PayMeOn, Inc.
Form 10-K
March 26, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended: December 31, 2014

or

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

For the transition period from: _____________ to _____________

Paymeon, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**000-53574**	**20-4959207**
(State or Other Jurisdiction of Incorporation or Organization)	*(Commission File Number)*	*(I.R.S. Employer Identification No.)*

1201 NE 38th Street, Suite B-1

Oakland Park, FL 33334

(Address of Principal Executive Office) (Zip Code)

800-831-4743

(Registrant s telephone number, including area code)

5961 NE 18th Terrace, Fort Lauderdale, FL 33308

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

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

Title of each class	**Name of each exchange on which registered**

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

Common Stock
(Title of Class)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232-405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes þ 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.

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter ($0.31 per share). $1,558,056.41 on June 30, 2014.

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date. As of March 19, 2015 there were 12,613,457 shares outstanding.

PART I

Item 1.

Business.

Overview

PayMeOn, Inc. (formerly MMAX Media, Inc.), a Nevada corporation, is a company organized on May 30, 2006, that historically has owned and operated products aimed at the social, local and mobile marketing industry. On July 18, 2014, PayMeOn acquired a 19.4% stake in Prodeco Technologies, LLC, a USA-based researcher, developer, marketer, and manufacturer of quality electric bicycles.

Historically, we have offered mobile marketing platform services to merchants under the Hyperlocal name. The Hyperlocal platform supports multiple text messaging services such as WAP, MMS and XHTML, which run on a commercial grade mobile marketing platform and operates with all major mobile carriers, including AT&T, Sprint, T-Mobile and Verizon. The fully-integrated interface allows for web-based monitoring of customers. It provides access to real-time statistics for each customer s account, including but not limited to incoming and outgoing messages, number of keywords, credits and account status.

In early 2012, we incorporated the Hyperlocal platform into a new product offering called the PayMeOn Merchant Profit Center. The PayMeOn Merchant Profit Center is aimed at small and medium sized businesses and incorporates the purchase, referral and coupon style daily deal components of our consumer based PayMeOn product, as well as all of the mobile marketing components of the Hyperlocal Platform.

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

In September 2014, we began selling ProdecoTech electric bicycles online through our website www.irideelectric.com, under a non-exclusive dealer agreement. The agreement may be terminated by either party upon 30 day notice. To date we have limited sales. We expect to continue developing sales of electric bicycles, and eventually related accessories, under the irideelectric brand at the website www.irideelectric.com. Information contained on the website is not a part of this report.

On November 20, 2014 we entered into a nonbinding letter of intent with ProdecoTech and its other membership owners, for the acquisition of ProdecoTech in a stock for membership interest transaction. For the year ended December 31, 2013, on an unaudited basis, ProdecoTech operated at a loss, with gross sales of approximately $5.0 million. We will issue approximately 53.4 million shares of common stock in exchange for the remaining 80.6%

interest of ProdecoTech. Simultaneously with the closing of the transaction, all of the Company s currently outstanding convertible debt will be converted to approximately 5.3 million shares of the Company s common stock. In addition, the Company may also assume certain of Prodeco s outstanding debt, subject to mutually agreeable terms and conditions. The closing of the transaction is subject to a number of conditions precedent, including, but not limited to: (1) the satisfactory completion of due diligence on each company by the other company, (2) the execution of a binding acquisition agreement by the parties, and (3) requisite approval of the transaction by the members of Prodeco. Our target closing date for the transaction, assuming the satisfaction of the conditions precedent to closing, is within the next 30 days from the filing of this report. However, as a result of the number of conditions precedent to close, investors should not place undue reliance on the execution of the letter of intent and there are no assurances that this transaction will ultimately be consummated. We believe ProdecoTech operated at an approximate $1,400,000 unaudited loss for the year ended December 31, 2014. During January and February 6, 2015, we loaned an aggregate of $84,670 to ProdecoTech. The loans bear interest at 7% per annum and are due three years from the date of the advance. In the event we complete the acquisition of ProdecoTech we will require a minimum of $1,400,000 to maintain our combined operations through the next 12 months. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

Revenues for the year ended December 31, 2014, totaled $30,372. At December 31, 2014, we had a cash balance of approximately $1,558, a working capital deficit of approximately $1,080,000 and an accumulated deficit of approximately $7,336,000. Additional losses have occurred as a result of the substantial resources required for research and development and marketing of our products which included the general and administrative expenses associated with organization and product development. We expect operating losses to continue, mainly due to the anticipated expenses associated with the marketing of our products. These conditions raise substantial doubt about our ability to continue as a going concern.

Organization

PayMeOn holds a wholly owned interest in HLM Paymeon, Inc., a Florida corporation. There is currently a limited public market for our common stock which is quoted on the OTC Markets under the symbol PAYM . Our executive offices are located at 1201 NE 38th Street, Suite B-1, Fort Lauderdale, Florida 33334. Our telephone number is (800) 831-4743. We own and operate several websites, including www.paymeon.com. The information which appears on these websites is not part of this report.

Marketing Opportunity

PayMeOn s products revolve around monetizing the significant influence consumers have over purchasing decisions by providing them with opportunities to earn social income®. The opportunity revolves around new methods of reaching customers in context wherever they might be, whenever they might be there, based on the ubiquitous penetration of smart mobile devices.

As reported by the CTIA Wireless Association in June, 2014, wireless penetration in the US exceeded 104%. Ninety percent of US households use wireless service (CDC - June 2013), four out of ten American adults live in wireless-only households (CDC - Jan June, 2013), and forty-five million Americans use mobile phones as their primary Internet access device (Pew Research - Sept, 2013).

This penetration indicates that most young people and adults have a smart mobile device with them at all times, allowing them access to their friends, family and colleagues through their social media, email, text and other interfaces in real-time, all of the time. This dynamic has driven large amounts of information gathering and sharing that happens in real-time. When consumers are making social, purchasing and other decisions, they are able to and often do consult with their trusted social networks prior to making those decisions. This continual access to advice and information regarding all kinds of decisions is creating dramatic changes in retail markets, essentially shifting the power from retailers to consumers. Retailers are no longer simply able to rely on marketing and advertising methods directed at their desired customers, but instead also have to court the influence of their desired customers friends. Now applied more than ever before, this readily accessible and trusted influence helps define trends and accelerate them. Positive word of mouth influence spreads quickly and can drive substantial purchasing power to particular products and services, while negative word of mouth, spreads even more quickly and can destroy them.

We believe PayMeOn s social income® products are aimed at rewarding and reinforcing the influence consumers are having on purchasing decisions. Because of high quality and customer satisfaction, some products experience positive word of mouth influence without any third party support. By providing a framework for already passionate customers to be rewarded for their influence, PayMeOn s social income® products may be used to help accelerate positive feedback.

PayMeOn

PayMeOn s web-based and mobile products allow consumers and merchants to browse or offer products and services, and most importantly, share them in exchange for cash payments from the web and from our PayMeOn mobile application.

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

The PayMeOn Ride Along Product

Using the platform we acquired from WCIS Media, LLC we have been developing a new mobile and web-based product meant to allow consumers that use it to create social income® in real-time by monetizing their person to person or p2p referrals and recommendations. We refer to the product as the ride along product. The ride along product allows users to earn social income® by capturing previously unmonetized purchasing influence they have by way of referrals and recommendations made to their social networks. When recommending products or services to their social networks, users can allow additional PayMeOn recommendations to ride along with their personal recommendations in exchange for social income®. PayMeOn is compensated by the providers that ride along with user recommendations. We believe the market opportunity is substantial as PayMeOn providers are presented in context along with users personal recommendations and referrals, similar to the cost per click search model. For example, a PayMeOn user may be asked to recommend a service provider such as a plumber by a member of her social network. The PayMeOn user can access the PayMeOn mobile application and allow plumbers listed in PayMeOn s directory to ride along with her personal recommendation and earn social income®. PayMeOn only allows service providers that are rated by third parties to be included in its directory. Ride along recommendations are clearly marked as sponsored.

PayMeOn can also overlay its social income® products on existing third-party customer groups or social networks allowing them to monetize their ongoing influence or positive impact on their particular community. For example, ProdecoTech s very passionate customer community can be rewarded for their social and commercial influence with cash, or perhaps an electric bike instead. The concept of social income® is not defined by the type of currency used, but instead by the recognition of the influence social networks have over decision making.

We believe the product is substantially unique and are in the process of preparing application for intellectual property protection. While we completed the initial development of the ride along product, we have lacked the funds to begin aggressively marketing it to both service providers and the general public. The product s success will depend on our ability to properly market the product to both and the credibility of the product will depend in large part on our ability to pay users any social income they earn. Accordingly, without additional funds, we cannot take the product to market.

ProdecoTech

Prodeco Technologies (known as ProdecoTech) is a researcher, developer, marketer, and manufacturer of quality electric bicycles e-bikes in the United States. The company manufactures originally designed, state of the art, high quality electric bikes from its 60,000 square foot facility where all of its products receive the moniker Built in the USA. ProdecoTech ebikes are used in various ways by customers ranging from primary daily transportation needs to luxury leisure vacation use. The Company produces various models of ebikes that are marketed under various brand names, including: *Stride* , *Mariner* , *Genesis* , *Phantom* , *Storm* , *Outlaw* , *Beach* *and Rebel* . The bicycles generally ha a retail price range from $1,200 to $3,000. Under a non-exclusive dealer agreement we currently distribute ProdecoTech bicycles through retail internet sales. We buy ProdecoTech bicycles on an arms-length basis from ProdecoTech for the standard wholesale prices they offer to dealers and sell them to retail customers generally at the Manufacturer s Suggested Retail Price (MSRP). The agreement may be terminated by either party without cause upon 30 day notice.

Competition

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

The light electric vehicle market, which includes electric bicycles, is new and evolving in the United States. While we believe that ProdecoTech has few, if any, US-based manufacturing competition, it does compete with large, established marketers of traditional bicycles and similar products. It also competes with lesser-known distributors of electric bicycles and other products sourced primarily outside of the United States.

Intellectual Property

The term social income® is a registered trademark of PayMeOn, Inc. We have not applied for any other U.S. trademarks and, except for common law rights, we currently do not hold any other intellectual property rights on the products we have developed. Among many other related domain names, we have secured the following domain names: paymeon.com; paymeon.net; paymeon.tv; paymeon.org; paymeon.biz; paymeon.mobi; paymeon.co; paymeon.tel; paymeon.us; hyperloc.com; Hyperlocalmarketing.net; Hlmllc.com; and Hlmllc.net.

Employees

At December 31, 2014, we had 1 full time employee. None of our employees are represented by a labor union, nor governed by any collective bargaining agreements. We consider relations with our labor force as satisfactory.

Item 1A.

Risk Factors.

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

Item 1B.

Unresolved Staff Comments.

None.

Item 2.

Properties.

Our principal offices are located at 1201 NE 38th Street, Oakland Park, Fl 33334. We occupy this space on a month to month basis under an oral agreement with ProdecoTech at a current cost of approximately $0 per month. The offices are sufficient to support our current operations.

Item 3.

Legal Proceedings.

On June 18, 2012, the Company received a letter from the Internal Revenue Service regarding a tax discrepancy for the tax year 2010 (prior to the agreement and plan of merger to acquire Hyperlocal Marketing, LLC). The letter states that the discrepancy could result in a potential increase of Social Security and/or Income Tax of $7,623. As part of the agreement and plan of merger to acquire Hyperlocal Marketing, LLC, the Company received representations and warranties from prior management that all taxes had been paid. The letter has been forwarded to prior management and the Internal Revenue Service has been informed of all relevant representations and warranties. There is no guarantee that prior management will honor its obligations and this amount may remain an obligation of the Company. As of March 16, 2015, prior management has not honored its legal obligations to pay this debt. On March 18, 2013, the Company received an updated letter from the Internal Revenue Service notifying us that the amount of the tax discrepancy for the tax year 2010 could result in a potential increase of Social Security and/or Income Tax of $9,745, including penalties and interest. In the interest of protecting the Company and resolving this matter, current management entered into a repayment plan with the Internal Revenue Service that allows for the Company to repay the amount over time at a rate of $500 per month. The Company intends to pursue its legal rights against prior management for repayment of this debt plus any legal costs incurred in conjunction with enforcing its rights.

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

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

Item 4. Mine Safety Disclosures.

None.

PART II

Item 5.

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

Market Information

There is a limited public market for the shares of our common stock. Our stock has been thinly traded. There can be no assurance that a liquid market for our common stock will ever develop. Transfer of our common stock may also be restricted under the securities or blue sky laws of various states and foreign jurisdictions. Consequently, investors may not be able to liquidate their investments and should be prepared to hold the common stock for an indefinite period of time. Our common stock is quoted on the OTC Markets under the symbol PAYM. The range of closing prices for our common stock, as reported on the OTC Markets during each quarter since March 31, 2013, was as reported below, as adjusted for our 69 to 1 reverse stock split effective May 17, 2013 follows. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Quarter Ended	High	Low
March 31, 2013	$2.48	$0.345
June 30, 2013	$2.40	$1.03
September 30, 2013	$1.06	$0.95
December 31, 2013	$1.00	$0.85
March 31, 2014	$0.85	$0.075
June 30, 2014	$0.45	$0.085
September 30, 2014	$0.31	$0.18
December 31, 2014	$0.77	$0.135

On March 12, 2015, our common stock had a closing price of $0.63.

Holders

As of March 19, 2015, there were approximately 122 security holders of record of our common stock.

Transfer Agent and Registrant

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

Dividend Policy

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

Recent Sales of Unregistered Securities

In addition to those unregistered securities previously disclosed in reports filed with the Securities and Exchange Commission, during the period covered by this report, during the period covered by this report we sold the securities below without registration under the Securities Act of 1933, as amended, under the exemption from registration provided by Section 4(a)(2) of the Securities Act. The securities were issued with legend restricting their transferability without registration or applicable exemption.

On July 17, 2014 the Company entered into a six month consulting agreement for investor relations. The Company issued 400,000 shares of restricted common stock valued at $88,000 ($0.22 per share) the fair value on the date of issuance to a consultant for public relations, and paid the consultant $7,500 per month for investor relations services.

On July 18, 2014 the Company entered into and completed two membership interest purchase agreements to acquire a 19.4% equity interest in Prodeco Technologies, LLC, a private manufacturer of electric bicycles under the brand "Prodeco" with manufacturing facilities located in Oakland Park, Florida. Prodeco Technologies was organized under the laws of the State of Florida in June 2012. The Prodeco Technologies membership interests were acquired through the acquisition of all of the issued and outstanding membership interests of A Better Bike, LLC and EBikes, LLC, members of Prodeco Technologies, LLC. A Better Bike, LLC was owned by Vincent L. Celentano, the Company's largest individual shareholder. EBikes was owned by Vincent D. Celentano, II, the son of Vincent L. Celentano. In consideration of the acquisition of all of the issued and outstanding membership interests of A Better Bike and EBikes, the Company issued an aggregate of 2,941,176 restricted shares of its common stock to the members of A Better Bike and EBikes.

During the year ended December 31, 2014, the Company issued 7% unsecured promissory notes to Celentano Consulting Company, LLC, William Celentano and Vincent L. Celentano in consideration of advances of approximately $240,784. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. The notes may be converted at the option of the holder, into shares of the Company s common stock at conversion prices ranging from $0.10 to $0.345 per share, subject to adjustment.

During the year ended December 31, 2014, the Company issued an aggregate of 3,522,180 shares of restricted common stock to Celentano Consulting Company, LLC, pursuant to the conversion of certain 7% unsecured convertible promissory notes held by Celentano Consulting Company in the aggregate principal amount and accrued interest of $994,618. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. The notes were convertible at prices ranging from $0.10 to $0.345 per share at the option of the holder.

On November 5, 2014, the Company sold an aggregate of 127,413 shares of common stock to two accredited investors for proceeds of $29,305. No commissions were paid.

Item 6.

Selected Financial Data.

Not required for smaller reporting companies.

Item 7.

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

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

Overview

During 2013 and through December 31, 2014, we spent significant resources on development of a new mobile and web-based product meant to allow consumers that use it to create social income in real-time by monetizing their person to person or p2p referrals and recommendations. We completed the first version of our mobile application for use on iPhones during 2013 and it is currently available in the Apple app store. We have shifted the primary focus of the Company to this product, which we refer to as the ride along product. The ride along product allows users to earn social income by capturing previously unmonetized purchasing influence they have by way of referrals and recommendations made to their social networks. When recommending products or services to their social networks, users can allow additional PayMeOn recommendations to ride along with their personal recommendations in exchange for social income. PayMeOn is compensated by the providers that ride along with user recommendations. We believe the market opportunity is substantial as PayMeOn providers are presented in context along with users personal recommendations and referrals, similar to the cost per click search model. For example, a PayMeOn user may be asked to recommend a service provider such as a plumber by a member of her social network. The PayMeOn user can access the PayMeOn mobile application and allow plumbers listed in PayMeOn s directory to ride along with her personal recommendation and earn social income. PayMeOn only allows service providers that are rated by third parties to be included in its directory. Ride along recommendations are clearly marked as sponsored. We believe the product is substantially unique and are in the process of preparing application for intellectual property protection.

While we completed the initial development of the ride along product, we have lacked the funds to begin aggressively marketing it to both service providers and the general public. The product s success will depend on our ability to properly market the product to both and the credibility of the product will depend in large part on our ability to pay users any social income they earn. Accordingly, without additional funds, we cannot take the product to market. The current version in the Apple app store does not allow for ride alongs to be included, because without additional funds we will not be able to pay any earned social income.

In July 2014 we acquired a 19.4% stake in Prodeco Technologies, LLC, a private manufacturer of electric bicycles based in Oakland Park, Florida. In September, 2014, we began selling ProdecoTech electric bikes through our retail website www.irideelectric. The Prodeco Technologies membership interests were acquired through the acquisition of all of the issued and outstanding membership interests of A Better Bike, LLC and EBikes, LLC, members of Prodeco Technologies, LLC. A Better Bike was owned by Vincent L. Celentano, the Company s largest individual shareholder. EBikes was owned by Vincent D. Celentano II, the son of Vincent L. Celentano. Sales generated at www.irideelectric.com are also branded as powered by PayMeOn and recorded as sales made by our wholly-owned subsidiary, HLM Paymeon, Inc. We acquired the stake in Prodeco Technologies, LLC because sales of ProdecoTech branded electric bicycles have largely been generated by word of mouth referrals and we believe that adding our social income® concept will (1) accelerate sales of the already popular ProdecoTech products, and (2) help expand the visibility of PayMeOn s social income® concept. In consideration of the acquisition of all of the issued and outstanding membership interests of A Better Bike and EBikes, the Company issued an aggregate of 2,941,176 restricted shares of its common stock to the members of A Better Bike and EBikes. For accounting purposes the transactions are recorded at the historical basis of $0 from related parties. For financial statement purposes, the Company accounts for its investment in this affiliated entity under the equity method. The Company discontinued applying the equity method at December 31, 2014, as the investment is below $0 and will not resume applying the equity method until the affiliate reports income greater than its losses during the time period under the equity method.

In September 2014, we began selling ProdecoTech electric bicycles online through our website www.irideelectric.com, under a non-exclusive dealer agreement. The agreement may be terminated by either party upon 30 day notice. To date we have limited sales. We expect to continue developing sales of electric bicycles, and eventually related accessories, under the irideelectric brand at the website www.irideelectric.com. Information contained on the website is not a part of this report.

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

Results of Operations

Revenues for the year ended December 31, 2014, totaled $30,372, and were principally derived from sales of ProdecoTech electric bicycles during the period from September 2014 through December 31, 2014. Revenues for the year ended December 31, 2013, were $3,932, and were derived from sales of the Company s PayMeOn Merchant Profit Center packages to small businesses and from incremental text purchases from subscribers to the mobile text marketing packages.

Operating expenses for the year ended December 31, 2014, totaled $1,020,962, a decrease of $854,788 or 46% from $1,875,750 for the year ended December 31, 2013. The decrease in operating expenses for the year ended December

31, 2014 was primarily due to the following material expense reductions: a one-time $521,009 impairment on technology and website development expenses during the 2013 period; a decrease of $312,201 for payroll and payroll taxes; a decrease of $261,642 of consulting fees; a decrease of $107,798 of web development and hosting fees; and a decrease of $29,718 for professional fees. The reduction in operating expenses was partially offset by general and administrative (G&A) expenses of $485,415 for the year ended December 31, 2014, an increase of $367,544, from $117,871 during the year ended December 31, 2013. The increase in G&A was primarily due to the expense related to the Company s default on its executive office lease, which was vacated by the Company in May 2014.

Liquidity and Capital Resources

At December 31, 2014, we had $1,558 of cash. At December 31, 2014, we had working a capital deficit of $1,080,194. We require additional working capital. See Plan of Operations below.

Since inception, the Company has incurred net operating losses and used cash in operations. As of December 31, 2014, the Company had an accumulated deficit of $7,336,183. The Company has also dedicated substantial resources required to research and development and marketing of the Company s products which included the general and administrative expenses associated with its organization and product development. The Company expects to incur continued marketing expenses in the near and medium term in pursuit of market share. Necessary marketing spending could curtail the Company s ability to generate profits in the near and medium term. We expect operating losses to continue, mainly due to the continued costs and expenses associated with development of our business and marketing of the Hyperlocal and PayMeOn products. These conditions raise substantial doubt about the Company s ability to continue as a going concern.

We have historically satisfied our working capital requirements through the sale of restricted common stock and the issuance of promissory notes. From January 2012 through May 2012 the Company issued a series of secured promissory notes in the aggregate principal amount of $155,000 (the January Secured Notes). The January Secured Notes were secured by all of the assets of the Company. On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $165,500 to an affiliate of the Company. The secured convertible note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. The secured convertible note is secured by all of the assets of the Company and includes customary provisions concerning events of default. In addition, the secured convertible note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment and conversion limitations. The Company received $165,500 in gross proceeds from the issuance of the secured convertible note and used substantially all of the proceeds from the secured convertible note to satisfy the January Secured Notes, along with outstanding and accrued interest on the January Secured Notes of approximately $9,018. The note was outstanding on December 31, 2014, and Celentano Consulting Company, LLC has agreed in writing to extend the maturity date to December 23, 2015.

During the year ended December 31, 2014, the Company issued 7% unsecured promissory notes to Celentano Consulting Company, LLC, William Celentano and Vincent L. Celentano in consideration of advances of approximately $240,784. The Company used the proceeds for working capital purposes. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. The notes may be converted at the option of the holder, into shares of the Company s common stock at conversion prices ranging from $0.10 to $0.345 per share, subject to adjustment and conversion limitations.

During the year ended December 31, 2014, the Company issued an aggregate of 3,522,180 shares of restricted common stock to Celentano Consulting Company, LLC, pursuant to the conversion of certain 7% unsecured convertible promissory notes held by Celentano Consulting Company in the aggregate principal amount and accrued interest of $994,618. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. The notes were convertible at prices ranging from $0.10 to $0.345 per share at the option of the holder.

On November 5, 2014, the Company sold an aggregate of 127,413 shares of common stock to two accredited investors for proceeds of $29,305. No commissions were paid.

Current working capital is not sufficient to maintain our current operations and there is no assurance that future sales and marketing efforts will be successful enough to achieve the level of revenue sufficient to provide cash to sustain operations. To the extent such revenues and corresponding cash flows do not materialize, we will attempt to fund working capital requirements through third party financing, including a private placement of our securities. In the absence of revenues, we currently believe we require a minimum of $750,000 to maintain our current operations through the next 12 months. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

Plan of Operations

We intend on continuing our efforts primarily towards completing development of the Company s PayMeOn products, focusing primarily on the evolution of our ride along product. During 2013, we completed development of a mobile application for the product that is available for use on iPhones in the Apple app store. We expect that the product will require continuous improvement and upgrade, as is common in the marketplace. Additionally, we hope to develop the application for the Android mobile platform during 2014. Provided we are able to secure additional financing, we intend on commencing the marketing of the ride along product in the second quarter of 2015. Our marketing will focus first on selling service providers the ability to be included or ride along with other service provider recommendations made using our mobile application by PayMeOn members.

We also expect to continue marketing our Hyperlocal Marketing platform and products, but primarily as bundled or complimentary additions to our PayMeOn product and under the PayMeOn Merchant Profit Center name. As our development efforts come to fruition, we will focus our efforts on developing sales and distribution channels for PayMeOn. We will primarily focus our sales and distribution efforts on developing partnerships with third-party sales companies and organizations, and on developing partnerships with businesses that have large databases they wish to monetize using our social, local and mobile, PayMeOn platform. We believe that value can be created by partnering with businesses that can overlay the sale of their products with our social income® capabilities to accelerate word of mouth referrals by their customers. Accordingly, PayMeOn intends to expand its business plan to include the possible acquisition of stakes in companies that could experience accelerating growth due to the application of its social income® capabilities.

On July 18, 2014, the Company s Chief Executive Officer forgave approximately $326,727 of accrued payroll and amended his employment agreement to reduce his base salary by 30% and eliminated his guaranteed bonus of $50,000 per year.

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

In September 2014, we began selling ProdecoTech electric bicycles online through our website www.irideelectric.com, under a non-exclusive dealer agreement. The agreement may be terminated by either party upon 30 day notice. To date we have limited sales. We expect to continue developing sales of electric bicycles, and eventually related accessories, under the irideelectric brand at the website www.irideelectric.com.

On November 20, 2014 we entered into a nonbinding letter of intent with ProdecoTech and its other membership owners, for the acquisition of ProdecoTech in a stock for membership interest transaction. For the year ended December 31, 2013, on an unaudited basis, ProdecoTech operated at a loss, with gross sales of approximately 5.0 million. We will issue approximately 53.4 million shares of common stock in exchange for the remaining 80.6% interest of Prodeco. Simultaneously with the closing of the transaction, all of the Company s currently outstanding convertible debt will be converted to approximately 5.3 million shares of the Company s common stock. In addition, the Company may also assume certain of Prodeco s outstanding debt, subject to mutually agreeable terms and conditions. The closing of the transaction is subject to a number of conditions precedent, including, but not limited to: (1) the satisfactory completion of due diligence on each company by the other company, (2) the execution of a binding acquisition agreement by the parties, and (3) requisite approval of the transaction by the members of Prodeco. Our target closing date for the transaction, assuming the satisfaction of the conditions precedent to closing, is within the next 30 days from the filing of this report. However, as a result of the number of conditions precedent to close, investors should not place undue reliance on the execution of the letter of intent and there are no assurances that this transaction will ultimately be consummated. We believe ProdecoTech operated at an approximate $1,400,000 unaudited loss for the year ended December 31, 2014. In the event we complete the acquisition of ProdecoTech we will require a minimum of $1,000,000 to maintain our combined operations through the next 12 months. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

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

From January 1, 2015 through March 13, 2015, the Company received an aggregate of $182,500 from a related party for working capital in consideration of the issuance of unsecured convertible notes. These notes bear interest at 7% and are due one year from issuance of the respective note. The notes are convertible into shares of common stock at $0.30 per share, subject to adjustment and certain limitations on conversion.

On January 20, 2015, the Company loaned ProdecoTech $75,000. The loan bears interest at 7% per annum and is due three years from issuance.

On February 6, 2015, the Company loaned ProdecoTech $9,670. The loan bears interest at 7% per annum and is due three years from issuance.

Critical Accounting Policies and Estimates

Revenue Recognition

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

The Company recognizes sales of deals and texts when revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes revenue from the sale of keywords over the period the keywords are purchased for exclusive use, usually one year.

The Company recognizes revenue from setup fees in accordance with Topic 13, which requires the fees to be deferred and amortized over the term of the agreements. Revenue from the sale of bulk text messages sales and packages are recognized over twelve months. Revenue from monthly membership fees are recorded during the month the membership is earned.

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

Stock-Based Compensation

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

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

Recent Accounting Pronouncements

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-15 on Presentation of Financial Statements Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity s Ability to Continue as a

Going Concern . Currently, there is no guidance in U.S. GAAP about management s responsibility to evaluate whether there is substantial doubt about an entity s ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity s ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management s plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management s plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this Update are effective for public and non-public entities for annual periods ending after December 15, 2016. Early adoption is permitted. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*. The update removes all incremental financial reporting requirements from GAAP for development stage entities, including the removal of Topic 915 from the FASB Accounting Standards Codification. In addition, the update adds an example disclosure in Risks and Uncertainties (Topic 275) to illustrate one way that an entity that has not begun planned principal operations could provide information about the risks and uncertainties related to the company s current activities. Furthermore, the update removes an exception provided to development stage entities in Consolidations (Topic 810) for determining whether an entity is a variable interest entity which may change the consolidation analysis, consolidation decision, and disclosure requirements for a company that has an interest in a company in the development stage. The update is effective for the annual reporting periods beginning after December 15, 2014, including interim periods within that reporting period. This updated guidance did not have a material impact on our results of operations, cash flows or financial condition.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The update gives entities a single comprehensive model to use in reporting information about the amount and timing of revenue resulting from contracts to provide goods or services to customers. The proposed ASU, which would apply to any entity that enters into contracts to provide goods or services, would supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. Additionally, the update would supersede some cost guidance included in Subtopic 605-35, Revenue Recognition Construction-Type and Production-Type Contracts. The update removes inconsistencies and weaknesses in revenue requirements and provides a more robust framework for addressing revenue issues and more useful information to users of financial statements through improved disclosure requirements. In addition, the update improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The update is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-12, *Compensation Stock Compensation (Topic 718); Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. The amendments in this ASU apply to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. For all entities, the amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities. Entities may apply the amendments in this ASU either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date.

Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition.

Risk Factors

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

Risks Related to Our Business and Industry

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

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

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

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

We do not have long-term contract with ProdecoTech to serve as a dealer of ProdecoTech bicycles and we currently rely on our non exclusive dealer agreement for a majority of our revenues.

In September 2014, we began selling ProdecoTech electric bicycles under a non-exclusive dealer agreement. The agreement may be terminated by either party upon 30 day notice. In the event that the agreement is terminated, our business will be interrupted and would harm our reputation and our business and results of operations.

There are no assurances that we will complete our acquisition of ProdecoTech and even in the event that we complete such acquisition, we will require additional financing and may fail to realize the anticipated benefits of the acquisition.

There are no assurances that we will complete the acquisition of ProdecoTech and even in the event we complete such acquisition, the success of the acquisition will depend, in part, on our ability to realize the anticipated growth opportunities from combining the two entities. The integration of the companies will be a time consuming and expensive process and may disrupt their operations if it is not completed in a timely and efficient manner. Furthermore, in the event the acquisition is completed, in order to continue operating and remain a going concern, the combined company will need to obtain additional financing, either through borrowings, public offerings, private offerings, or some type of business combination (e.g., merger, buyout, etc.), and there can be no assurance that it will be successful in such pursuits. In the past, both companies have actively pursued a variety of funding sources including private offerings and have consummated certain transactions in order to address their respective capital requirements. However, the combined company may not be able to acquire the additional funding necessary to continue operating. Accordingly, if the combined company is unable to generate adequate cash from operations, and if it is unable to find sources of funding, it may be necessary for it to sell one or more lines of business or all or a portion of its assets, enter into a business combination, reduce or eliminate operations, liquidate assets, or seek relief through a filing under the U.S. Bankruptcy Code. These possibilities, to the extent available, may be on terms that result in significant dilution to the combined company s existing stockholders or that result in its existing stockholders losing all of their investment in the combined company.

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

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

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

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

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

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

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

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

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

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products. Our current and potential competitors may have more extensive client bases and broader client relationships than our company. In addition, these companies may have longer operating histories and greater name recognition. These competitors may be better able to respond quickly to new technologies and to undertake more extensive marketing campaigns. If we are unable to compete with such companies, we may never generate demand for our products.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our operating results may fluctuate.

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

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Our ability to compete effectively.

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Our ability to continue to attract clients.

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Our ability to attract revenue from advertisers and sponsors.

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

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

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

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The success of our product expansion.

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

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

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

We may not be successful in managing acquisitions and acquisitions may result in substantial dilution.

We may acquire assets or businesses that may fail for various reasons, including but not limited to our inability to properly integrate their functionality or operations, our inability to market their products or services, or our inability to properly manage the assets or businesses following an acquisition. Acquisitions may result in the issuance of substantial equity or debt. Issuance of new equity securities may dilute existing shareholders. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock issued in conjunction with acquisitions, or the perception that these sales could occur. The issuance of debt will result in the need for additional capital necessary to service the debt. We may not be able to generate sufficient returns from any acquisitions to service any debt issued as part of an acquisition related transaction.

Our industry is new and we are subject to uncertain regulation.

We are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the internet, many of which are still evolving and could be interpreted in ways that could harm our business. In the United States and abroad, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims. These regulations and laws may involve taxation, tariffs, subscriber privacy, data protection, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services and the characteristics and quality of services. It is not clear how existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or e-commerce. In addition, it is possible that governments of one or more countries may seek to censor content available on our websites or may even attempt to completely block access to our websites. Accordingly, adverse legal or regulatory developments could substantially harm our business. The CARD Act, as well as the laws of most states, contain provisions governing product terms and conditions of gift cards, gift certificates, stored value or pre-paid cards or coupons (gift cards), such as provisions prohibiting or limiting the use of expiration dates on gift cards or the amount of fees charged in connection with gift cards or requiring specific disclosures on or in connection with gift cards. PayMeOn coupon, gift card, stored value or prepaid card offers generally are included within the definition of gift cards in many of these laws. In addition, certain foreign jurisdictions have laws that govern disclosure and certain product terms and conditions, including restrictions on expiration dates and fees that may apply to PayMeOn offers. However, the CARD Act as well as a number of states and certain foreign jurisdictions also have exemptions from the operation of these provisions or otherwise modify the application of these provisions applicable to gift cards that are issued as part of a promotion or promotional program. If PayMeOn offers are subject to the CARD Act, and are not included in the exemption for promotional programs, it is possible that the purchase value, which is the amount equal to the price paid for the offer, or the promotional value, which is the add-on value of the offer in excess of the price paid, or both, may not expire before the later of (i) five years after the date on which the offer was issued or the date on which the customer last loaded funds on the offer if the offer has a reloadable feature; (ii) the offers stated expiration date (if any), unless offers come within an exemption in the CARD Act for promotional programs; or (iii) a later date provided by applicable state law. In addition, regardless of whether an exemption for PayMeOn offers applies under the CARD Act, in those states that prohibit or otherwise restrict expiration dates on gift cards that are defined to include offers and that do not have exemptions that apply to the purchase value or the promotional value, or both, of offers, PayMeOn offers may be required to be honored for the full offer value (the total of purchase value and promotional value) until redeemed. There can be no assurance that as PayMeOn incorporates new requirements as detailed under the CARD Act that merchants will continue to offer PayMeOn offers.

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

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

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

Risks Related to Our Common Stock

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

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

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

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

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

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

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Our failure to increase revenue in each succeeding quarter;

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Our failure to achieve and maintain profitability;

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Our failure to meet our revenue and earnings guidance;

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The loss of distribution relationships

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

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

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Adverse court ruling or regulatory action;

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Our failure to meet financial analysts' performance expectations;

·

Changes in earnings estimates and recommendations by financial analysts;

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Changes in market valuations of similar companies;

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Short selling activities;

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

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Our inability to manage our international operations;

·

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

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

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

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

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

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

At December 31, 2014, we have outstanding 7% secured and unsecured promissory notes convertible at the option of the holders in the aggregate principal amount of $277,073 convertible at prices ranging from $.10 to $.345 per share; the conversion of certain notes limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s outstanding common stock. If all the outstanding notes are converted, our issued and outstanding shares would increase significantly. In the event that a market for our common stock develops, to the extent that holders of our notes convert such securities, our existing shareholders will experience dilution to their ownership interest in our company. In addition, to the extent that holders of convertible securities convert such securities and then sell the underlying shares of common stock in the open market, our common stock price may decrease due to the additional shares in the market.

Our principal shareholders and their affiliates beneficially own and control approximately 60% of our outstanding common stock and as majority shareholders are able to control voting issues and actions that may not be beneficial or desired by minority shareholders.

As of December 31, 2014, our principal shareholders beneficially own approximately 60% of the issued and outstanding common stock and as such could elect all directors, and dissolve, merge or sell our assets or otherwise direct our affairs. Our principal shareholders also own secured and unsecured promissory notes that are convertible at their option into a material number of shares of our common stock. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control; impede a merger, consolidation, takeover or other business combination involving the Company, which, in turn, could depress the market price of our common stock.

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

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

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

Not required for smaller reporting companies.

Item 8.

Financial Statements and Supplementary Data.

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

Item 9.

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

None.

Item 9A.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

The Company s management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial (and principal accounting) Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of December 31, 2014. Based upon that evaluation and the identification of the material weakness in the Company s internal control over financial reporting as described below under Management s Report on Internal Control over Financial Reporting, the Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures were ineffective as of the end of the period covered by this report.

Management s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2014, our internal control over financial reporting is not effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles because of the Company s limited resources and limited number of employees.

To mitigate the current limited resources and limited employees, we rely heavily on direct management oversight of transactions, along with the use of legal and accounting professionals. As we grow, we expect to increase our number of employees, which will enable us to implement adequate segregation of duties within the internal control framework.

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

Limitations on Effectiveness of Controls and Procedures

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

Changes in Internal Control over Financial Reporting

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

Item 9B.

Other Information.

None.

PART III

Item 10.

Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

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

Name	Age	Position
Edward Cespedes	49	Director, Chief Executive Officer and Principal Financial Officer

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

Directors

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

Committees of the Board of Directors

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

While the OTC Markets does not impose any qualitative standards requiring companies to have independent directors or requiring that one or more of its directors be audit committee financial experts, it is our intent to expand our Board of Directors to include independent directors as well as one or more directors who satisfy the conditions to be considered audit committee financial experts. At that time we intend to establish an Audit Committee of our Board of Directors.

Director Compensation

None of our directors receive any compensation for their services as a member of the Board of Directors.

Family Relationships

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

Involvement in Certain Legal Proceedings

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

Code of Ethics

Our Board has adopted a Code of Ethics that applies to all of our employees, including our Chief Executive Officer and Chief Financial Officer. Although not required, the Code of Ethics also applies to our directors. The Code of Ethics provides written standards that we believe are reasonably designed to deter wrongdoing and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, full, fair, accurate, timely and understandable disclosure and compliance with laws, rules and regulations, including insider trading, corporate opportunities and whistle-blowing or the prompt reporting of illegal or unethical behavior. A copy of the Code of Ethics is posted on our website (www.paymeon.com). A request for a copy can be made in writing to PayMeOn, Inc., 1201 NE 38th Street, Suite B-1, Oakland Park, Florida 33334, Attention: Mr. Edward Cespedes.

Shareholder Communications

Although we do not have a formal policy regarding communications with our Board, shareholders may communicate with the Board by writing to us at PayMeOn, Inc., 1201 NE 38th Street, Suite B-1, Oakland Park, Florida 33334. Attention: Mr. Edward Cespedes. Shareholders who would like their submission directed to a member of the Board may so specify, and the communication will be forwarded, as appropriate.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and the other equity securities. Officers, directors and 10% beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of the forms furnished to us, we believe that all filing requirements were complied with during 2014.

Item 11.

Executive Compensation.

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

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

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our two most highly compensated executive officers other than our principal executive officer who were serving as executive officers at December 31, 2014 as that term is defined under Rule 3b-7 of the Securities Exchange Act of 1934; and

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up to two additional individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer at December 31, 2014.

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

Name	**Years**	**Salary ($)**	**Bonus($)**	**Stock Awards($)**	**All Other Compensation($)**	**Total ($)**
Edward Cespedes	2014	$ 195,627	$ 25,000	$	$	$ 220,627[1]
	2013	$ 250,000	$ 50,000	$	$	$ 300,000[2]

[1] Approximately $162,247 has been accrued but not paid.

[2] Approximately $140,967 has been accrued but not paid.

Employment Agreements

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

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

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

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

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

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

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

How Compensation for our Directors and Executive Officers was Determined

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

2014 Option Grants To Executive Officers

None.

Director Compensation

No annual compensation was paid to our directors during 2014 or 2013.

Outstanding Equity Awards At Fiscal Year-End

None.

Equity Compensation Plan Information

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

The following table shows the number of shares and percentage of all shares of common stock issued and outstanding as of March 19, 2015, held by any person known to the Company to be the beneficial owner of 5% or more of the Company s outstanding common stock, by each executive officer and director, and by all directors and executive officers as a group. The persons named in the table have sole voting and investment power with respect to all shares beneficially owned. Unless otherwise noted below, each beneficial owner has sole power to vote and dispose of the shares and the address of such person is c/o our corporate offices at 1201 NE 38th Street, Suite B-1, Oakland Park, Florida 33334. Pursuant to Rule 13d-3 under the Exchange Act, a person has beneficial ownership of any securities as to which such person, directly or indirectly, through any contract, arrangement, undertaking, relationship or otherwise has or shares voting power and/or investment power or as to which such person has the right to acquire such voting and/or investment power within 60 days. Applicable percentage of ownership is based on 12,613,157 shares of common stock outstanding as of March 19, 2015, together with securities exercisable or convertible into shares of common stock within sixty (60) days of March 19, 2014, for each stockholder.

Name of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**% of Class**
Edward Cespedes (1)	869,721	6.9%
All officers and directors as a group (one person) (1)	869,721	6.9%
Celentano Consulting Company, LLC (2)	3,117,527	24.7%
Vincent L. Celentano (3)	5,976,525	47.4%
William D. Celentano (4)	741,223	5.9%

(1)

Includes shares of our Common Stock held of record by Edward A. Cespedes Revocable Trust dated August 22, 2007, beneficially owned and controlled by Edward A. Cespedes as trustee, and EAC Management, LLC, an entity controlled by Mr. Cespedes. The number of shares beneficially owned by Mr. Cespedes excludes 326,322 shares held in trust for the benefit of his children over which he disclaims beneficial ownership.

(2)

Excludes shares of our Common Stock issuable to Celentano Consulting Company, LLC upon the conversion of outstanding secured convertible notes in the aggregate principal and interest amount of $191,663 at March 19, 2015, convertible at $0.345 per share. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s outstanding common stock. Mr. Celentano is the Manager of Celentano Consulting Company, LLC. The address of Celentano Consulting Company, LLC is 987 Hillsboro Mile, Hillsboro, Florida 33062.

(3)

Includes ownership interests held by Celentano Consulting Company, LLC. Mr. Celentano is the Manager of Celentano Consulting Company, LLC. Excludes shares of our Common Stock issuable to Vincent L. Celentano upon the conversion of outstanding unsecured convertible notes in the aggregate principal and interest amount of $106,050 at March 19, 2015, convertible at prices ranging from $0.12 and $0.30 per share. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s outstanding common stock. The address of Vincent L. Celentano is 987 Hillsboro Mile, Hillsboro, Florida 33062. Mr. Celentano disclaims any beneficial interest in securities held by his brother, William D. Celentano.

(4)

Includes ownership interests held in a trust for the benefit of William D. Celentano. Excludes shares of our Common Stock issuable to William Celentano upon the conversion of outstanding unsecured convertible notes in the aggregate principal and interest amount of $192,500 at March 19, 2015, convertible at prices ranging from $0.12 and $0.30 per share. The conversion of such notes is limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s outstanding common stock. The address of Vincent D. Celentano is 987 Hillsboro Mile, Hillsboro, Florida 33062. Mr. Celentano disclaims any beneficial interest in securities held by his brother, Vincent L. Celentano.

Item 13.

Certain Relationships and Related Transactions, and Director Independence.

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

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

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

During September 2012, the Company entered into preliminary negotiations surrounding a licensing agreement with Destination Meals LLC. Our CEO, Edward Cespedes, is a 10% owner of Destination Meals LLC through the Edward A. Cespedes Revocable Trust dated August 22, 2007. The discussion points revolve around Destination Meals LLC licensing certain software from PayMeOn in exchange for per transaction payments to PayMeOn. Though a final agreement has not yet been signed, the parties have tentatively agreed to terms and are currently conducting testing and engaging in limited sales transactions. As of December 31, 2014, the Company has recognized $79 revenue under the proposed licensing agreement.

Throughout fiscal year 2013 and 2014 we received unsecured non -interest bearing cash advances from our chief executive officer. At December 31, 2014, $0 was outstanding. The advances were used to satisfy payroll and payroll taxes and other working capital requirements. The advances were payable on demand.

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $165,500 with Celentano Consulting Company, LLC, an affiliate of the Company. The secured convertible note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. The secured convertible note is secured by all of the assets of the Company and includes customary provisions concerning events of default. In addition, the secured convertible note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company received $165,500 in gross proceeds from the issuance of the secured convertible note. As of December 31, 2014, the note was past its maturity date. However, Celentano Consulting Group has agreed in writing to extend the maturity date of such note to December 23, 2015.

As of December 31, 2014, the Company issued a series of unsecured promissory notes in the aggregate principal amount of $277,073 to Vincent Celentano, William Celentano and Celentano Consulting Company, LLC, an affiliate of the Company. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. Subject to certain limitations below, the notes may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price ranging from $0.10 to $0.345 per share, subject to adjustment. The conversion of the notes may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s common stock. The Company used the proceeds for working capital purposes. Celentano Consulting Company has notified the Company that it intends to convert these notes into shares of the Company s common stock in conjunction with, and as soon as practicable, following the closing of the asset purchase.

From January 1, 2015 through March 13, 2015 the Company issued a series of 7% unsecured promissory notes in the aggregate principle amount of $182,500 to the 1985 Irrevocable Trust of William Celentano, a trust benefitting and controlled by William Celentano. The notes may be converted at the option of the holder at a conversion price of $0.30, subject to adjustment. The conversion of the notes may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s common stock. William Celentano is the brother of Vincent Celentano. Each person disclaims beneficial interest in the securities held by the other.

During the year ended December 31, 2014, the Company issued an aggregate of 3,522,180 shares of restricted common stock to Celentano Consulting Company, LLC, pursuant to the conversion of certain 7% unsecured convertible promissory notes held by Celentano Consulting Company in the aggregate principal amount and accrued interest of $994,618. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. The notes were convertible at prices ranging from $0.10 to $0.345 per share at the option of the holder.

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

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

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

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

Item 14.

Principal Accounting Fees and Services.

Currently, our Board reviews and approves audit and permissible non-audit services performed by its independent registered public accounting firm of Liggett, Vogt & Webb P.A.(formerly known as Webb & Company, P.A.), as well as the fees charged for such services. In its review of non-audit service and its appointment of Liggett, Vogt & Webb P.A., the Company s independent registered public accounting firm, the Board considered whether the provision of such services is compatible with maintaining independence. All of the services provided and fees charged by Liggett, Vogt & Webb P.A. were approved by the Board, acting as our Audit Committee. The following table shows the fees for the years ended December 31, 2013 and 2014.

		2013		**2014**
Audit Fees [(1)]	$	36,132	$	40,963
Audit Related Fees	$	0	$	0
Tax Fees	$	0	$	0
All Other Fees	$	0	$	0

(1)

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

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PART IV

Item 15.

Exhibits, Financial Statement Schedules.

(a) Documents filed as part of the report.

(1) All Financial Statements

(2) Financial Statements Schedule

(3) Exhibits

Exhibits

Exhibit Number	Description
2.1	Merger Agreement dated February 17, 2011 (1)
3.1	Articles of Incorporation (2)
3.2	Amendment to Articles of Incorporation (2)
3.3	Amendment to Articles of Incorporation increasing capital stock and blank check preferred (6)
3.4	Amendment to Articles of Incorporation Name change and reverse split effective May 17, 2013 (8)
3.5	Restated Bylaws (3)
4.1	Form of Warrant (3)
4.2	Form of Option (3)
10.1	Indemnification Agreement (4)
10.2	Lease Agreement (to be filed)
10.3	Employment Agreement with Edward Cespedes(5)
10.4	Agreement with Adility, Inc. (3)
10.5	Form of Secured Convertible Promissory Note (7)
10.6	Form of General Security Agreement (7)
10.7	Form of Unsecured Promissory Note (9)
10.8	WCIS Asset Purchase Agreement effective April 1, 2013 (10)
10.9	Membership Interest Purchase Agreement dated July 18, 2014, A Better Bike, LLC (11)
10.10	Membership Interest Purchase Agreement dated July 18, 2014, EBIKES, LLC (11)
10.11	Amendment to Edward Cespedes Executive Employment Agreement dated July 18, 2014 (11)
10.12	Form of Non Exclusive Dealer Agreement with Prodeco Technologies LLC (Provided herewith)
10.13	Form of 7% Unsecured 12 Month Promissory Note issued by Prodeco Technologies, LLC in Favor of Paymeon, Inc. (provided herewith)
14.1	Code of Ethics (filed as exhibit to Form 10-K Annual Report for year ended December 31, 2011)
21.1	List of subsidiaries of the Company (3)
31.1	Certification Pursuant to Rule 13a-14(a) (Provided herewith)
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) (Provided herewith)
32.1	Certification Pursuant to Section 1350 (Provided herewith)

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1)

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

(2)

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

(3)

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

(4)

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

(5)

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

(6)

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

(7)

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

(8)

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

(9)

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

(10)

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

(11)

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

SIGNATURES

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

Date: March 26, 2015

PayMeOn, Inc.

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

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

Signature	Title	Date
/s/ Edward Cespedes Edward Cespedes	Director	March 26, 2015

INDEX TO FINANCIAL STATEMENTS

PAYMEON, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Director of:

Paymeon, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Paymeon, Inc. and Subsidiaries (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in stockholders deficit, and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Paymeon, Inc. and Subsidiaries as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has a net loss of $1,426,713, a working capital deficiency of $1,080,194 used cash in operations of $265,492 and an accumulated deficit of $7,336,183 at December 31, 2014. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Liggett, Vogt & Webb, P.A.

LIGGETT, VOGT & WEBB, P.A.

Certified Public Accountants

Boynton Beach, Florida

March 26, 2015

PAYMEON, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2014		December 31, 2013	
ASSETS				
CURRENT ASSETS				
Cash	$	1,558	$	3,061
Prepaid expenses		7,252		
TOTAL CURRENT ASSETS		8,810		3,061
COMPUTER EQUIPMENT AND WEBSITE COSTS, NET		1,029		2,616
OTHER ASSETS				
Deposits				31,407
TOTAL ASSETS	$	9,839	$	37,084
LIABILITIES AND STOCKHOLDERS' DEFICIT				
CURRENT LIABILITIES				
Accounts Payable	$	229,904	$	188,021
Accounts Payable - related party		28,087		
Accrued expenses		607,431		422,891
Due to related parties				6,100
Note payable		2,000		2,000
Notes Payable related party- convertible (net of discount of $55,491 and $292,243, respectively)		221,582		668,118
TOTAL CURRENT LIABILITIES		1,089,004		1,287,130
COMMITMENTS AND CONTINGENCIES (SEE NOTE 5)				
STOCKHOLDERS' DEFICIT				
Preferred stock, $0.001 par value, 5,000,000 shares authorized, none issued and outstanding, respectively				
Common stock, $0.001 par value, 1,000,000,000 shares authorized, 12,563,457 and 5,572,688 shares issued and outstanding, respectively as of December 31, 2014 and December 31, 2013		12,563		5,573
Additional paid in capital		6,244,455		4,653,851
Accumulated deficit		(7,336,183)		(5,909,470)
TOTAL STOCKHOLDERS' DEFICIT		(1,079,165)		(1,250,046)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	9,839	$	37,084

See accompanying notes to consolidated financial statements.

PAYMEON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31, 2014	2013
Revenue		
Service Revenue, net	$ 3,932	$ 10,025
Products Sales	26,440	
Total revenue	30,372	10,025
Cost of products sold	23,574	
Gross Profit	6,798	10,025
OPERATING EXPENSES		
Professional fees	96,775	126,493
Web development and hosting	18,317	126,115
Impairment on technology and website development		521,009
Payroll and payroll taxes	274,473	586,674
Consulting	113,481	375,123
Travel and entertainment	13,758	22,465
Marketing expense related party	18,743	
General and administrative	485,415	117,871
Total Operating Expenses	1,020,962	1,875,750
NET LOSS FROM OPERATIONS	(1,014,164)	(1,865,725)
OTHER EXPENSES		
Interest expense	412,549	567,461
Total other expenses	412,549	567,461
Net loss before provision for income taxes	(1,426,713)	(2,433,186)
Provision for Income Taxes		
NET LOSS	$ (1,426,713)	$ (2,433,186)
Net loss per share - basic and diluted	$ (0.17)	$ (0.55)
Weighted average number of shares outstanding - basic and diluted	8,514,381	4,433,572

See accompanying notes to consolidated financial statements.

PAYMEON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Par Value	Shares	Par Value	Capital	Deficit	Deficit
Balance, December 31, 2012		$	1,099,314	$ 1,099	$ 3,197,828	$ (3,476,284)	$ (277,357)
Beneficial Conversion feature on convertible debt					649,860		649,860
Issuance of shares for acquisition - related party			4,347,826	4,348	449,685		454,033
Issuance of stock for services			125,000	125	137,375		137,500
Warrants and Options issued for services					219,103		219,103
Odd lot rounding			548	1			1
Net Loss						(2,433,186)	(2,433,186)
Balance, December 31, 2013			5,572,688	5,573	4,653,851	(5,909,470)	(1,250,046)
Warrants and Options issued for					32,597		32,597

services					
Beneficial Conversion feature on convertible debt			126,347		126,347
Forgiveness of accrued wages			326,727		326,727
Conversion of loans and accrued interest to common stock	3,522,180	3,522	991,096		994,618
Common stock issued for services	400,000	400	87,600		88,000
Common Stock issued for acquisition	2,941,176	2,941	(2,941)		
Sale of common stock	127,413	127	29,178		29,305
Net Loss				(1,426,713)	(1,426,713)
Balance December 31, 2014	$ 12,563,457	$ 12,563	$ 6,244,455	$ (7,336,183)	$ (1,079,165)

See accompanying notes to consolidated financial statements.

PAYMEON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2014	For the Years Ended December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,426,713)	$ (2,433,186)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,103	9,221
Loss on disposal of assets	484	
Impairment of website and technology		521,009
Amortization of debt discount	363,099	521,304
Warrants issued for services	32,597	219,103
Common stock issued for services	88,000	137,500
Changes in operating assets and liabilities:		
Increase in prepaid expenses	(7,252)	
Decrease / (increase) in deposit	31,407	(27,117)
Increase in accounts payable and accrued expenses	651,783	334,911
Decrease in deferred revenue		(5,080)
Net Cash Used In Operating Activities	(265,492)	(722,335)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of website		(66,976)
Net Cash Used in Financing Activities		(66,976)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Due to related party	14,246	6,600
Repayments to related party	(20,346)	(4,800)
Proceeds from notes payable related party - convertible	240,784	769,861
Sale of common stock	29,305	
Net Cash Provided By Financing Activities	263,989	771,661
NET DECREASE IN CASH	(1,503)	(17,650)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,061	20,711
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,558	$ 3,061
Supplemental disclosure of non cash investing & financing activities:		
Cash paid for income taxes	$	$
Cash paid for interest expense	$	$

During the year ended December 31, 2014, the CEO forgave $326,727 of accrued payroll. The transaction was recorded as an increase in additional paid in capital.

During the year ended December 31, 2014, the Principal Stockholder converted $994,618 of notes payable and accrued interest into 3,522,180 shares of common stock.

During the year ended December 31, 2013, the Company issued 4,347,826 shares of common stock with a fair value of $454,033 to WCIS Media, LLC. in relation to the asset purchase agreement.

During the year ended December 31, 2013, the Company received $769,861 from a related party in exchange for convertible notes payable of $769,861 with the beneficial conversion feature valued at $649,860.

See accompanying notes to consolidated financial statements.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014

NOTE 1 ORGANIZATION, NATURE OF BUSINESS AND GOING CONCERN

(A) Organization

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

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

PayMeOn owns and operates products aimed at the location-based marketing industry. PayMeOn develops and markets products that provide merchants and consumers with mobile marketing services and offers, including but not limited to, mobile coupons, mobile business cards, mobile websites, advertising inclusion with mobile referrals, use of SMS short codes and contest management. PayMeOn has had nominal revenues since its inception. PayMeOn's mobile application product is designed to offer members using the application income potential when they allow PayMeOn's merchant customer information to be included with their mobile recommendations and referrals. In addition the Company has begun selling electric bike cycles from an affiliate entity which the Company recently acquired a 19.4% equity interest (See note 8).

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

(B) Principles of Consolidation

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

(C) Going Concern

Since inception, the Company has incurred net operating losses and used cash in operations. As of December 31, 2014, the Company has an accumulated deficit of $7,336,183, a working capital deficiency of $1,080,194 and used cash in operations of $265,492 for the year ended December 31, 2014. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of the Company's products which included the general and administrative expenses associated with its organization and product development.

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

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Cash and Cash Equivalents

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

(B) Use of Estimates in Financial Statements

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

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

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

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

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

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

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

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

(D) Inventories

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

(E) Prepaid expenses

On July 17, 2014 the Company entered into a six month consulting agreement for investor relations. The Company issued 400,000 shares of common stock valued at $88,000 ($0.22 per share) the fair market value on the date of issuance to a consultant for public relations is required to pay the consultant $7,500 per month. As of December 31, 2014 the Company has amortized of $80,748 and the remaining balance of $7,252 is recorded as a prepaid expense. The parties agreed to terminate the agreement and no further amounts are owed under the agreement.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

(F) Computer and Equipment and Website Costs

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

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

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

Asset Category	**Depreciation/ Amortization Period**
Furniture and fixtures	5 Years
Computer equipment	3 Years

Computer and equipment and website costs consisted of the following:

	December 31, 2014	**December 31, 2013**
Computer equipment	$ 3,747	$ 6,089
Website development	24,775	24,775

Total		28,522		30,864
Accumulated depreciation		(27,493)		(28,248)
Balance	$	1,029	$	2,616

Depreciation expense for the years ended December 31, 2014 and 2013 was $1,103 and $9,221 respectively. During the year ended December 31, 2014 the Company chose to impair computer equipment with a historical cost of $2,342, the Company recorded a charge for impairment of $484.

On February 12, 2013, the Company entered into an asset purchase agreement with WCIS Media, LLC, a Florida limited liability company ("WCIS"). Under the asset purchase agreement the Company agreed to acquire a proprietary web based technology platform (the "Asset") developed and owned by WCIS. The Asset is designed for: (1) lead generation tracking and reporting; (2) merchant categorization and sub categorization; (3) consumer tracking and qualification; (4) merchant bidding capabilities; and (5) offline tracking and service, including live transfer capabilities for consumers. The Company intends to incorporate the Asset into its current PayMeOn business. The Company acquired the Asset in consideration of 4,347,826 shares of restricted common stock of the Company valued at $454,033 the historical depreciated basis of the asset acquired. WCIS is an entity controlled by Vincent Celentano, a principal of WCIS Media, LLC and an affiliated shareholder of the Company. As such, the Company recorded the Asset at its historical cost. Furthermore, this transaction did not meet the criteria of a business combination within the guidelines of ASC 805 *Business Combinations*, and therefore will be accounted for as an asset purchase. The effective closing date for this transaction was April 1, 2013. As of December 31, 2013 the Company impaired the value of the technology acquired as well as $66,976 of additional costs associated with the development of its mobile application.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

(G) Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment whenever events or a change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset. As of December 31, 2013, the Company recorded impairment charges of $521,009 associated with its purchase of technology and website development.

(H) Revenue Recognition

The Company recognizes revenue on arrangements in accordance with FASB ASC Topic. 605 "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes sales of deals and texts when revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes revenue from the sale of keywords over the period the keywords are purchased for exclusive use, usually one year.

The Company recognizes revenue from setup fees in accordance with Topic 13, which requires the fees to be deferred and amortized over the term of the agreements. Revenue from the sale of bulk text messages sales and packages are recognized over twelve months. Revenue from monthly membership fees are recorded during the month the membership is earned.

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

(I) Investment Equity Method

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

Under the equity method, investments are carried at cost, plus or minus the Company s proportionate share, based on present ownership interests, of: (a) the investee s profit or loss after the date of acquisition; (b) changes in the Company s equity that have not been recognized in the investee s profit or loss; and (c) certain other adjustments. The Company enjoys a close association with this affiliate through participation that allows for a significant amount of influence over the affiliates business decisions. Accordingly, for financial statement purposes, the Company accounts for its investment in this affiliated entity under the equity method. The Company discontinued applying the equity method at December 31, 2014 as the investment is below zero and will not resume applying the equity method until the affiliate reports income greater than its losses during the time period under the equity method.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

(J) Loss Per Share

The basic loss per share is calculated by dividing the Company's net loss available to common shareholders by the weighted average number of common shares during the period. The diluted loss per share is calculated by dividing the Company's net loss by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. The Company has 380,225 and 220,209 shares issuable upon the exercise of options and warrants and 1,405,076 and 2,783,655 shares issuable upon conversion of convertible notes payable that were not included in the computation of dilutive loss per share because their inclusion is anti-dilutive for the years ended December 31, 2014 and 2013, respectively.

(K) Stock-Based Compensation

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

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

(L) Income Taxes

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

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

	December 31,	
	2014	**2013**
Expected income tax (benefit) expense at the statutory rate of 37.63%	$ (536,872)	$ (915,608)
Tax effect of expenses that are not deductible for income tax purposes (net of other amounts deductible for tax purposes)	60,846	246,794
Change in valuation allowance	476,026	668,814
Provision for income taxes	$	$

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

The components of deferred income taxes are as follows:

	December 31,			
		2014		**2013**
Deferred income tax asset:	$	758,675	$	836,041
Net operating loss carryforwards		1,464,277		910,885
Valuation allowance		(2,222,952)		(1,746,926)
Deferred income taxes	$		$	

As of December 31, 2014, the Company has a net operating loss carry forward of approximately $3,891,250 available to offset future taxable income through 2034. This results in deferred tax assets of approximately $2,222,952 as of December 31, 2014. The valuation allowance at December 31, 2014 was approximately $2,222,952. The change in the valuation allowance for the year ended December 31, 2014 was an increase of $476,026. Tax returns for the years ended December 31, 2014, 2013 and 2012 are subject to examination by the Internal Revenue Service.

As a result of the Hyperlocal acquisition in 2011 and the corresponding change in ownership, the Company s NOL s are subject to a Section 382 limitation resulting in possible limitations on the future use of these net operating loss carry forwards.

(M) Cost of Sales

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

(N) Shipping and Handling Costs

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

(O) Reclassification

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

(P) Segments

The Company operates in one segment and therefore segment information is not presented.

NOTE 3 RECENT ACCOUNTING PRONOUNCEMENTS

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-15 on Presentation of Financial Statements Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity s Ability to Continue as a Going Concern . Currently, there is no guidance in U.S. GAAP about management s responsibility to evaluate whether there is substantial doubt about an entity s ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity s ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management s plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management s plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this Update are effective for public and non-public entities for annual periods ending after December 15, 2016. Early adoption is permitted. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* . The update removes all incremental financial reporting requirements from GAAP for development stage entities, including the removal of Topic 915 from the FASB Accounting Standards Codification. In addition, the update adds an example disclosure in Risks and Uncertainties (Topic 275) to illustrate one way that an entity that has not begun planned principal operations could provide information about the risks and uncertainties related to the company s current activities. Furthermore, the update removes an exception provided to development stage entities in Consolidations (Topic 810) for determining whether an entity is a variable interest entity which may change the consolidation analysis, consolidation decision, and disclosure requirements for a company that has an interest in a company in the development stage. The update is effective for the annual reporting periods beginning after December 15, 2014, including interim periods within that reporting period. This updated guidance did not have a material impact on our results of operations, cash flows or financial condition.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* . The update gives entities a single comprehensive model to use in reporting information about the amount and timing of revenue resulting from contracts to provide goods or services to customers. The proposed ASU, which would apply to any entity that enters into contracts to provide goods or services, would supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. Additionally, the update would supersede some cost guidance included in Subtopic 605-35, Revenue Recognition Construction-Type and Production-Type Contracts. The update removes inconsistencies and weaknesses in revenue requirements and provides a more robust framework for addressing revenue issues and more useful information to users of financial statements through improved disclosure requirements. In addition, the update improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The update is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-12, *Compensation Stock Compensation (Topic 718); Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* . The amendments in this ASU apply to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. For all entities, the amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities.

Entities may apply the amendments in this ASU either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition.

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

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

NOTE 4 CONVERTIBLE NOTES PAYABLE RELATED PARTY

		December 31, 2014		December 31, 2013
Loan Amount	$	277,073	$	960,361
Discount		(55,491)		(292,243)
Balance	$	221,582	$	668,118

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $79,440 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $79,440 for the fair value of the beneficial conversion feature. As of December 31, 2014 and December 31, 2013 the Company amortized $79,440 and $79,440 of the debt discount and accrued interest of $11,183 and $5,622, respectively. As of December 31, 2013, the note is past due and in default. On April 15, 2014, the note holder agreed to extend the note through December 23, 2014. On December 23, 2014, the note holder agreed to extend the note through December 23, 2015.

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $86,060 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $86,060 for the fair value of the beneficial conversion feature. As of December 31, 2014 and December 31, 2013 the Company amortized $86,060 and $86,060 of the debt discount and accrued interest of $12,114 and $6,090, respectively. As of December 31, 2013, the note is past due and in default. On April 15, 2014, the note holder agreed to extend the note through December 23, 2014. On December 23, 2014, the note holder agreed to extend the note through December 23, 2015.

On July 17, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of $0.345 per share is held by Celentano Consulting Company in the aggregate principal amount of $794,861 and accrued interest of $65,652 into 2,494,241 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. In addition the Company expensed the unamortized debt discount of $50,069.

On January 2, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $561 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $561 for the fair value of the beneficial conversion feature. On September 26, 2014 the related party converted the principle amount of $561 and accrued interest of $29 into 1,711 shares of common stock. The Company expensed the unamortized debt discount of $281 at September 26, 2014

On January 3, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,370 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $1,370 for the fair value of the beneficial conversion feature. On September 26, 2014 the related party converted the principle amount of $1,370 and accrued interest of $71 into 4,176 shares of common stock. The Company expensed the unamortized debt discount of $702 at September 26, 2014.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On January 10, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.345 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $504 into 30,445 shares of common stock.

On January 17, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,200 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.250 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $1,200 and accrued interest of $59 into 5,035 shares of common stock.

On January 27, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.231 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $471 into 45,327 shares of common stock.

On January 31, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.20 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $463 into 52,314 shares of common stock.

On February 14, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.10 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $436 into 104,356 shares of common stock.

On February 21, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.10 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $422 into 104,219 shares of common stock.

On February 24, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.10 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $5,000 and accrued interest of $208 into 52,081 shares of common stock.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On March 3, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.10 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $403 into 104,025 shares of common stock.

On March 27, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $6,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $6,000 and accrued interest of $214 into 51,779 shares of common stock.

On April 11, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $20,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $20,000 and accrued interest of $653 into 172,111 shares of common stock.

On April 15, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,080 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. On September 26, 2014 the related party converted the principle amount of $1,080 and accrued interest of $34 into 9,288 shares of common stock.

On April 29, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $5,000 for the fair value of the beneficial conversion feature. On September 26, 2014 the related party converted the principle amount of $5,000 and accrued interest of $145 into 42,882 shares of common stock. The Company expensed the unamortized debt discount of $4,151 at September 26, 2014.

On May 1, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. On September 26, 2014 the related party converted the principle amount of $10,000 and accrued interest of $288 into 85,731 shares of common stock. The Company expensed the unamortized debt discount of $8,356 at September 26, 2014.

On May 15, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $760 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $760 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $479 and accrued interest of $34.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On May 15, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $19,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $19,000 for the fair value of the beneficial conversion feature. On September 26, 2014 the related party converted the principle amount of $19,000 and accrued interest of $496 into 162,459 shares of common stock. The Company expensed the unamortized debt discount of $16,605 at December 31, 2014.

On May 22, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $750 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $750 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $458 and accrued interest of $32.

On June 6, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $5,699 and accrued interest of $399.

On June 15, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $781 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $781 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $426 and accrued interest of $30.

On June 18, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $500 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $268 and accrued interest of $19.

On June 26, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $1,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $515 and accrued interest of $36.

On June 27, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $4,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $4,500 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $2,305 and accrued interest of $161.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On July 8, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $5,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $5,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $2,411 and accrued interest of $169.

On July 15, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $4,630 and accrued interest of $324.

On July 17, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $7,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $6,250 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $2,860 and accrued interest of $240.

On July 28, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $24,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $12,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $5,129 and accrued interest of $718.

On August 19, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $7,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $6,875 for the fair value of the beneficial conversion feature. As of

December 31, 2014 the Company amortized $2,524 and accrued interest of $193.

On September 10, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $5,833 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $1,790 and accrued interest of $215.

On September 30, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $5,833 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $2,521 and accrued interest of $176.

On October 1, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.30 per share, subject to adjustment. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. As of December 31, 2014 the Company recorded accrued interest of $9.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

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

On October 20, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,400 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $2,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $395 and accrued interest of $33.

On October 22, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $6,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $5,000 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $959 and accrued interest of $81.

On October 30, 2014 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.12 per share, subject to adjustment. The Company recorded a debt discount of $9,167 for the fair value of the beneficial conversion feature. As of December 31, 2014 the Company amortized $1,557 and accrued interest of $119.

NOTE 5 COMMITMENTS AND CONTINGENCIES

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

For the years ended December 31, 2014 and 2013 the Company recorded a salary expense of $220,627 and $300,000, respectively, including the minimum annual bonus of $25,000 and $50,000, respectively. Accrued compensation at December 31, 2014 and December 31, 2013, were $162,247 and $329,510, respectively. (See Note 8).

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

Effective February 23, 2012, the Company entered into a consulting agreement with a Consultant/Advisor to provide marketing and sales services through February 23, 2016. In consideration of the Consultant/Advisor to perform the services for the Company, the Consultant/Advisor will receive a warrant to purchase 33,334 shares of the Company's Common Stock and a warrant to purchase 31,884 shares of the Company's Common Stock. Common Stock issued upon exercise of the warrant will not be registered under the Securities Act, but may be included, at the Company's option, in future registrations that the Company may undertake of its Common Stock. The warrant to purchase 33,334 shares shall have a cash exercise price of $4.83 per share, and shall expire on February 23, 2015. The warrant to purchase 31,884, shares shall have a cash exercise price of $12.42 per share and shall have an expiration date of February 23, 2016. The warrants shall have a vesting schedule, including certain vesting acceleration rights. If Consultant/Advisor ceases to provide services or the agreement is terminated by either party, then any vested, but unexercised warrants must be exercised within 180 days of Consultant/Advisor's departure date or by the expiration date of the warrants, whichever is sooner. Any unexercised warrants that remain outstanding 180 days after Consultant/Advisor's departure date (or at the expiration date) shall expire and terminate forever. The value of these warrants vests as accounts are sold by the Consultant/Advisor. As of December 31, 2014, no accounts have been sold and no expense has been recognized.

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

NOTE 6 STOCKHOLDERS DEFICIT

The Company is authorized to issue up to 1,000,000,000 shares of common stock, par value $0.001, and up to 5,000,000 shares of preferred stock, as effective April 1, 2013, the Company amended its articles of incorporation to increase its authorized common stock from 195,000,000 shares to 1,000,000,000 shares, eliminate the class of preferred stock known as "Callable and Convertible Preferred Stock", and create a class of preferred stock consisting of 5,000,000 shares, the designations and attributes of which are left for future determination by the Company's board of directors.

On July 17, 2014 the Company entered into a six month consulting agreement for investor relations. The Company issued 400,000 shares of common stock valued at $88,000 ($0.22 per share) the fair value on the date of issuance to a consultant for public relations, and is required to pay the consultant $7,500 per month. As of December 31, 2014 the Company has recorded an expense of $80,748 and the remaining balance of $7,252 is recorded as a prepaid expense.

On July 17, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of $0.345 per shares held by Celentano Consulting Company in the aggregate principal amount of $794,861 and accrued interest of $65,652 into 2,494,241 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano. In addition the Company expensed the unamortized debt discount of $50,069 (See Note 4).

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

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

On September 26, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of ranging from $.10 to $0.345 per share held by Celentano Consulting Company in the aggregate principal amount of $68,131 and accrued interest of $3,064 into 503,689 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano (See Note 4).

On September 26, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of $.12 per share held by Celentano Consulting Company in the aggregate principal amount of $61,080 and accrued interest of $1,830 into 524,250 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano (See Note 4).

On November 5, 2014 the Company sold a total of 127,413 shares to two individuals for proceeds of $29,305 ($0.23 per share).

NOTE 7 OPTIONS AND WARRANTS

The following tables summarize all options and warrant grants to consultants for the period ended December 31, 2014 and 2013 and the related changes during these periods are presented below.

Stock Options and Warrants	Number of Options And Warrants	Weighted Average Exercise Price
Balance at December 31, 2012	223,188	$13.11
Granted		
Exercised		
Expired	(2,898)	$17.94
Balance at December 31, 2013	220,290	$13.11
Granted	167,181	.10
Exercised		
Expired	(7,246)	17.25
Balance at December 31, 2014	380,225	$ 7.23

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

The following table summarizes information about options and warrants for the Company as of December 31, 2014 and 2013:

	2014 Options and Warrants Outstanding			Options and Warrants Exercisable	
Range of Exercise Price	Number Outstanding at December 31, 2014	Weighted Average Remaining Contractual	Weighted Average Exercise Price	Number Exercisable at December 31, 2013	Weighted Average Exercise Price
$0.10 - $12.42	199,065	3.44	$12.52	199,065	$12.52
$4.83 - $10.35	36,232	.15	$ 4.83	36,232	$ 4.83
$11.04 - $15.87	144,928	.68	$14.89	144,928	$14.89

	2013 Options and Warrants Outstanding			Options and Warrants Exercisable	
Range of Exercise Price	Number Outstanding at December 31, 2013	Weighted Average Remaining Contractual	Weighted Average Exercise Price	Number Exercisable at December 31, 2013	Weighted Average Exercise Price
$4.83 - $10.35	36,232	1.15	$ 4.83	268	$ 4.83
$10.36 - $17.25	184,058	1.20	$14.89	130,435	$14.89

The Company's stock price was lower than the weighted average exercise price at December 31, 2014 and 2013, therefore there is no aggregate intrinsic value of the options and warrants.

On September 8, 2011, the Company granted options to purchase 28,986 shares of its common stock to consultants at an exercise price of $11.04 per share. The options vest immediately. The options expire on September 8, 2015. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 182%, risk free interest rate of .12%, an expected life of 1 year.

On September 8, 2011, the Company granted options to purchase 115,942 shares of its common stock to consultants at an exercise price of $15.87 per share. The options vest over various terms for each consultant ranging from two three years. The options expire on September 8, 2015. The options were valued using the Black Scholes Option Pricing Model, with the following assumptions: dividend yield at 0%, annual volatility of 182%, risk free interest rates of .19% to .33% based on expected life, and expected lives of 2 3 years.

On February 23, 2012, the Company granted warrants to purchase 2,898 shares of its common stock to consultants at an exercise price of $4.83 per share. The warrants vest ratably upon the sale of 400 associated accounts by the consultant. However, in the event of the sale of the Company to a third party within 18 months of the date of the warrants, 50% of the warrants shall immediately vest. In the event of the sale of the Company to a third party after 18 months of the date of the warrants (and prior to the expiration of the warrants), all remaining issued, but unexercised warrants shall immediately vest. The warrants expire on February 2, 2015. As of December 31, 2014 the consultant has sold 37 accounts. The Company accounts for equity instruments issued to non-employees for services and goods under ASC Topic 505.50; (Accounting for Equity Instruments Issued to Other Than Employees). These warrants require a future performance commitment by the recipient. Therefore, the Company will expense the fair value of these securities over the period in which the performance commitment is earned. For the year ended December 31, 2012, the warrants were valued using the Black Scholes option pricing model, with the following assumptions: dividend rate of 0%, annual volatility of 232%, risk free interest rate of .29% and expected life of 2 years.

On February 23, 2012, the Company granted warrants to purchase 31,884 shares of its common stock to consultants at an exercise price of $12.42 per share. The warrants begin to vest upon the sale of 72 associated accounts by the consultant and will vest 6 warrants per account sold thereafter. The warrants were issued pursuant to a marketing and sales consulting agreement. The term of the agreement is through February 23, 2016, unless earlier terminated by either party. In the event the consultant ceases to perform services under the agreement or either party terminates the agreement, then any vested, but unexercised warrants shall expire at the earlier of 180 days of the date of termination or the expiration date of the warrants. The warrants expire on February 23, 2016. As of December 31, 2014, the consultant has not reached these milestones.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On February 23, 2012, the Company granted warrants to purchase 33,334 shares of its common stock to consultants at an exercise price of $4.83 per share. The warrants begin to vest upon the sale of 6 associated accounts by the consultant and will vest 7 warrants per account sold thereafter. The warrants expire on February 23, 2015. As of December 31, 2014, the consultant has not reached these milestones.

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

NOTE 8 RELATED PARTIES

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

For the years ended December 31, 2014 and 2013 the Company recorded a salary expense of $220,627 and $300,000, respectively, including the minimum annual bonus of $25,000 and $50,000, respectively. Accrued compensation at December 31, 2014 and December 31, 2013, were $162,247 and $329,510, respectively. (See Note 5).

During the year ended December 31, 2013 and 2014, the Company's Chief Executive Officer advanced the Company a total of $6,600 and $14,246, respectively. The amounts are non interest bearing and payable on demand. During the year ended December 31, 2013 $500 was repaid. During the year ended December 31, 2014 $20,346 was repaid. As of December 31, 2014 and December 31, 2013, the Company owed the Chief Executive Officer a total of $0 and $6,100 respectively

During September, 2012, the Company entered into preliminary negotiations surrounding a licensing agreement with Destination Meals LLC. Our CEO, Edward Cespedes, is a 10% owner of Destination Meals LLC through the Edward A. Cespedes Revocable Trust dated August 22, 2007. The discussion points revolve around Destination Meals LLC licensing certain software from PayMeOn in exchange for "per transaction" payments to PayMeOn. Though a final agreement has not yet been signed, the parties have tentatively agreed to terms and are currently conducting testing and engaging in limited sales transactions. As of December 31, 2014 and 2013 the Company has recognized $79 and $717, respectively revenue under the proposed licensing agreement.

On July 17, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of $0.345 per shares held by Celentano Consulting Company in the aggregate principal amount of $794,861 and accrued interest of $65,652 into 2,494,241 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano (See Note 6).

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

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

On September 26, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of ranging from $.10 to $0.345 per share held by Celentano Consulting Company in the aggregate principal amount of $68,131 and accrued interest of $3,064 into 503,689 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano (See Note 6).

On September 26, 2014, the Company converted various 7% unsecured convertible promissory notes with a conversion price of $.12 per share held by Celentano Consulting Company in the aggregate principal amount of $61,080 and accrued interest of $1,830 into 524,250 shares of common stock. Celentano Consulting Company, LLC, an affiliate of the Company, is beneficially owned by Vincent L. Celentano (See Note 6).

See Note 4 for Convertible Notes Payable Related Party.

See Note 2F for discussion on Website Development and Related Party.

NOTE 9   CONCENTRATIONS

For the year ended December 31, 2013, there were no customers of service revenue that exceeded 10% of sales. For the year ended December 31, 2014 100% of the product sales were derived from four customers 24%, 17%, 11%, and 11% respectively and 100% of cost of goods sold were acquired from an affiliate entity.

NOTE 10 SUBSEQUENT EVENTS

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

On January 20, 2015 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $85,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.30 per share, subject to adjustment, and limitation on conversion.

On January 20, 2015, the Company loaned $75,000 to Prodeco Technologies, LLC. The loan bears interest at 7% per annum and is due three years from issuance.

On February 6, 2015 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $47,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.30 per share, subject to adjustment, and limitation on conversion.

PAYMEON, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 (continued)

On February 6, 2015, the Company loaned $9,670 to Prodeco Technologies, LLC. The loan bears interest at 7% per annum and is due three years from issuance.

On March 13, 2015 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $50,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company's common stock at a conversion price of $0.30 per share, subject to adjustment and limitation on conversion.