our revenues during the year ended November 30, 2016 resulted from three customers with the sale of our IoD, FITS and PaaS services. All of our revenues in 2015 resulted from one customer. We expect that our client base will expand and provide more revenues in 2017, provided we receive adequate financing.

Our cost of revenues was \$214,840 for the year ended November 30, 2016, resulting in gross profits of \$61,743. Our cost of revenues was \$25,000 for the year ended November 30, 2015, resulting in gross profits of \$14,878. We do not expect any consistency in our gross profit margins in 2017 with those of prior years due to our infancy in operations and the varied services that we offer our clients.

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We incurred operating expenses in the amount of \$6,571,550 for the year ended November 30, 2016, compared with operating expenses of \$2,522,226 for the year ended November 30, 2015. Our operating expenses for the year ended November 30, 2016 increased over the same periods ended November 30, 2015 and mainly consisted of a \$5,820,000 impairment of our assets and software acquired from TDUSA. We do not anticipate a similar impairment in 2017.

Our general and administrative expenses were \$751,550 for the year ended November 30, 2016, compared with general and administrative expenses of \$372,226 for the year ended November 30, 2015. Our general and administrative expenses for the year ended November 30, 2016 mainly consisted of \$231,141 in stock-based compensation, \$219,574 in consulting fees and \$174,099 in support and maintenance. Our general and administrative expenses for the year ended November 30, 2015 mainly consisted of \$182,799 in consulting and management fees and \$103,718 in development costs and \$34,648 in professional fees.

We anticipate our operating expenses will increase as we undertake our plan of operations. The increase will be attributable to undertaking development of our payment processor and I.T. business and the professional fees associating with being a reporting company under the Securities Exchange Act of 1934.

We incurred other expenses of \$79,247 for the year ended November 30, 2016, as compared with other expenses of \$8,127 for the year ended November 30, 2015. Our other expenses for the year ended November 30, 2016 consisted of \$74,350 in interest expenses and \$31,125 in accretion of discounts on convertible debt, offset by \$26,228 in the gain in fair value of derivatives. Our other expenses for the year ended November 30, 2015 consisted entirely of interest expenses. We expect that our other expenses will increase in 2017 as a result of our newly acquired debt, and any additional debt we take on in our financing efforts.

We incurred a net loss in the amount of \$6,589,054 for the year ended November 30, 2016, as compared with a net loss in the amount of \$2,515,475 for the year ended November 30, 2015. Our losses for each period are attributable to operating expenses together with a lack of significant revenues.

### **Liquidity and Capital Resources**

As of November 30, 2016, we had \$26,835 in current assets consisting of cash, accounts receivable and prepaid expenses. Our total current liabilities as of November 30, 2016 were \$6,863,114. As a result, we have a working capital deficit of \$6,836,279 as of November 30, 2016.

Operating activities used \$135,806 in cash for the year ended November 30, 2016, as compared with \$204,160 for the year ended November 30, 2015. Our negative operating cash flow in 2016 was mainly the result of our net loss of \$6,589,054, offset by a \$5,820,000 impairment to our assets and software. We primarily relied on cash from loans to fund our operations during the period ended November 30, 2016.

Investing activities used \$0 in cash for the year ended November 30, 2016, as compared with \$50,000 for the year ended November 30, 2015 in connection with the purchase of intangible assets.

Financing activities provided \$122,026 in cash for the year ended November 30, 2016, as compared with \$269,700 for the year ended November 30, 2015. Our positive operating cash flow in 2016 was mainly proceeds from related party notes payable and convertible debentures.

On February 12, 2016, we entered into a \$32,258 loan agreement with a significant shareholder. The loan is unsecured, bears interest at 8% per year compounded monthly, and is due on demand.

On March 23, 2016, we issued a convertible debenture for \$6,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due one year from the date of issuance with the option of extending for an additional six months at the holder's discretion. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On April 26, 2016, we entered into a \$6,000 loan agreement with our President. The loan is unsecured, bears interest at 8% per year compounded and payable monthly. The loan is payable on the earliest of demand or from 50% of future revenue or from funding received in excess of \$100,000. During the three months ended August 31, 2016, we repaid \$2,267 of the loan's principal. At November 30, 2016, the Company had accrued interest of \$95 related to this agreement.

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On May 1, 2016, we issued a convertible debenture to a related party to settle accounts payable of \$15,990. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due one year from the date of issuance with the option of extending for an additional six months at the holder's discretion. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On June 2, 2016, we received an advance of \$2,000 from our President. The loan was paid off in June 2016.

On June 15, 2016, we issued a convertible debenture for \$10,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and was due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On June 30, 2016, we issued a convertible debenture for \$2,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On July 12, 2016, we issued a convertible debenture for \$30,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and was due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On July 28, 2016, we issued a convertible debenture for \$4,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and was due on January 28, 2017. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On September 12, 2016, we issued a convertible debenture for \$15,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and was due on January 31, 2017. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion.

On December 30, 2016, we received proceeds of \$75,000 in exchange for issuing a convertible debenture with a principal amount of \$85,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 12% per year, and is due on September 15, 2017. At any time after 180 days from the date of issuance, the unpaid amount of principal and interest can be converted at the holder's option at a price of 60% of the lowest trading price of the common stock during the 25 trading day period prior to conversion.

On January 6, 2017, we received proceeds of \$80,000 in exchange for issuing a convertible debenture with a principal amount of \$85,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 10% per year, and is due on December 12, 2017. At any time on or after June 2, 2017, the unpaid amount of principal and interest can be converted at the holder's option at a price of 60% of the lowest trading price of the common stock during the 25 trading day period prior to conversion.

On January 18, 2017, the Company received proceeds of \$39,500 in exchange for issuing a convertible debenture with a principal amount of \$135,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 6% per year, and is due on January 18, 2018. The note has an original issue discount (OID) of \$16,500 and the total consideration the Company may receive under the note is \$118,500. The Company paid the prorated amount of the OID of \$5,500 for the initial tranche. At any time after 180 days from the date of issuance, the unpaid amount of principal and interest can be converted at the holder's option at a price of 60% of the lowest trading price of the common stock during the 25 trading day period prior to conversion.

Despite the loans and convertible notes we have issued, and while we have generated some revenue from our payment processor and outsourcing businesses, we will need approximately \$375,000 in financing to implement our business plan. These funds will be used to cover our debt obligations, overhead, consulting fees, marketing expenses and IP development, along with our general working capital needs. If we are unable to raise money, we will not be able to service our existing and prospective customers. Thus, the success of our business plan beyond the next 12 months is contingent upon us obtaining additional financing. We intend to fund operations through debt and/or equity financing arrangements, which may be insufficient to fund our capital expenditures, working capital, or other cash requirements. We do not have any formal commitments or arrangements for the sales of stock or the advancement or loan of funds at this time. There can be no assurance that such additional financing will be available to us on acceptable terms, or at all.

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**Off Balance Sheet Arrangements**

As of November 30, 2016, there were no off balance sheet arrangements.

**Going Concern**

We have negative working capital and have not yet received significant revenues from sales of products. These factors have caused our accountants to express substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if we are unable to continue as a going concern.

Our ability to continue as a going concern is dependent on our generating cash from the sale of our common stock and/or obtaining debt financing and attaining future profitable operations. Management's plans include selling our equity securities and obtaining debt financing to fund our capital requirement and ongoing operations; however, there can be no assurance we will be successful in these efforts.

**Recent Accounting Pronouncements**

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-15, "Presentation of Financial Statements - Going Concern". The Update provides US GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently evaluating the effects of ASU 2014-15 on its financial statements.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

A smaller reporting company is not required to provide the information required by this Item.

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**Item 8. Financial Statements and Supplementary Data**

Index to Financial Statements

F-1	Report of Independent Registered Public Accounting Firm
F-2	Balance Sheets as of November 30, 2016 and 2015;
F-3	Statements of Operations for the years ended November 30, 2016 and 2015;
F-4	Statements of Stockholders' Deficit for the years ended November 30, 2016 and 2015;
F-5	Statements of Cash Flows for the years ended November 30, 2016 and 2015;
F-6	Notes to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Lans Holdings, Inc.  
Miami, Florida

We have audited the accompanying balance sheets of Lans Holdings, Inc. as of November 30, 2016 and 2015, and the related statements of operations, stockholders' deficit, and cash flows for each of the years then ended. Lans Holdings, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lans Holdings, Inc. as of November 30, 2016 and 2015, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Lans Holdings, Inc. will continue as a going concern. As discussed in Note 1 to the financial statements, Lans Holdings, Inc. has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to 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.

/s/ GBH CPAs, PC

GBH CPAs, PC  
[www.gbhcpas.com](http://www.gbhcpas.com)  
Houston, Texas  
March 15, 2017

**LANS HOLDINGS, INC.**  
**BALANCE SHEETS**  
**AS OF NOVEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,760	\$ 15,540
Accounts receivable	24,075	13,712
Prepaid expenses	<u>1,000</u>	<u>11,216</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 26,835</u></b>	<b><u>\$ 40,468</u></b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 210,505	\$ 64,170
Accounts payable and accrued expenses – related parties	378,677	159,965
Stock payable	—	75,000
Stock payable – related parties	5,820,000	45,000
Notes payable	289,700	289,700
Notes payable – related parties	44,036	5,000
Convertible debentures, net of unamortized discount	27,312	—
Convertible debentures – related parties, net of unamortized discount	3,813	—
Derivative liabilities	<u>89,071</u>	<u>—</u>
<b>Total Liabilities</b>	<b><u>6,863,114</u></b>	<b><u>638,835</u></b>
Commitments and Contingencies		
Stockholders' Deficit		
Preferred stock, 100,000,000 shares authorized, \$0.001 par value; 599,859 and 599,859 Series A preferred shares issued and outstanding	600	600
Common stock, 500,000,000 shares authorized, \$0.001 par value; 44,807,673 and 44,433,333 shares issued and outstanding	44,808	44,433
Additional paid-in capital	2,614,848	2,264,081
Accumulated deficit	<u>(9,496,535)</u>	<u>(2,907,481)</u>
<b>Total Stockholders' Deficit</b>	<b><u>(6,836,279)</u></b>	<b><u>(598,367)</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b><u>\$ 26,835</u></b>	<b><u>\$ 40,468</u></b>

See accompanying notes to these financial statements.

**LANS HOLDINGS, INC.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
REVENUES	\$ 276,583	\$ 39,878
COST OF REVENUES	<u>214,840</u>	<u>25,000</u>
GROSS PROFIT	<u>61,743</u>	<u>14,878</u>
OPERATING EXPENSES		
General and administrative	751,550	372,226
Impairment of software	5,820,000	—
Impairment of intangible asset	<u>—</u>	<u>2,150,000</u>
TOTAL OPERATING EXPENSES	<u>6,571,550</u>	<u>2,522,226</u>
OPERATING LOSS	<u>(6,509,807)</u>	<u>(2,507,348)</u>
OTHER INCOME (EXPENSES)		
Accretion of discounts on convertible debentures	(31,125)	—
Change in fair value of derivatives	26,228	—
Interest expense	<u>(74,350)</u>	<u>(8,127)</u>
TOTAL OTHER INCOME (EXPENSES)	<u>(79,247)</u>	<u>(8,127)</u>
NET LOSS	<u>\$ (6,589,054)</u>	<u>\$ (2,515,475)</u>
Loss per common share – basic and diluted	<u>\$ (0.15)</u>	<u>\$ (0.06)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>44,670,654</u>	<u>44,433,333</u>

See accompanying notes to these financial statements.

**LANS HOLDINGS, INC.**  
**STATEMENTS OF STOCKHOLDERS' DEFICIT**  
**FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance, November 30, 2014	—	\$ —	44,433,333	\$ 44,433	\$ 164,681	\$ (392,006 )	\$ (182,892)
Issuance of shares for acquisition of intangible asset	599,859	600	—	—	2,099,400	—	2,100,000
Net loss	—	—	—	—	—	(2,515,475 )	(2,515,475)
Balance, November 30, 2015	599,859	600	44,433,333	44,433	2,264,081	(2,907,481 )	(598,367)
Stock-based compensation	—	—	374,340	375	350,767	—	351,142
Net loss	—	—	—	—	—	(6,589,054 )	(6,589,054)
Balance, November 30, 2016	<u>599,859</u>	<u>\$ 600</u>	<u>44,807,673</u>	<u>\$ 44,808</u>	<u>\$ 2,614,848</u>	<u>\$ (9,496,535 )</u>	<u>\$ (6,836,279)</u>

See accompanying notes to these financial statements

**LANS HOLDINGS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (6,589,054)	\$ (2,515,475)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discounts on convertible debentures	31,125	—
Change in fair value of derivatives	(26,228)	—
Excess derivative liability	32,309	—
Stock-based compensation	231,142	120,000
Impairment of software	5,820,000	—
Impairment of intangible asset	—	2,150,000
Change in operating assets and liabilities:		
Accounts receivable	(10,362)	(13,712)
Prepaid expenses	10,216	(11,216)
Accounts payable and accrued expenses	146,334	56,278
Accounts payable and accrued expenses – related parties	<u>218,712</u>	<u>9,965</u>
<b>Net Cash Used in Operating Activities</b>	<b><u>(135,806)</u></b>	<b><u>(204,160)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible asset	<u>—</u>	<u>(50,000)</u>
<b>Net Cash Used in Investing Activities</b>	<b><u>—</u></b>	<b><u>(50,000)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	—	264,700
Proceeds from notes payable – related parties	40,303	25,000
Payments of notes payable – related parties	(4,267)	(20,000)
Proceeds from convertible debentures	<u>82,990</u>	<u>—</u>
<b>Net Cash Provided by Financing Activities</b>	<b><u>122,026</u></b>	<b><u>269,700</u></b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(13,780)</b>	<b>15,540</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>15,540</u></b>	<b><u>—</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 1,760</u></b>	<b><u>\$ 15,540</u></b>
<b>SUPPLEMENTARY CASH FLOWS INFORMATION:</b>		
Interest paid	<u>\$ 2,313</u>	<u>\$ —</u>
Income taxes paid	<u>\$ —</u>	<u>\$ —</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Issuance of preferred stock for acquisition of assets	\$ —	\$ 2,100,000
Reclassification of note payable to related party	\$ —	\$ 25,000
Stock payable for acquisition of software assets	<u>\$ 5,820,000</u>	<u>\$ —</u>

**See accompanying notes to these financial statements.**

**LANS HOLDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF BUSINESS**

Nature of Business

Lans Holdings, Inc. is in the business of providing secure payment and communication solutions. The Company's aim is to make it easier for sellers to start selling, and buyers to buy with confidence. The Company intends that its solutions will be used to enable businesses to process payments more efficiently whether online or in a retail store front. The Company intends to offer white label solutions for payment service providers to enable business to consumer and business to business payments through physical POS, mobile devices, online and software integrations. The Company also intends to provide business processing outsourcing through its Fractional I.T. Services, and complaint ready hosted solutions through its Infrastructure on Demand.

Lans Holdings is focused to provide emerging payment "breakthrough" technology that motivates and rewards clients for adopting more secure infrastructure to support their businesses.

Going Concern

The Company has incurred losses since inception and has negative working capital. These factors create substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company generating cash from the sale of its common stock and/or obtaining debt financing and attaining future profitable operations.

Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirement and ongoing operations; however, there can be no assurance the Company will be successful in these efforts.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States and are expressed in US dollars. The Company's fiscal year end is November 30.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to long-lived assets, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

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### Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable and accrued expenses, amounts due to officers, notes payable, derivative liabilities and convertible debentures. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

### Cash and Cash Equivalents

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

### Software Development Costs

Costs incurred for computer software to be sold are accounted for in accordance with ASC 985-20 "Software – Costs of Software to be Sold, Leased or Marketed". Accordingly, costs incurred internally in the research and development of the software products and significant enhancements to existing software products are expensed as incurred until the technological feasibility of the product has been established. Technological feasibility occurs shortly before internally developed products are available for general release. Costs paid to third parties for products in which technological feasibility has been established are capitalized upon purchase of software.

### Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and any impairment in value. Long-lived assets, including property and equipment, are assessed for impairment whenever events or changes in business circumstances arise than may indicate that the carrying amount of the long-lived asset may not be recoverable. Depreciation is calculated on a straight line bases over its estimated useful life.

### Intangible Assets

Software, licenses and other rights have been capitalized in accordance with ASC 350-40 "Intangibles – Goodwill and Other – Internal-Use Software." Amortization is calculated on a straight line basis over its estimated useful life.

If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, an impairment is recognized for the excess of the carrying value over the fair value of the asset.

### Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting basis and the tax basis of the assets and liabilities and are measured using enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized.

Any deferred tax asset is considered immaterial and has been fully offset by a valuation allowance because at this time Company believes that it is more likely than not that the future tax benefit will not be realized as the Company has no current operations.

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### Revenue Recognition

The Company derives revenue from subscriptions for software that provide secure payment solutions, from the provision of customized development services and from the provision of secure on demand infrastructure.

The Company recognizes revenue when persuasive evidence of an arrangement exists, products are fully delivered and services have been provided, the sales price is fixed or determinable and collectability is reasonably assured.

All of the Company's revenues during the year ended November 30, 2016 resulted from three customers.

### Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, "Compensation – Stock Based Compensation", which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

Options granted to consultants are valued at the fair value of the equity instruments issued, or the fair value of the services received, whichever is more reliably measurable.

### Loss Per Common Share

Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As of November 30, 2016, the Company had 5,999,707 (2015 – nil) dilutive potential shares outstanding.

### Subsequent Events

The Company has evaluated all transactions through the date the financial statements were issued for subsequent event disclosure consideration.

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### Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements.

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-15, "Presentation of Financial Statements - Going Concern". The Update provides US GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently evaluating the effects of ASU 2014-15 on its financial statements.

### NOTE 3 – SOFTWARE ASSETS

On September 22, 2016, the Company entered into a Software Purchase Agreement (the "Software Agreement") with two related parties Transaction Data USA Inc. ("TDUSA") and Melcent Technology SRL ("Melcent"). Pursuant to the Software Agreement, the Company acquired a PSWITCH software application (the "Software"), including the invention, source code, object code, components and tools. In exchange for the Software, the Company issued to each of TDUSA and Melcent, 375,000 shares of the Company's newly created Series B Preferred Stock. The asset acquired was recorded at the fair value of the 750,000 shares of Series B Preferred Stock of \$5,820,000. At November 30, 2016, the 750,000 shares of Series B Preferred Stock had not been issued and \$5,820,000 of stock payable to related parties was accrued by the Company.

As of November 30, 2016, the Company's uncertain future revenues generated by the asset indicated that the carrying amount of the long-lived asset may not be recoverable. The Company performed an impairment test as prescribed by ASC 985-20 which resulted in an impairment of \$5,820,000.

### NOTE 4 – INTANGIBLE ASSETS

On April 17, 2015, the Company entered into an asset purchase agreement (the "Purchase Agreement") with Transaction Data USA Inc. ("TDUSA"). Pursuant to the Purchase Agreement, the Company acquired the various assets (the "Assets") from TDUSA.

In consideration for the Assets, the Company issued to TDUSA 400,000 shares of its newly created Series A Preferred Stock. In addition, a group of shareholders agreed to transfer 19,985,000 shares of common shares to TDUSA (or the parties TDUSA has designated) in exchange for an aggregate 199,859 shares of Series A Preferred Stock issued by the Company.

Pursuant to the Purchase Agreement, the Company agreed to use its best efforts to raise \$375,000 for working capital needs, develop the business surrounding the Assets, grant TDUSA the right to appoint two persons to the Company's board of directors, and grant TDUSA a revenue share of the business.

In addition to the shares, the Company paid cash consideration of \$50,000 to TDUSA for the Agreement.

The Company evaluated this transaction by reviewing the ownership percentages of the new shareholders as of the acquisition date and SAB Topic 5G. The Company is determined to be both the legal acquirer and the accounting acquirer of these assets. The assets acquired from TDUSA were recorded at the cash consideration of \$50,000 and the fair value of the shares issued of \$2,100,000.

During the quarter ended May 31, 2015, due to the Company's uncertain future revenues generated by the assets, the Company performed impairment tests as prescribed by ASC 350. As a result, the Company recorded an impairment of \$2,150,000.

**NOTE 5 – NOTES PAYABLE**

- a) On November 24, 2014, the Company issued a \$25,000 promissory note to a former director of the Company pursuant to the Agreement of Conveyance, Transfer and Assignment of Obligations described in Note 8(l). The promissory note is unsecured, non-interest bearing and was due within six months of the date of issuance. As of November 30, 2016, the note was not yet repaid. The Lender has agreed to extend the note period until financing is secured. This note was reclassified from note payable to related party to notes payable during the year ended November 30, 2015 as the lender is no longer a related party.
- b) On March 26, 2015, the Company entered into a \$75,000 loan agreement with a third party. The loan is unsecured, bears interest at 7.5% per year and was due on March 31, 2016. On September 30, 2015, the Company missed a required semi-annual payment of accrued interest, resulting in the interest rate increasing to 15% per year going forward. At November 30, 2016, the Company had accrued interest of \$15,997 related to this agreement. This loan is currently in default and payable on demand.
- c) On August 7, 2015, the Company entered into a \$50,000 loan agreement with a third party. The loan is unsecured, bears interest at 8.5% per year and is due on August 7, 2016. On January 15, 2016, the Company missed a required semi-annual payment of accrued interest, resulting in the interest rate increasing to 17% per year going forward. At November 30, 2016, the Company had accrued interest of \$9,594 related to this agreement. This loan is currently in default and payable on demand.
- d) On September 25, 2015, the Company entered into a \$14,700 loan agreement with a third party. The loan is unsecured, bears interest at 1.5% per month and is due on demand. At November 30, 2016, the Company had accrued interest of \$1,146 related to this agreement.
- e) On October 5, 2015, the Company entered into a \$25,000 loan agreement with the President of the Company. The loan is unsecured, bears interest at 8% per year compounded and payable monthly, and is due on demand. During October 2015, the Company repaid \$20,000 of the loan's principal. At November 30, 2016, the Company had accrued interest of \$603 related to this agreement.
- f) On October 15, 2015, the Company entered into a \$125,000 loan agreement with a third party. The loan is unsecured, bears interest at 7% per year and is due on October 31, 2016. On April 15, 2016, the Company missed a required semi-annual payment of accrued interest, resulting in the interest rate increasing to 14% per year going forward. At November 30, 2016, the Company had accrued interest of \$15,366 related to this agreement. This loan is currently in default and payable on demand.
- g) On February 12, 2016, the Company entered into a \$32,258 loan agreement with a significant shareholder of the Company. The loan is unsecured, bears interest at 8% per year compounded monthly, and is due on demand. At November 30, 2016, the Company had accrued interest of \$2,245 related to this agreement.
- h) On April 26, 2016, the Company entered into a \$6,000 loan agreement with the President of the Company. The loan is unsecured, bears interest at 8% per year compounded and payable monthly. The loan is payable on the earliest of demand or from 50% of future revenue or from funding received in excess of \$100,000. During the three months ended August 31, 2016, the Company repaid \$2,267 of the loan's principal. At November 30, 2016, the Company had accrued interest of \$95 related to this agreement.
- i) On June 2, 2016, the Company received an advance of \$2,000 from the President of the Company. The loan was paid off in June 2016.
- j) On October 18, 2016, the Company entered into a \$3,045 loan agreement with a significant shareholder of the Company. The loan is unsecured, bears interest at 8% per year compounded monthly, and is due on demand. At November 30, 2016, the Company had accrued interest of \$nil related to this agreement.

## NOTE 6 – CONVERTIBLE DEBENTURES

- a) On March 23, 2016, the Company issued a convertible debenture for \$6,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due one year from the date of issuance with the option of extending for an additional six months at the holder's discretion. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 "Derivatives and Hedging". The initial fair value of the derivative liability of \$9,815 resulted in a full discount to the note payable of \$6,000 and interest expense of \$3,815. At November 30, 2016, the Company had amortized \$1,708 of the discount to this convertible debenture and had accrued interest of \$331 related to this convertible debenture.
- b) On May 1, 2016, the Company issued a convertible debenture to a related party to settle accounts payable of \$15,990. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due one year from the date of issuance with the option of extending for an additional six months at the holder's discretion. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 "Derivatives and Hedging". The initial fair value of the derivative liability of \$23,757 resulted in a full discount to the note payable of \$15,990 and an interest expense of \$7,767. At November 30, 2016, the Company had amortized \$3,813 of the discount to this convertible debenture and had accrued interest of \$746 related to this convertible debenture.
- c) On June 15, 2016, the Company issued a convertible debenture for \$10,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 "Derivatives and Hedging". The initial fair value of the derivative liability of \$14,129 resulted in a full discount to the note payable of \$10,000 and an interest expense of \$4,129. At November 30, 2016, the Company had amortized \$4,994 of the discount to this convertible debenture and had accrued interest of \$368 related to this convertible debenture.
- d) On June 30, 2016, the Company issued a convertible debenture for \$2,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 "Derivatives and Hedging". The initial fair value of the derivative liability of \$2,782 resulted in a full discount to the note payable of \$2,000 and an interest expense of \$782. At November 30, 2016, the Company had amortized \$1,227 of the discount to this convertible debenture and had accrued interest of \$67 related to this convertible debenture.
- e) On July 12, 2016, the Company issued a convertible debenture for \$30,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on December 31, 2016. At the maturity date, the unpaid amount of principal can be converted at the holder's option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 "Derivatives and Hedging". The initial fair value of the derivative liability of \$40,472 resulted in a full discount to the note payable of \$30,000 and an interest expense of \$10,472. At November 30, 2016, the Company had amortized \$14,688 of the discount to this convertible debenture and had accrued interest of \$927 related to this convertible debenture.

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- f) On July 28, 2016, the Company issued a convertible debenture for \$4,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on January 28, 2017. At the maturity date, the unpaid amount of principal can be converted at the holder’s option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 “Derivatives and Hedging”. The initial fair value of the derivative liability of \$5,449 resulted in a full discount to the note payable of \$4,000 and an interest expense of \$1,449. At November 30, 2016, the Company had amortized \$1,251 of the discount to this convertible debenture and had accrued interest of \$110 related to this convertible debenture.
- g) On September 12, 2016, the Company issued a convertible debenture for \$15,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 8% per year, and is due on January 31, 2017. At the maturity date, the unpaid amount of principal can be converted at the holder’s option at a price of 50% of the ask price at the date of conversion. The embedded conversion option qualifies for derivative accounting and bifurcation under ASC 815-15 “Derivatives and Hedging”. The initial fair value of the derivative liability of \$18,895 resulted in a full discount to the note payable of \$15,000 and an interest expense of \$3,895. At November 30, 2016, the Company had amortized \$3,444 of the discount to this convertible debenture and had accrued interest of \$260 related to this convertible debenture.

Convertible Debentures consist of the following as of November 30, 2016:

<u>Noteholder (issue date)</u>	<u>November 30, 2016</u>
March 23, 2016 debenture	\$ 6,000
May 1, 2016 debenture	15,990
June 15, 2016 debenture	10,000
June 30, 2016 debenture	2,000
July 12, 2016 debenture	30,000
July 28, 2016 debenture	4,000
September 12, 2016 debenture	<u>15,000</u>
	82,990
Less: debt discount	<u>(51,865)</u>
Total	<u>\$ 31,125</u>

**NOTE 7 – DERIVATIVE LIABILITIES**

The embedded conversion options of the Company’s convertible debentures described in Note 6 contain conversion features that are accounted for as derivative liabilities. The fair value of these liabilities will be re-measured at the end of every reporting period and the change in fair value will be reported in the statement of operations as a gain or loss on derivative financial instruments.

The Company uses Level 3 inputs for its valuation methodology for the derivative liabilities and embedded conversion option liabilities as their fair values were determined by using the Black-Scholes option pricing model based on various assumptions. The model incorporates the price of a share of the Company’s common stock (as quoted on NASDAQ), volatility, risk free rate, dividend rate and estimated life. Significant changes in any of these inputs in isolation would result in a significant change in the fair value measurement. As required, these are classified based on the lowest level of input that is significant to the fair value measurement. The following table shows the assumptions used in the calculations:

	<u>Expected Volatility</u>	<u>Risk-free Interest Rate</u>	<u>Expected Dividend Yield</u>	<u>Expected Life (in years)</u>
At November 30, 2016	131% - 223%	0.36% - 0.68%	0%	0.08-1.00

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The fair value of the derivative liabilities were \$89,071, and \$nil at November 30, 2016 and 2015, respectively:

Noteholder (issue date)	Derivative Values				November 30, 2016
	November 30, 2015	Additions	Conversions	Fair Value Increase (Decrease)	
March 23, 2016 debenture	\$ —	\$ 9,815	\$ —	\$ (2,864)	\$ 6,951
May 1, 2016 debenture	—	23,757	—	(3,958)	19,799
June 15, 2016 debenture	—	14,129	—	(3,971)	10,158
June 30, 2016 debenture	—	2,782	—	(750)	2,032
July 12, 2016 debenture	—	40,472	—	(10,000)	30,472
July 28, 2016 debenture	—	5,449	—	(1,315)	4,134
September 12, 2016 debenture	—	18,895	—	(3,370)	15,525
Total	\$ —	\$ 115,299	\$ —	\$ (26,228)	\$ 89,701

**NOTE 8 – RELATED PARTY TRANSACTIONS**

- a) During the year ended November 30, 2016, the Company incurred consulting and other business-related fees of \$52,281 (2015 - \$65,553) to a company whose CEO is the President of the Company.
- b) During the year ended November 30, 2016, the Company incurred consulting fees and other business related fees of \$12,124 (2015 - \$5,064) to a company controlled by the Chief Technology Officer of the Company.
- c) During the year ended November 30, 2016, the Company incurred consulting and other business-related fees of \$12,000 (2015 - \$5,553) to the Chief Revenue Officer of the Company.
- d) During the year ended November 30, 2016, the Company incurred advisory, consulting and other business-related fees of \$92,046 (2015 - \$7,100) to an Advisory Board Member of the Company who was appointed to Chief Strategy Officer of the Company by the board of directors of the Company on May 24, 2016.
- e) During the year ended November 30, 2016, the Company incurred consulting and other business-related fees of \$55,000 (2015 - \$nil) to a significant shareholder of the Company
- f) As of November 30, 2016, the Company owed \$200 (November 30, 2015 - \$200) to the President of the Company, which is non-interest bearing, unsecured and due on demand.
- g) As of November 30, 2016, the Company owed \$41,453 (November 30, 2015 - \$1,000) to a company whose CEO is the President of the Company. The amount is related to consulting fees incurred during the period.
- h) As of November 30, 2016, the Company owed \$11,000 (November 30, 2015 - \$18,850) to a company controlled by the Chief Technology Officer of the Company. The amount is related to consulting fees incurred during the period. Of the amount owing at November 30, 2015, \$15,000 was settled on April 12, 2016, by issuing 66,667 shares of the Company's common stock at \$0.225 per share.
- i) As of November 30, 2016, the Company owed \$10,000 (November 30, 2015 - \$17,665) to the Chief Revenue Officer of the Company. The amount is related to consulting fees incurred during the period. Of the amount owing at November 30, 2015, \$15,000 was settled on April 12, 2016, by issuing 39,683 shares of the Company's common stock at \$0.378 per share.

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- j) As of November 30, 2016, the Company owed \$31,639 (November 30, 2015 – \$28,938) to the Chief Strategy Officer of the Company. The amount is related to advisory and consulting fees incurred during the period. Of the amount owing at November 30, 2015, \$30,000 was settled on April 12, 2016, by issuing 111,112 shares of the Company’s common stock at \$0.27 per share.
- k) As of November 30, 2016, the Company owed \$79,385 (November 30, 2015 - \$nil) to a company that is a significant shareholder of the Company. The amount is related to cost of revenue incurred during the period.
- l) On November 21, 2014, the Company entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations with directors of the Company. Pursuant to the agreement, the Company transferred all assets and business operations associated with hexagon fishing nets to the directors of the Company. In exchange, the directors of the Company agreed to cancel 24,438,333 shares in the Company and assume and cancel all liabilities relating to the Company’s former business, including officer loans amounting to \$100,814. A director of the Company retained 361,667 shares of common stock in the Company. In consideration for the cancellation of amounts due to officer and the return of the shares, the Company issued a \$25,000 promissory note to the director of the Company. Refer to Note 5(a). As a result of the forgiveness of the loans and cancellation of stock, the Company recognized \$75,814 as a contribution to capital.
- m) On November 21, 2014, the Company entered into a License Agreement with the Chief Executive Officer of the Company (Note 11(i)). At November 30, 2014, the Company was indebted to the Chief Executive Officer of the Company for \$150,000 related to the License Agreement. The amount was due by February 19, 2015. As of November 30, 2016, the amount has not been paid by the Company.

### **NOTE 9 – CAPITAL STOCK**

The authorized capital of the Company is 500,000,000 common shares with a par value of \$ 0.001 per share and 100,000,000 preferred shares with a par value of \$0.001 per share.

- a) On April 21, 2015, the Company designated, at its discretion, a class of Series A Preferred Stock. The Series A Preferred Stock consists of 599,859 shares. The Series A Preferred Stock may bear quarterly dividends of 7% per annum in cash or common stock. The Series A Preferred Shares have voting rights of 37.33 votes per share, liquidation preference of \$15.00 per share, and are convertible into common shares on a 1:33.33 basis at \$0.15 per share, with adjustments. The Company issued the 599,859 shares of Series A Preferred Stock pursuant to the asset acquisition described in Note 4.
- b) On April 12, 2016, certain shareholders returned a net total of 24,438,333 shares of common stock pursuant to the Agreement of Conveyance, Transfer, and Assignment of Assets and Assumption of Obligations referred to in Note 8(l).
- c) On April 12, 2016, the Company issued 24,438,333 shares of common stock pursuant to the License Agreement with PayFlex Systems referred to in Note 11(i).
- d) On April 12, 2016, certain shareholders transferred an aggregate of 6,661,667 shares of common stock pursuant to a prior Asset Acquisition Agreement with Transaction Data USA Inc referred to in Note 4(a).
- e) On April 12, 2016, the Company issued 66,667 shares of common stock, valued at \$15,000, to the Chief Technology Officer of the Company pursuant to the consultancy agreement referred to in Note 11(a).
- f) On April 12, 2016, the Company issued 39,683 shares of common stock, valued at \$15,000, to the former Chief Operations Officer of the Company pursuant to the consultancy agreement referred to in Note 11(b).

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- g) On April 12, 2016, the Company issued 39,683 shares of common stock, valued at \$15,000, to the Chief Revenue Officer of the Company pursuant to the consultancy agreement referred to in Note 11(c).
- h) On April 12, 2016, the Company issued an aggregate 228,214 shares of common stock, valued at \$75,000, to Advisory Board Members of the Company pursuant to the advisory board agreements referred to in Notes 11(e), 11(f) and 11(g).
- i) On April 14, 2016, the Company's board of directors and a majority of the shareholders of the Company approved an amendment to the Articles of Incorporation to effectuate a one for three reverse stock split of the outstanding shares of common stock of the Company. The reverse stock split became effective on May 24, 2016. All share and per share data in these financial statements and footnotes have been retrospectively adjusted to account for this reverse stock split.
- j) On September 14, 2016, the Company designated, at its discretion, a class of Series B Preferred Stock. The Series B Preferred Stock consists of 2,000,000 shares. The holders of The Series B Preferred Stock have no dividend rights except as may be declared by the Company at its discretion. The Series B Preferred Shares have voting rights of 10 votes per share and liquidation preference on an equal basis per share with holders of the Common Stock and the Series A Preferred Stock, subject to any preference given to the holders of the Series A Preferred Stock. Series B Preferred Stock are convertible into common shares on a 1:100 basis. As of November 30, 2016, the Company has \$5,820,000 of stock payable related to the issuance of 750,000 shares of Series B Preferred Stock pursuant to the asset acquisition described in Note 3.

### **NOTE 10 – STOCK - BASED COMPENSATION**

On May 23, 2016, the Company adopted an Equity Incentive Plan under which the Company can grant up to 8,333,333 common shares to its officers, directors, employees and consultants. The Equity Incentive Plan provides for the granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, stock units, performance shares and performance units.

On May 24, 2016, the Company granted 4,000,000 stock options to the Chief Strategy Officer of the Company, each of which is exercisable into one common share of the Company at a price of \$0.04 per share until May 24, 2018. On the grant date the stock options were deemed to have a fair value of \$0.1476 per option, totaling \$590,492. The stock options will vest as follows: 2,000,000 options will vest on May 24, 2017 and 2,000,000 options will vest on May 24, 2018. As a result of these stock options vesting over a period of two years, during the year ended November 30, 2016, the Company recognized \$231,142 in stock-based compensation.

The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model with the weighted average assumption for the year ending November 30, 2016:

	2016
Expected dividend yield	0%
Risk-free interest rate	0.92%
Expected volatility	303%
Expected option life (in years)	2.00

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The following table summarizes the continuity of the Company's stock options:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u> \$	<u>Weighted-Average Remaining Contractual Term (years)</u>	<u>Aggregate Intrinsic Value</u> \$
Outstanding, November 30, 2015	—	—	—	—
<u>Granted</u>	<u>4,000,000</u>	<u>0.04</u>		
Outstanding, November 30, 2016	<u>4,000,000</u>	<u>0.04</u>	<u>1.48</u>	<u>112,000</u>
Exercisable, November 30, 2016	—	—	—	—

### NOTE 11 – COMMITMENTS

- a) On June 25, 2015, the Company entered into a consultancy agreement with a company controlled by the Chief Technology Officer of the Company. Pursuant to the agreement, the Company will pay \$1,000 a month for consulting services for a term of one year and issue 66,667 shares of the Company's common stock, valued at \$15,000, on the date of the agreement. The shares were issued on April 12, 2016.
- b) On August 17, 2015, the Company entered into a consultancy agreement with the former Chief Operations Officer of the Company. Pursuant to the agreement, the Company was required to pay \$2,250 a month for consulting services for a term of one year and issue 39,683 shares of the Company's common stock, valued at \$15,000, on the date of the agreement. On January 6, 2016, the Chief Operations Officer of the Company resigned and was no longer considered a related party to the Company. On the same date, the consultancy agreement was terminated.
- c) On August 17, 2015, the Company entered into a consultancy agreement with the Chief Revenue Officer of the Company. Pursuant to the agreement, the Company will pay \$1,000 a month for consulting services for a term of one year and issue 39,683 shares of the Company's common stock, valued at \$15,000, on the date of the agreement. The shares were issued on April 12, 2016.
- d) On August 17, 2015, the Company entered into a consultancy agreement with the President of the Company. Pursuant to the agreement, the Company will pay \$3,500 a month for consulting services for a term of one year.
- e) On August 17, 2015, the Company entered into an advisory board agreement with two Advisory Board Members of the Company for terms of one year each. Pursuant to the agreement, the Company will issue the Members 39,683 shares each of the Company's common stock, valued at \$15,000 for each member, on the date of the agreement. The shares were issued on April 12, 2016.
- f) On August 28, 2015, the Company entered into an advisory board agreement with an Advisory Board Member of the Company for a term of one year. Pursuant to the agreement, the Company will issue a total of 37,736 shares of the Company's common stock, valued at \$15,000, on the date of the agreement. The shares were issued on April 12, 2016.
- g) On September 1, 2015, the Company entered into a consultancy agreement with a significant shareholder of the Company. Pursuant to the agreement, the Company will pay \$5,500 a month for consulting services for a term of one year.



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- h) On September 17, 2015, the Company entered into an advisory board agreement with an Advisory Board Member of the Company. Pursuant to an amendment to the agreement dated January 1, 2016, the Company will pay \$8,000 a month for advisory services until September 17, 2016, and issue a total of 111,112 shares of the Company's common stock, valued at \$30,000, on the date of the agreement. The shares were issued on April 12, 2016. On May 24, 2016, the Company's board of directors appointed this Advisory Board Member to become the Chief Strategy Officer of the Company. Effective September 17, 2016, the agreement was extended for an additional six months, whereas the Company will continue to pay \$8,000 a month for advisory services.
- i) The Company entered into the agreement on April 12, 2016 with the Chief Executive Officer of the Company. Pursuant to the agreement, the Company is required to pay \$150,000 in cash for a license and issue a number of shares of the Company's common stock necessary to give 55% of the total issued and outstanding shares of the Company to PlayFlex Systems ("PayFlex") or its nominees. In addition, the Company is required to issue a number of shares of the Company's common stock necessary to give 70% of the total issued and outstanding shares of the Company to PayFlex or its nominees on the anniversary of the Licensing Agreement in which the Company's audited filed financial statements for gross annual revenues attributable to the business exceeds \$5,000,000. The President of PayFlex is the Company's Chief Executive Officer. The Company is also required to raise \$200,000 for its own working capital needs within 90 days of closing the License Agreement. As of the date of these financial statements, the Company was not able to raise the funding requirement for the agreement with PayFlex.

### NOTE 12 – INCOME TAXES

For the years ended November 30, 2016 and 2015, the Company had incurred net losses and, therefore, had no tax liability. The net deferred tax asset generated by the loss carry-forwards have been fully reserved. The cumulative net operating loss carry-forwards are approximately \$1,280,745 at November 30, 2016 and will begin expiring in the year 2027.

The cumulative tax effect at the expected rate of 34% of significant items comprising the Company's net deferred tax amount is as follows as of November 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Deferred tax asset attributable to net operating loss carry-forwards	\$ 435,453	\$ 175,842
Less: valuation allowance	<u>(435,453)</u>	<u>(175,842)</u>
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry-forwards of approximately \$1,280,745 for Federal income tax reporting purposes are subject to annual limitations. The net operating loss carry-forwards expire from 2027 to 2037. Internal Revenue Section 382 restricts the ability to use these carryforwards whenever an ownership change, as defined, occurs. The Company had incurred such ownership changes in November 2014 and April 2015, and the use of net operating losses is further restricted.

**NOTE 13 – SUBSEQUENT EVENTS**

- a) On December 30, 2016, the Company received proceeds of \$75,000 in exchange for issuing a convertible debenture with a principal amount of \$85,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 12% per year, and is due on September 15, 2017. At any time after 180 days from the date of issuance, the unpaid amount of principal and interest can be converted at the holder's option at a price of 60% of the lowest trading price of the common stock during the 25 trading day period prior to conversion.
- b) On January 6, 2017, the Company received proceeds of \$80,000 in exchange for issuing a convertible debenture with a principal amount of \$85,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 10% per year, and is due on December 12, 2017. At any time on or after June 2, 2017, the unpaid amount of principal and interest can be converted at the holder's option at a price of 60% of the lowest trading price of the common stock during the 25 trading day period prior to conversion.
- c) On January 18, 2017, the Company received proceeds of \$39,500 in exchange for issuing a convertible debenture with a principal amount of \$135,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 6% per year, the Company received proceeds of \$39,500 in exchange for issuing a convertible debenture with a principal amount of \$135,000. Pursuant to the terms of the agreement, the note is unsecured, bears interest at 6% per year,
- d) Subsequent to November 30, 2016, the Company became a defendant in a civil matter pending in Miami-Dade County, Florida. The lawsuit was brought by a current vendor, seeking restitution for an outstanding debt totaling \$8,144, plus interest. The Company and the vendor settled out of court and the Company agreed to pay the vendor \$2,000 a month until the debt has been paid.

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**Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure**

No events occurred requiring disclosure under this Item 9.

**Item 9A. Controls and Procedures**

**Disclosure Controls and Procedures**

As required by Rule 13a-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report, being November 30, 2016. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Based upon that evaluation, including our Chief Executive Officer and Chief Financial Officer, we have concluded that our disclosure controls and procedures were ineffective as of the end of the period covered by this annual report.

**Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). Management has assessed the effectiveness of our internal control over financial reporting as of November 30, 2016 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of November 30, 2016, our internal control over financial reporting was not effective. Our management identified the following material weaknesses in our internal control over financial reporting, which are indicative of many small companies with small staff: (i) inadequate segregation of duties and effective risk assessment; and (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and SEC guidelines.

We plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we hope to implement the following changes during our fiscal year ending November 30, 2017: (i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. The remediation efforts set out in (i) and (ii) are largely dependent upon our securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for non-accelerated filers set forth in Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**Remediation of Material Weakness**

We are unable to remedy our controls related to the inadequate segregation of duties and ineffective risk management until we receive financing to hire additional employees. We are currently in the process of hiring an outsourced controller to improve the controls for accounting and financial reporting.

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### Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended November 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Limitations on the Effectiveness of Internal Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting are or will be capable of preventing or detecting all errors or all fraud. Any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. 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. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements, due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns may occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on 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. Projections of any evaluation of controls effectiveness to future periods are subject to risk.

### Item 9B. Other Information

None.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

Our current executive officers and directors are as follows:

Name	Age	Position	Director Since
Trevor Allen	49	Chief Executive Officer, Principal Executive Officer	November 2014
Anthony Ribas	42	Chief Financial Officer, Principal Financial Officer, Principal Accounting Officer and Director	April 2015
Ritesh Mitra	34	Chief Technology Officer	June 2015
Noah Fitzgerald	42	Chief Revenue Officer	August 2015
David Christensen	51	Chief Strategy Officer and Director	November 24, 2016

#### Trevor Allen:

For the past five years Mr. Allen has been the owner of Gordons, a bakery deli in North London. He also is a partner in Star Lounge night Club in Harrow, NW London and has owned PayFlex intellectual property since February of 2014.

Mr. Allen does not hold and has not held over the past five years any other directorships in any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

The Board believes that Mr. Allen has the experience, qualifications, attributes and skills necessary to serve on the Board because of

his experience in payment processing and knowledge of the industry.

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**Anthony Ribas:**

From December 2010 to the present, Mr. Ribas is the CEO and General Manager of Transaction Data USA Inc. in Miami, Florida. From 2007 to 2012, he was CEO and founder of Vault Acquiring Solutions, LLC in Agoura Hills, California.

Mr. Ribas does not hold and has not held over the past five years any other directorships in any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

Mr. Ribas has 15 years' experience within the payments industry in various roles and capacities. Because of his experience in the industry in which we do business, we believe that Mr. Ribas is qualified to act as a member of our Board of Directors.

**Ritesh Mitra:**

Ritesh Mitra is presently, and has been since October 2004, the owner of SPSR Professionals, LLC. From January 2015 to the present, he is also the owner and co-founder of HydraConx LLC. From June 2012 to the present he owns and operates PharmaAlpha and from May 2014 to the present he owns and operates Triangulum Development Inc. He has been the CTO of nClose, Inc. from May 2013 to the present.

As a seasoned professional in the software design and development for the payment and pharmaceutical industry with over a decade of experience, Mr. Mitra has assisted many clients with respect to the design, development, and launch of enterprise systems and payment platforms. He has acted in a technical role and as a consultant with regards to the management of resources to develop solutions for the payments industry, and most recently at nClose has been managing the development and implementation of a middleware solution for developers to rapidly develop payment solutions for merchants.

Aside from that provided above, Mr. Mitra does not hold and has not held over the past five years any other directorships in any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

On June 25, 2015, we entered into a Consultancy Agreement with Mr. Mitra's company, SPSR Professionals, LLC ("SPSR"). The agreement may be terminated on 30 days' notice. We contracted with SPSR to provide us with services in the development and management of payment processing. For the services, we agreed to compensate SPSR \$1,000 per month for 14 hours of work. Additional hours of work will be billed at a rate of \$90 per hour. In addition, we agreed to issue SPSR 200,000 shares of our common stock.

SPSR agreed to a one year non-compete and non-solicitation agreement, but may resume business activities with the companies Mr. Mitra currently owns and works for, as stated above.

**Noah Fitzgerald:**

Mr. Fitzgerald grew up with strong Mid-West values and dedicated work ethic. Since 1993, Mr. Fitzgerald has been consulting with businesses of all shapes and sizes, with a focus on payment processing, solutions integration, and high value relationship building. He enjoys all facets of business and learning how each business eco-system works to provide something unique. It is this customer-centric focus, along with strong values, that have gotten him to be the top sales professional and leader of the companies that he worked for. These companies include 3 of the largest payment acquires in the world, where he is recognized for his abilities and accomplishments.

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As an entrepreneur, Mr. Fitzgerald is a creative and "out-of-the-box" thinker and is always looking for a competitive advantage for his clients' growth and success. Noah knows what it takes to be dynamic and successful, and to develop an idea into a solution that has significant impacts. Noah's goal is to surround himself with good people and help motivate them to achieve their personal and financial goals. He has lived in the South Florida area with his wife and 2 boys for more than 30 years. When he is not working, you can find Noah at any number of car shows, playing a little golf or simply enjoying time with his family.

On the same date as his appointment, we entered into a Consultancy Agreement with Mr. Fitzgerald. Pursuant to the terms and conditions of the agreement:

- Mr. Fitzgerald will serve as Chief Revenue Officer of our Company for a period of twelve (12) months;
- Mr. Fitzgerald will earn a fee of \$1,000 per month for 14 hours of work with additional hours of work billed at a rate of \$90 per hour; and
- We will issue to Mr. Fitzgerald shares equal to \$15,000 divided by the share value of the closing price of our common stock on the date of the agreement.

Mr. Fitzgerald also agreed to keep certain information confidential and not compete with or solicit from our Company for a period of time.

Aside from that provided above, Mr. Fitzgerald does not hold and has not held over the past five years any other directorships in any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

### **David Christensen:**

Mr. Christensen has over 20 years' experience in strategy deployment including unique expertise in global supply chains, POS, logistics, freight, distributions, inventories, service repairs, CRM, customer service and call center work. Additionally, his International team includes industry experts in engineering, IT hardware, ERP applications, security management, as well as marketing and PR. As a Black Belt, he uses the best tools from Lean/Six Sigma Principles of Strategy Deployment. Dave is a known expert for not only developing Strategic Business Objectives, but also for his methodology of Execution Excellence. His goal is to help companies surpass the competition by creating a Sustainable Competitive Advantage.

Aside from that provided above, Mr. Christensen does not hold and has not held over the past five years any other directorships in any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

Mr. Christensen is qualified to serve on our Board of Directors because of his experience and expertise in IT, sales and marketing. His initial term shall last until the next annual meeting of the shareholders or until removed by other action as allowed by the corporate bylaws.

### **Term of Office**

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board, subject to their respective employment agreements.

### **Family Relationships**

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

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### **Involvement in Certain Legal Proceedings**

During the past 10 years, none of our current directors, nominees for directors or current executive officers has been involved in any legal proceeding identified in Item 401(f) of Regulation S-K, including:

1. Any petition under the Federal bankruptcy laws or any state insolvency law filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he or she was a general partner at or within two years before the time of such filing, or any corporation or business association of which he or she was an executive officer at or within two years before the time of such filing;
2. Any conviction in a criminal proceeding or being named a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from, or otherwise limiting, the following activities:
  - i. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
  - ii. Engaging in any type of business practice; or
  - iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any type of business regulated by the Commodity Futures Trading Commission, securities, investment, insurance or banking activities, or to be associated with persons engaged in any such activity;
5. Being found by a court of competent jurisdiction in a civil action or by the SEC to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Being found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
7. Being subject to, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
  - i. Any Federal or State securities or commodities law or regulation; or
  - ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
  - iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

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8. Being subject to, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

### **Committees of the Board**

Our Company currently does not have nominating, compensation or audit committees or committees performing similar functions nor does our company have a written nominating, compensation or audit committee charter. Our directors believe that it is not necessary to have such committees, at this time, because the functions of such committees can be adequately performed by the board of directors.

Our Company does not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for directors. The board of directors believes that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our Company does not currently have any specific or minimum criteria for the election of nominees to the board of directors and we do not have any specific process or procedure for evaluating such nominees. The board of directors will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request addressed to our CEO and director, Trevor Allen, at the address appearing on the first page of this annual report.

### **Code of Ethics**

On September 23, 2016, our Board of Directors approved and adopted a Code of Business Conduct and Ethics (the “Code of Ethics”). The Code of Ethics is applicable to all directors, officers and employees of our company, our company’s subsidiaries and any subsidiaries that may be formed in the future. The Code of Ethics addresses such individuals’ conduct with respect to, among other things, conflicts of interests; compliance with applicable laws, rules, and regulations; full, fair, accurate, timely, and understandable disclosure; competition and fair dealing; corporate opportunities; confidentiality; insider trading; protection and proper use of our assets; fair treatment; and reporting suspected illegal or unethical behavior. The description of the Code of Ethics is a summary and is qualified in its entirety by reference to the Code of Ethics, a copy of which is attached to our Current Report on Form 8-K filed with the SEC on September 28, 2016 as Exhibit 14.1. The Code of Ethics will also be posted on our website at <http://www.lansholdings.com/coe>.

### **Item 11. Executive Compensation**

The table below summarizes all compensation awarded to, earned by, or paid to our former or current executive officers for the fiscal years ended November 30, 2016 and 2015.

**SUMMARY COMPENSATION TABLE**

Name and principal position	Year	Salary(\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
						(\$)	(\$)	(\$)	(\$)
Trevor Allen <i>CEO and Director</i>	2015	35,995	-	-	-	-	-	-	35,995
	2016	-	-	-	-	-	-	-	-
Anthony Ribas <i>Pres. and Director</i>	2015	10,000	-	-	-	-	-	55,553	65,553
	2016	46,500	-	-	-	-	-	5,781	52,281
Ritesh Mitra <i>CTO</i>	2015	3,850	-	15,000	-	-	-	-	18,850
	2016	12,000	-	-	-	-	-	124	12,124
Rudy Romeiro <i>Former COO</i>	2015	2,250	-	15,000	-	-	-	-	17,250
	2016								
Noah Fitzgerald <i>CRO</i>	2015	2,665	-	15,000	-	-	-	-	17,665
	2016	12,000	-	-	-	-	-	-	12,000
David Christensen <i>CSO and Director</i>	2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2016	90,800	-	-	231,142	-	-	1,246	323,188

**Narrative Disclosure to the Summary Compensation Table**

***Trevor Allen***

As of November 30, 2015, we have incurred consulting fees in the amount of \$35,995 (2014 - \$nil) with our CEO, Trevor Allen.

As of November 30, 2016, we have incurred consulting fees in the amount of \$nil with our Mr. Allen.

***Anthony Ribas***

During the year ended November 30, 2015, we incurred consulting fees of \$10,000 and other business-related fees of \$55,553 (2014 - \$nil) to Transaction Data USA Inc., a company controlled by Anthony Ribas.

During the year ended November 30, 2016, we incurred consulting fees of \$46,500 and other business-related fees of \$5,781 to TDUSA. As of November 30, 2016, we owe \$41,453 to TDUSA.

***Ritesh Mitra***

On June 25, 2015, we entered into a consultancy agreement with Ritesh Mitra’s company, SPSR Professionals, LLC (“SPSR”). The agreement may be terminated on 30 days’ notice. We contracted with SPSR to provide us with services in the development and management of payment processing. For the services, we agreed to compensate SPSR \$1,000 per month for 14 hours of work. Additional hours of work will be billed at a rate of \$90 per hour. In addition, we agreed to issue SPSR 66,667 shares of our common stock, valued at \$15,000 on the agreement date.

SPSR agreed to a one year non-compete and non-solicitation agreement, but may resume business activities with the companies Mr. Mitra currently owns and works for, stated above.

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For the year ended November 30, 2015, we incurred total consulting fees of \$18,850 (2014 - \$nil) to SPSR.

During the year ended November 30, 2016, we incurred consulting fees and other business related fees of \$12,124 to SPSR, \$12,000 were for consultation as CTO and \$124 applied to additional project-specific work outside of CTO role. As of November 30, 2016, we owed \$11,000. Of the amount owing at November 30, 2015, \$15,000 was settled on April 12, 2016, by issuing 66,667 shares of our common stock at \$0.225 per share

On August 17, 2015, we entered into a consultancy agreement with Rudy Romeiro. Pursuant to the terms and conditions of the agreement:

- Mr. Romeiro will serve as Chief Operations Officer of the Company for a period of twelve (12) months;
- Mr. Romeiro will earn a fee of \$2,250 per month; and
- We will issue to Mr. Romeiro shares equal to \$15,000 divided by the share value of the closing price of our common stock on the date of the agreement, totaling 119,048 shares.

Mr. Romeiro also agreed to keep certain information confidential and not compete with or solicit from our company for a period of time.

### ***Rudy Romeiro***

For the year ended November 30, 2015, we incurred consulting fees of \$17,250 (2014 - \$nil) to Mr. Romeiro. Effective January 6, 2016, Mr. Romeiro resigned his office of Chief Operations Officer with our company. As a result of his resignation, Mr. Romeiro no longer holds any officer positions with our company. On the same date, Mr. Romeiro terminated his Consultancy Agreement with our company.

### ***Noah Fitzgerald***

On August 17, 2015, we entered into a Consultancy Agreement with Noah Fitzgerald. Pursuant to the terms and conditions of the agreement:

- Mr. Fitzgerald will serve as Chief Revenue Officer of our company for a period of twelve (12) months;
- Mr. Fitzgerald will earn a fee of \$1,000 per month for 14 hours of work with additional hours of work billed at a rate of \$90 per hour; and
- We will issue to Mr. Fitzgerald shares equal to \$15,000 divided by the share value of the closing price of our common stock on the date of the agreement, totaling 119,048 shares.

Mr. Fitzgerald also agreed to keep certain information confidential and not compete with or solicit from our company for a period of time.

For the year ended November 30, 2015, we incurred consulting fees of \$17,665 (2014 - \$nil) to Mr. Fitzgerald.

During the year ended November 30, 2016, we incurred consulting and other business-related fees of \$12,000 to Mr. Fitzgerald. As of November 30, 2016, we owed \$10,000 to Mr. Fitzgerald. The amount is related to consulting fees incurred during the period. Of the amount owing at November 30, 2015, \$15,000 was settled on April 12, 2016, by issuing 39,683 shares of our common stock at \$0.378 per share.

### ***David Christensen***

On September 17, 2016, we entered into an amendment to the Advisory Board Agreement with Enterprise Technology Consulting, Inc., a company controlled by our officer and director, David Christensen. The Amendment to Advisory Board Agreement extended the term for an additional six (6) months.

During the year ended November 30, 2016, we incurred advisory, consulting and other business-related fees of \$92,046 (2015 - \$7,100) to Mr. Christensen. As of November 30, 2016, we owed \$31,639 (November 30, 2015 - \$28,938) to Mr. Christensen. The amount is related to advisory and consulting fees incurred during the period. Of the amount owing at November 30, 2015, \$30,000 was settled on April 12, 2016, by issuing 111,112 shares of our common stock at \$0.27 per share.

There are no arrangements or plans in which we provide pension, retirement or similar benefits for executive officers.



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**Outstanding Equity Awards at Fiscal Year-End**

The table below summarizes all unexercised options, stock that has not vested, and equity incentive plan awards for each named executive officer as of November 30, 2016.

Name	OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END OPTION AWARDS					STOCK AWARDS				Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)		
Trevor Allen	-	-	-	-	-	-	-	-	-	
Anthony Ribas	-	-	-	-	-	-	-	-	-	
Ritesh Mitra	-	-	-	-	-	-	-	-	-	
Noah Fitzgerald	-	-	-	-	-	-	-	-	-	
David Chistensen	-	4,000,000	-	\$0.04	5/24/18	4,000,000	\$231,142	-	-	

**Director Compensation**

We compensate our Directors in their consulting and executive capacities, as provided above. We currently do not compensate our Directors for their role as Directors. However, we reserve the right to compensate our Directors in the future with cash, stock, options, or some combination of the above.

We have not reimbursed our directors for expenses incurred in connection with attending board meetings nor have we paid any directors fees or other cash compensation for services rendered as a director in the year ended November 30, 2016.

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

The following table sets forth, as of February 17, 2017 certain information as to shares of our common stock owned by (i) each person known by us to beneficially own more than 5% of our outstanding common stock, (ii) each of our directors, and (iii) all of our executive officers and directors as a group:

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Name and Address of Beneficial Owner	Common Stock		Series A Preferred Stock		Series B Preferred Stock	
	Number of Shares Owned <sup>(1)</sup>	Percent of Class <sup>(2)</sup>	Number of Shares Owned <sup>(1)</sup>	Percent of Class <sup>(2)</sup>	Number of Shares Owned <sup>(1)</sup>	Percent of Class <sup>(2)</sup>
Trevor Allen(3)	17,105,000	31%	100,000	17%	-	-
Anthony Ribas(4)	56,597,900	57%	168,000	28%	375,000	50%
Ritesh Mitra(5)	66,667	*	-	-	-	-
Noah Fitzgerald	539,683	1%	-	-	-	-
David Christensen	111,112	*	-	-	-	-
All Directors and Executive Officers as a Group (5 persons)	74,420,362	68%	268,000	45%	375,000	50%
<b>5% Holders</b>						
SoundMax Ltd. Flat/RM 807 Fortress Tower 250 Kings Rd., North Point 0 Hong Kong(6)	20,657,567	38%	99,859	17%		
Execucorp Consulting LLC Suites Five Hors Fords, Business Center Long Point Road PO BOX 590 Charlestown, St. Kitts & Nevis, 0 US(7)	8,865,717	17%	76,000	13%		
Melcent Technology SRL Avenida Sarasota #108 Esquina Doce De Julio Bella Vista Distrito Nacional, 0 Republica Dominicana(8)	55,198,050	56%	156,000	26%	375,000	50%

\* Less than 1%

- (1) Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of voting stock listed as owned by that person or entity.
- (2) Pursuant to Rules 13d-3 and 13d-5 of the Exchange Act, beneficial ownership includes any shares as to which a shareholder has sole or shared voting power or investment power, and also any shares which the shareholder has the right to acquire within 60 days, including upon exercise of common shares purchase options or warrants. The percent of class is based on 44,807,673 shares of common stock, 599,859 shares of Series A Convertible Preferred Stock and 750,000 shares of Series B Preferred Stock issued and outstanding as of February 17, 2017.
- (3) Includes 7,105,000 shares of common stock and 100,000 shares of Series A Convertible Preferred Stock that may convert into 10,000,000 shares of common stock.
- (4) The shares are held by Transaction Data USA Inc. Anthony Ribas is the beneficial owner of the shares held by Transaction Data USA Inc. Includes 2,297,900 shares of common stock, 168,000 shares of Series A Convertible Preferred Stock that may convert into 16,800,000 shares of common stock and 375,000 shares of Series B Preferred Stock that may convert into 37,500,000 shares of common stock.

- (5) The shares are held by SPSR Professionals, LLC. Ritesh Mitra is the beneficial owner of the shares held by SPSR Professionals, LLC.
- (6) Sam Tai is the beneficial owner of the shares held by SoundMax Ltd. Includes 10,671,667 shares of common stock and 99,859 shares of Series A Convertible Preferred Stock that may convert into 9,985,900 shares of common stock.
- (7) Rob Harris is the beneficial owner of the shares held by Execucorp Consulting LLC. Includes 1,265,717 shares of common stock and 76,000 shares of Series A Convertible Preferred Stock that may convert into 7,600,000 shares of common stock.
- (8) Plutarco Suazo is the beneficial owner of the shares held by Melcent Technology SRL. Includes 2,098,050 shares of common stock, 156,000 shares of Series A Convertible Preferred Stock that may convert into 15,600,000 shares of common stock and 375,000 shares of Series B Preferred Stock that may convert into 37,500,000 shares of common stock.

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### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

Except as provided below and in “Executive Compensation” set forth above, for the past two fiscal years there have not been, and there is not currently proposed, any transaction or series of similar transactions to which we were or will be a participant in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any director, executive officer, holder of 5% or more of any class of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

On November 21, 2014, we entered into a License Agreement with Trevor Allen, our CEO. At November 30, 2014, we were indebted to him for \$150,000 related to the License Agreement. The amount was due by February 19, 2015. As of the date of this annual report, the amount has not been paid.

On April 17, 2015, we entered into an Asset Purchase and Restructure Agreement with Transaction Data USA Inc. (“TDUSA”), Trevor Allen, our officer and director, and SoundMax Ltd., a shareholder of our Company. TDUSA is controlled by our President, Anthony Ribas. Pursuant to the Agreement, we acquired the following assets (the “Assets”) from TDUSA:

- Access to TDUSA’s existing customer files and accounts;
- The MCRd Application Framework. This technology reduces the complex process for managing enterprise data encryption. Using our platform, our clients can more easily migrate clients to a better security base to prevent credit card cloning and identify theft in retail locations;
- Trademarks, including Payment-Engine, PaymentSandBox and CLOUDECRYPT;
- The platform enables service providers to reduce compliance and management costs of data encryption for multiple customers and the hardware and peripheral options are also more easily supported to reduce cost to commercialize encrypted payment solutions by service providers;
- Partner relationships with certain online companies.

We did not assume any of TDUSA’s liabilities in the transaction.

In consideration for the Assets, we issued to TDUSA 400,000 shares of our newly created Series A Preferred Stock. In addition, a group of shareholders agreed to transfer 19,985,000 shares of common shares to TDUSA (or to parties TDUSA has designated) in exchange for a cumulative 199,859 shares of Series A Preferred Stock issued by us.

The Agreement has post-closing covenants, which include the following:

- The Company agreed to use its best efforts to raise \$375,000 for its own working capital needs and to develop the business surrounding the Assets;
- TDUSA has the right to appoint two persons to our board of directors; and
- The parties agreed to a revenue share of the new business as outlined in the Agreement.

On September 22, 2016, we acquired a PSWITCH software application from TDUSA and Melcent Technology SRL, including the invention, source code, object code, components and tools. In exchange for the software, we issued to each of TDUSA and Melcent, 375,000 shares of our newly created Series B Preferred Stock.

On October 5, 2015, we entered into a Loan Agreement with Anthony Ribas, our President, in the amount of \$25,000. This note is unsecured with interest of 8% per annum and is due April 15, 2016. We have repaid \$20,000 of the loan.

On August 17, 2015, we entered into an advisory board agreement with two Advisory Board Members for terms of one year each. Pursuant to the agreement, we will issue the Members 119,048 shares each of our common stock, valued at \$15,000 each, on the date of the agreement. As of November 30, 2016, the shares had not been issued but were accrued as stock payable.

On August 28, 2015, we entered into an advisory board agreement with an Advisory Board Member for a term of one year. Pursuant to the agreement, we will issue a total of 113,208 shares of our common stock, valued at \$15,000, on the date of the agreement. As of November 30, 2016, the shares had not been issued but were accrued as stock payable.

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

Below is the table of audit fees billed by our auditors in connection with the audits of the Company’s annual financial statements for the years ended:

<u>Financial Statements for the Year Ended November 30</u>	<u>Audit Services</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>Other Fees</u>
2016	\$ 22,100	\$ 0	\$ 0	\$ 0
2015	\$ 12,000	\$ 0	\$ 0	\$ 0

## PART IV

### Item 15. Exhibits, Financial Statements Schedules

#### *(a) Financial Statements and Schedules*

The following financial statements and schedules listed below are included in this Form 10-K.

Financial Statements (See Item 8)

#### *(b) Exhibits*

<b>Exhibit Number</b>	<b>Description</b>
2.1	Asset Purchase Agreement, dated April 17, 2015 <sup>(1)</sup>
2.2	Software Purchase Agreement <sup>(11)</sup>
3.1	Articles of Incorporation <sup>(2)</sup>
3.2	Certificate of Change <sup>(3)</sup>
3.3	Certificate of Amendment <sup>(3)</sup>
3.4	Certificate of Designation <sup>(4)</sup>
3.5	Certificate of Designation <sup>(11)</sup>
3.5	Bylaws <sup>(2)</sup>
4.1	10% Convertible Note <sup>(5)</sup>
4.2	Convertible Promissory Note <sup>(6)</sup>
10.1	License Agreement <sup>(7)</sup>
10.2	Agreement of Conveyance <sup>(7)</sup>
10.3	Consultancy Agreement <sup>(8)</sup>
10.4	Consultancy Agreement <sup>(9)</sup>
10.5	Consultancy Agreement <sup>(9)</sup>
10.6	Securities Purchase Agreement <sup>(6)</sup>
10.7	Amendment to Advisory Board Agreement <sup>(12)</sup>
10.8	2016 Incentive Plan <sup>(13)</sup>
10.9	Advisory Board Agreement <sup>(13)</sup>
10.10	Amendment to Advisory Board Agreement <sup>(13)</sup>
14.1	Code of Business Conduct and Ethics <sup>(10)</sup>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101**	The following materials from the Company's Annual Report on Form 10-K for the year ended November 30, 2016 formatted in Extensible Business Reporting Language (XBRL).

1. Incorporated by reference to the 8-K filed on April 24, 2015.
2. Incorporated by reference to the Form SB-2 filed on December 28, 2007.
3. Incorporated by reference to the 8-K filed on June 30, 2014.
4. Incorporated by reference to the 8-K filed on April 24, 2015.
5. Incorporated by reference to the 8-K filed on January 23, 2017.
6. Incorporated by reference to the 8-K filed on January 4, 2017.
7. Incorporated by reference to the 8-K filed on November 25, 2014.

8. Incorporated by reference to the 8-K filed on July 29, 2015.
9. Incorporated by reference to the 8-K filed on August 19, 2015.
10. Incorporated by reference to the 8-K filed on September 28, 2016.
11. Incorporated by reference to the 8-K filed on September 28, 2016.
12. Incorporated by reference to the 8-K filed on September 23, 2016.
13. Incorporated by reference to the 8-K filed on May 25, 2016.

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Lans Holdings Inc.

By: /s/ Trevor Allen  
Chief Executive Officer, Principal Executive Officer,  
Chief Financial Officer, Principal Financial Officer,  
Principal Accounting Officer and Director  
March 16, 2017

In accordance with Section 13 or 15(d) of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

By: /s/ Trevor Allen  
Chief Executive Officer, Principal Executive Officer,  
Chief Financial Officer, Principal Financial Officer,  
Principal Accounting Officer and Director  
March 16, 2017

By: /s/ Anthony Ribas  
President and Director  
March 16, 2017

By: /s/ David Christensen  
Chief Strategy Officer and Director  
March 16, 2017