

FINDEX COM INC
Form 10-K
April 16, 2013

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

FORM 10-K

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

For the fiscal year ended December 31, 2012

OR

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

For the transition period for _____ to _____

Commission file number: 0-29963

FINDEX.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	88-0379462 (I.R.S. Employer Identification No.)
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18151 Lafayette Avenue, Elkhorn, Nebraska (Address of principal executive offices)	68022 (Zip Code)
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(402) 333-1900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$.001 par value

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of April 16, 2013, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average of the closing bid and asked prices on such date was approximately \$155,000.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At April 16, 2013, the registrant had outstanding 103,635,060 shares of common stock, of which there is only a single class.

TABLE OF CONTENTS

	Page Number
<u>PART I</u>	
<u>Item 1. Business.</u>	1
<u>Item 1A. Risk Factors.</u>	9
<u>Item 1B. Unresolved Staff Comments.</u>	18
<u>Item 2. Properties.</u>	19
<u>Item 3. Legal Proceedings.</u>	19
<u>Item 4. Mine Safety Disclosures.</u>	19
<u>PART II</u>	
<u>Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.</u>	20
<u>Item 6. Selected Financial Data.</u>	20
<u>Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	21
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk.</u>	29
<u>Item 8. Consolidated Financial Statements and Supplementary Data.</u>	F-1
<u>Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.</u>	29
<u>Item 9A(T). Controls and Procedures.</u>	29
<u>Item 9B. Other Information.</u>	29
<u>PART III</u>	
<u>Item 10. Directors, Executive Officers and Corporate Governance.</u>	30
<u>Item 11. Executive Compensation.</u>	31
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.</u>	33
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence.</u>	35
<u>Item 14. Principal Accounting Fees and Services.</u>	35
<u>PART IV</u>	
<u>Item 15. Exhibits, Financial Statement Schedules.</u>	36

PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K, press releases and certain information provided periodically in writing or verbally by our officers or our agents contain statements which constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “expect”, “estimate”, “anticipate”, “believe”, “intend”, “plan”, “goal”, and similar expressions and variations thereof are intended to specifically identify forward-looking statements. These statements appear in a number of places in this Form 10-K and include all statements that are not statements of historical fact regarding the intent, belief or current expectations of us, our directors or our officers, with respect to, among other things: (i) our liquidity and capital resources, (ii) our financing opportunities and plans, (iii) our ability to attract customers to generate revenues, (iv) competition in our business segment, (v) market and other trends affecting our future financial condition or results of operations, (vi) our growth strategy and operating strategy, and (vii) the declaration and/or payment of dividends.

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that might cause such differences include, among others, those set forth in Part II, Item 7 of this annual report on Form 10-K, entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and including without limitation the “Risk Factors” section contained in Part I, Item 1A. Except as required by law, we undertake no obligation to update any of the forward-looking statements in this annual report on Form 10-K after the date hereof.

ITEM 1. BUSINESS.

OVERVIEW

Since 1999, our business has been developing, publishing, marketing, distributing and direct-selling off-the-shelf consumer and organizational software products for the Windows platform. Following divestitures of two software titles which had consistently accounted for the overwhelming majority of our revenues while owned by us, including our Membership Plus® product line, which we sold in late 2007, and our flagship QuickVerse® product line, which we sold during 2011, and title acquisitions during the same period that, in the aggregate, have been relatively insignificant in offsetting the loss of revenues associated with those divestitures, our continuing operations, while not nominal, are currently very limited and insubstantial in terms of revenue, both relative to what they had been prior thereto and by any appropriate standalone measure. Specifically, our current operations consist exclusively of those relating to FormTool.com and its related line of products which we acquired in February 2008, as well as two language tutorial products, which were retained after the sale of the QuickVerse® product line.

Beyond our current software business, a current principal focus of ours surrounds, and has increasingly surrounded during the period since we began for some time, the identification and evaluation of what we perceive as our best broader-range strategic options for realizing the most favorable economic outcome for our shareholders, and ultimately the selection and pursuit of one or more of those options. With very different though similarly difficult-to-meaningfully-forecast capital allocation considerations, the options under consideration in this regard have been included the pursuit of a business combination transaction involving a potential merger or acquisition aimed at revenue re-development and long-term growth, on the one hand, and liquidation and/or winding-down, aimed in the very different direction of business cessation, on the other. Unless and until we determine to liquidate and/or wind down, we will continue to be largely focused on acquiring or merging with another operating company.

CORPORATE FORMATION, LEGACY & SUBSIDIARIES

We were incorporated in the State of Nevada on November 7, 1997 as EJH Entertainment, Inc. On December 4, 1997, a predecessor corporation with the same name as our own but domiciled in Idaho was merged with and into us. Although the predecessor Idaho corporation was without material assets or operations as of the time of the merger, since being organized in 1968, it had historically been involved in mining and entertainment businesses unrelated to our current business.

Table of Contents

Beginning in 1997, and although we were not then a reporting company under the Securities Exchange Act, our common stock was quoted on the OTC Bulletin Board (originally under the symbol “TIXX”, which was later changed to “TIXXD”). On May 13, 1999, we changed our name to FINdex.com, Inc. On March 7, 2000, in an effort to satisfy a newly imposed NASD Rule eligibility requirement that companies quoted on the OTC Bulletin Board be fully reporting under the Securities Exchange Act (thereby requiring recently audited financial statements) and current in their filing obligations, we acquired, as part of a share exchange in which we issued 150,000 shares of our common stock, all of the outstanding capital stock of Reagan Holdings, Inc., a Delaware corporation. At the time of this transaction, Reagan Holdings was subject to the requirements of having to file reports pursuant to Section 13 of the Securities Exchange Act, had recently audited financial statements and was current in its reporting obligations. Having no operations, employees, revenues or other business plan at the time, however, it was a public shell company. As a result of this transaction, Reagan Holdings, Inc. became our wholly owned subsidiary and we became the successor issuer to Reagan Holdings for reporting purposes pursuant to Rule 12g-3 of the Securities Exchange Act. Shortly thereafter, we changed our stock symbol to “FIND”. Though it does not currently have any operations, employees, or revenues, Reagan Holdings remains our wholly owned subsidiary.

In addition to Reagan Holdings, we also have one other wholly owned subsidiary, Findex.com, Inc. (i.e. the same name as our own), a Delaware corporation. Like Reagan Holdings, this entity, too, does not currently have any operations, employees, or revenues. This subsidiary resulted from an acquisition on April 30, 1999 pursuant to which we acquired all of the issued and outstanding capital stock of FINdex Acquisition Corp., a Delaware corporation, from its then stockholders in exchange for 4,700,000 shares of our common stock, which, immediately following the transaction, represented 55% of our total outstanding common stock. Our purpose for this acquisition was to broaden our then-existing stockholder base, an important factor in our effort to develop a strong market for our common stock. On May 12, 1999, in exchange for the issuance of 457,625 shares of FINdex Acquisition Corp. common stock, FINdex.com, Inc., another Delaware corporation (originally incorporated in December 1995 as FinSource, Ltd.), was merged with and into FINdex Acquisition Corp., with FINdex Acquisition Corp. remaining as the surviving entity. Our purpose for this merger was to acquire a proprietary financial information search engine for the Internet which was to serve as the cornerstone for a Web-based development-stage business, but which has since been abandoned. As part of the certificate of merger relating to this transaction, FINdex Acquisition Corp. changed its name to FINdex.com, Inc. We currently own 4,700,000 shares of FINdex.com, Inc. (the Delaware corporation), representing 100% of its total outstanding common stock.

BUSINESS AND CONSUMER SOFTWARE

FormTool

We acquired FormTool.com and the FormTool® line of products in February 2008. The product line offers quality, professionally designed forms for business, accounting, construction, sales, real estate, human resources and personal organization needs.

Since acquiring FormTool®, we have re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® product line, as well as a “one-stop” shop for finding, purchasing and downloading customizable forms for a wide range of business and consumer needs. In addition, we released an upgrade of the FormTool® product line, FormTool® 7.0. FormTool.com now offers the FormTool® product line in three downloadable editions that range in retail price from \$29.99 to \$199.99 as well as downloadable forms on an individual basis or in bulk groups that range in retail price from \$3.95 to \$29.95.

For the fiscal year ended December 31, 2012, approximately 90% of our revenues were derived from sales of these products.

Our Tutorial Titles

Since 1999, when we acquired the rights to produce and market them as part of a much larger acquisition, we have been selling two language-learning software titles, Greek Tutor™ and Hebrew Tutor™. These titles currently retail for \$49.95 to \$69.95.

For the fiscal year ended December 31, 2012, approximately 3% of our revenues were derived from sales of these products.

-2-

Table of Contents

MARKETING AND ADVERTISING

We market our software through a combination of the following:

- our Website (www.formtool.com) and the Internet sites of others;
- print advertising;
- opt-in e-mail campaigns;
- fax campaigns;
- affiliate merchants; and
- product sampling through trial and limited content software versions.

SALES

Generally

Our approach to sales methodology depends in all cases on the specific products and/or product lines involved, and is dictated to a significant degree by historical results obtained. In general, we seek to adopt the lowest-cost sales methodologies that enable us to achieve satisfactory unit volume and corresponding revenue levels. We also seek to become increasingly less reliant over time on retail distribution and increasingly more reliant upon direct sales, including most notably those realized through online channels.

Direct Marketing / Online Sales

Direct sales for our continued operations accounted for approximately 35% of our 2012 fiscal year revenue and approximately 49% of our 2011 fiscal year revenue. Over the past ten years, we have devoted significant and increasing resources to the development of our direct-marketing program. Through this program, we market our products directly to consumers through a combination of opt-in e-mailings and direct-mailings of our product title catalogs and brochures. An important aspect of this initiative is our online sales. We maintain a full-service online store with many of the kinds of features and capabilities that online shoppers have come to expect from cutting-edge Internet retailers. Furthermore, we have made technological advancements to our Website in order to provide more downloadable products and/or content. We are currently marketing our products online through multiple sources including our own www.formtool.com Internet Website, other Internet Websites such as www.amazon.com, as well as several widely used search engines such as Google® and Yahoo®.

Retail Sales

Retail sales for our continued operations accounted for approximately 65% of our 2012 fiscal year revenue and approximately 51% of our 2011 fiscal year revenue. Our domestic retail sales involve retail stores across the United States through which our products are sold. These stores include Office Max™, Office Depot™ and Staples™. We have also partnered with Encore Software, Inc., a subsidiary of Navarre Corporation who is a large publisher and distributor of physical and digital home entertainment and multimedia products, including PC software, DVD video, video games and accessories, to distribute our products.

Returns and Price Concessions

At the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. Management makes these estimates and assumptions based on actual historical experience regarding allowances for estimated price concessions and product returns. In determining the percentage of sales for product return reserves, management considers a number of different statistical factors. First, it reviews the

rate of actual product returns (in total) for the period. Second, it reviews return rates for the same period(s) of prior years. Third, it reviews its sales by individual retail customers to assess any unusual return exposure. Fourth, it reviews actual return rates of specific title and title versions to determine if there are any unusual trends taking place. Fifth, the potential for an increase in actual returns resulting from upcoming new title or title version releases is reassessed. Sixth, management reviews the actual returns from the balance sheet date to the date of calculation to determine if anything unexpected has taken place. Seventh, and finally, management reviews outside factors such as general economic conditions that could potentially cause an increase in returns.

Table of Contents

We give all of our distributors and retail customers a written product return policy providing for returns, upon written request, within nine months of the invoice date for credit only. If a new title or title version release falls within that nine month time span, a distributor has 60 days from the announced release date to return the old title or title version in exchange for the new title or title version only. We provide our end-user consumers with a 30 day satisfaction guarantee, allowing them to return a title or title version within that time frame if for any reason unsatisfied. Our warranty policy for defective software is to provide replacement or repair for a period of 30 days from the invoice date. We believe that these measurement dates provide a consistent period for assessment and the opportunity to adequately estimate channel inventory levels for appropriately estimating our return reserves.

We generally grant price concessions to our wholesale retail customers when we deem those concessions necessary to maintain our relationships with those retailers and maintain continued access to their retail channel customers. Further, if consumer demand for a specific title falls below expectations or significantly declines below previous rates of wholesale retail sell-through, then a price concession or credit may be requested by our retail customers to spur further retail channel sell-through.

MANUFACTURING AND FULFILLMENT

We prepare a set of master program copies, documentation and packaging materials for each software title and version which is available. A small number of our software products are manufactured through third-party subcontractors while a majority is produced in-house. Orders for master program copies and documentation for our PC based titles and title versions generally take seven to ten days, and reorders take three to five days. Orders for packaging materials for similar titles and title versions generally take fourteen to twenty-one days, and reorders take seven to fourteen days. To date, we have not experienced any material returns due to product defects.

We currently fulfill all of our direct-to-consumer sales and all of our retail sales out of our corporate office located in Elkhorn, Nebraska.

SIGNIFICANT CUSTOMERS AND SUPPLIERS

For our continued operations during the years ended December 31, 2012 and 2011, respectively, we had one customer, Encore Software, Inc., that individually accounted for 10% or more of our annual sales. In the future we expect that no more than two individual customers will exceed 10% of our annual sales.

Also for our continued operations for the fiscal years ended December 31, 2012 and 2011, significant product and material purchases were as follows:

	% to Total Product	
	2012	2011
VSA, Inc. (cd's & ink cartridges)	50%	11%
FedEx (print materials for dvd sleeves)	49%	0%
Madonna Shop (flash cards)	1%	2%
Mail Marketing, Inc. (perforated paper/flash)	0%	72%

cards)		
AlphaGraphics	0%	13%
(perforated paper/flash cards)		

We currently have no long-term written agreements with any of these suppliers. The payment terms are generally net 30 days, and we are not substantially dependent upon any one or more of them; all are easily replaceable with any locally available supplier.

REGULATION

We are not currently subject to direct regulation by any government agency, other than regulations applicable to businesses generally.

Table of Contents

COMPETITION

The market for our products is rapidly evolving and intensely competitive as new software products and platforms are regularly introduced. Competition in the software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher's access to retail shelf space;
- the price of each title; and
- the number of titles then available.

In relation to our FormTool® products, we currently compete with the following companies and comparable products, among many others:

- FormDocs, LLC – FormDocs for Windows
- Nuance Communications, Inc. – OmniPage 18

While FormDocs publishes software packages in several different variations, generally in a range that includes a basic edition, a deluxe edition, and a professional edition package, (as is true with our FormTool®), in each of these respective categories we believe that FormTool® offers the best value in that it is relatively inexpensive but more comprehensive in terms of the number of form templates it includes. Additionally, FormDocs does not have an “on the shelf” presence in the retail market place.

While in the general category as our FormTool®, we believe that the OmniPage product line is more focused on document conversion from paper to electronic format than form creation and editing. OmniPage also sells at a considerably higher price point than the FormTool® product line.

Our general approach to competition as it relates to our FormTool® products is to offer competitive products at lower price points.

In relation to our tutorial products, we face competition from secular original language software learning publishers such as Berlitz and Rosetta Stone. However, our products focus on teaching the Greek and Hebrew languages as they appeared in the Bible rather than the strictly secular approach taken by our competitors.

INTELLECTUAL PROPERTY

Overview

We rely for our business on a combination of copyrights, trademarks, and trade secrets to protect our intellectual property. Our copyrighted software content and the brand recognition associated with our related product trademarks are among the most important assets that we possess in our present ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. Our intellectual property rights derive from a combination of licenses from third parties, internal development and confidentiality and non-disclosure agreements.

We cannot be certain that the precautions we have taken will provide meaningful protection from unauthorized use by others. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in the process. Finally, we may not have adequate remedies if our proprietary content is appropriated, our proprietary rights are violated or our trade secrets are disclosed.

-5-

Table of Contents

Copyrights

Our copyrights, some of which have been registered and others of which remain unregistered, derive from a combination of program and source code embodied in software titles that we license from third parties, as well as program and source code embodied in software titles that we have internally developed on our own.

We entered into a license agreement in June 1999 with Parsons Technology, Inc. which forms the basis of our copyright protection for products that accounted for approximately 27% of our revenues from continued operations in 2011, including those generated from sales of our tutorial products. A copy of the license that we obtained from Parsons Technology, which has since been assigned to Houghton Mifflin Harcourt Publishing Company, the latest licensor-assignee in a succession of assignments by Parsons Technology that have occurred since June 1999, is incorporated by reference into this annual report on Form 10-K for the year ended December 31, 2010 as Exhibit 10.3. At the time, it was acquired as part of a combination of related transactions involving ourselves, Parsons Technology, then a wholly owned subsidiary of Mattel, Inc.®, and TLC Multimedia Inc., then also a wholly owned subsidiary of Mattel, Inc.®. Aside from the license, the transactions involved an asset sale, a product distribution agreement, and a related services agreement. Taken as a whole, and essentially, we had acquired from TLC Multimedia a software publishing and sales division (known and referred to by many then as the “Parsons Church Group”). In accordance with its terms, we agreed to pay a one-time non-recurring fee of \$5 million to obtain the license, which fee was payable over a subsequent approximate one year period. The related asset sale involved separate consideration.

The license that we acquired in 1999 provided us with the right, originally for a term of ten years, to publish, use, distribute, sublicense and sell, exclusively worldwide in non-secular channels and non-exclusively (with the continuing right retained by Houghton Mifflin Harcourt Publishing Company, successor to Parsons Technology) on an unrestricted basis in secular channels, a collection of 65 individual top-selling Christian-related software titles owned by Parsons Technology, including QuickVerse®, among others. The license covered a variety of other add-on content titles (e.g., various Bible translations, study guides and sermon preparation tools), including our tutorial products. The license also included the right for us to modify the programs (including the source code) in order to prepare derivative works and future versions of the programs, and stated that we would exclusively own all rights associated with any such modifications.

Beginning in 2000, we became involved in a series of mediations arising out of or otherwise in connection with the 1999 license. The first of these involved the payment terms of the \$5 million licensing fee. Rather than making payments in accordance with the fee schedule as originally set forth in the agreement, we entered into an arrangement with Parsons Technology’s direct sales group whereby we provided resale products and in turn received an offset credit against the balance due under the fee provision in the license. The dispute centered on the amount of product actually resold, and, therefore, the amount of offset credit to which we were entitled. Prior to the resolution of this contest, a second dispute arose, naming Parsons Technology and ourselves, among others, as parties thereto. The first mediation was set aside, and ultimately resolved in conjunction with the latter proceeding as described in the following paragraph.

In October 2001, due to being in arrears with respect to certain royalty payments owed to The Zondervan Corporation, then a content provider to QuickVerse®, we became party to a second mediation ultimately resulting in a multi-party settlement agreement, on October 20, 2003, the terms of which provided for our payment to Zondervan of \$500,000 plus 5% simple interest in installments, as well as for our destruction of all inventory containing Zondervan-owned content, all of which we satisfied within months thereafter. As part of the settlement agreement, we received a covenant in perpetuity with respect to our rights under the 1999 license, effectively extending it indefinitely with no continuing financial obligations owed by us. A copy of the settlement agreement which resulted in the effective extension is incorporated by reference into this annual report on Form 10-K for the fiscal year ended December 31,

2010 as Exhibit 10.14.

-6-

Table of Contents

Since 1999, the developments, including modifications and improvements, that we have made to the originally acquired copyrighted programs covered by the license have been extensive. We have used both in-house developers and third-party contractors in these modifications and improvements over which we retain the exclusive ownership. Given these developments, which have been made through nine subsequent versions, eight different editions and three new platforms of QuickVerse®, and various subsequent versions of some of the other titles to which we acquired rights under the license (including those in each of the print and graphics, pastoral, children's, and language tutorial product categories), we believe that the real value of the copyrights associated with these titles lay almost exclusively at this point in the improvements that we own rather than the base copyrights that we were originally granted and that continue to be owned by Houghton Mifflin Harcourt Publishing Company. Moreover, it is our belief that the original source code covered by the license has been effectively rendered valueless by virtue of these subsequent modifications and improvements. Although we do not believe that any third parties have been granted any rights to date in addition to our own to publish or sell these titles into secular channels, and do believe that, even if this has occurred or should occur in the future, the barriers to entry created by the extensive developments that we have made and now own to these otherwise licensed titles would make it practically infeasible for any third party to effectively compete with us in relation to these products in any market, there can be no assurance that one or more competitors will not emerge at some point or that they will not impact on our sales and revenues.

While some of our copyrighted software programs are registered with the U.S. Copyright Office, others remain unregistered, including all of the works included in the enhancements that we have made to titles from which we originally derived our rights under the 1999 license. In the U.S., works afforded the benefit of copyright protection can either be registered with the U.S. Copyright Office or remain unregistered, and, although registration offers certain advantages to the holder in being able to assert its rights (including a rebuttable presumption of ownership and entitlement to statutory damages and attorney's fees), the fact remains that an original work in the U.S. becomes protected by the copyright laws from the moment it is "fixed in a tangible medium," which, as it relates to software, has long been interpreted to mean when it is stored on a hard drive or removable disk.

Trademarks

As part of the 1999 license, we acquired the unlimited right to use the registered trademarks associated with the various titles licensed thereunder exclusively worldwide in non-secular channels and non-exclusively in secular channels.

Following our acquisition of FormTool®, we filed a trademark application for the FormTool® name with the United States Patent and Trademark Office. On September 30, 2008, this trademark was approved and registered in the name of the Company.

Trade Secrets

Whenever we deem it important for purposes of maintaining competitive advantages, our policy requires parties with whom we share, or who otherwise are likely to become privy to, our trade secrets or other confidential information, including source code, to execute and deliver to us confidentiality and/or non-disclosure agreements prior to their exposure to any such information. Among others, this includes employees, consultants and other advisors, including our in-house and outsourced software developers and collaborators, each of whom we require to execute such an agreement upon commencement of their employment, consulting or advisory relationships. These agreements generally provide that all confidential information developed or made known to the individual by us during the course of the individual's relationship with us is to be kept confidential and not to be disclosed to third parties except in specific circumstances. In the case of employees and consultants, the agreements provide that all inventions conceived by the individual in the course of their employment or consulting relationship shall be our exclusive property.

EMPLOYEES

As of April 16, 2013, we had two part-time employees. Of those two, one was part of the senior-level executive team, and one was part of the financial management and administration team. For the fiscal year ended December 31, 2012, our annual employee costs (including gross wages, related payroll taxes and benefits) totaled approximately \$148,000.

We rely heavily on our current officers and directors in operating the business. We are not subject to any collective bargaining agreements and believe that our relationships with our employees are good.

-7-

Table of Contents

SEASONALITY

Historically, our business has been highly seasonal. More than 50% of our annual sales have generally occurred in the five months of September through January; the five months of April through August have generally been our weakest, historically accounting for less than 30% of annual sales. Although we believe that a shifting strategy toward more business-oriented products over time is likely to reduce the seasonality of our business generally, we expect that operating results will continue to fluctuate seasonally to some degree for the foreseeable future.

PURSUIT OF POTENTIAL BUSINESS COMBINATION

Beyond our current software business, we are largely focused on the strategic goal of identifying a target company with which to combine, either through acquisition or merger. Though we are seeking out opportunities in our core competency of software production and sales and would prefer to find one in this area, in pursuing this objective, we have not been, and are not currently, restricting our potential candidate target companies to any specific business or industry, including software, or any particular geographic region or location. The opportunities we have considered to date in this regard have included target companies interested in us for different reasons, but more than anything else, and increasingly, the interest of these companies in us has principally been a function of our status as an SEC reporting company whose common shares are publicly traded.

To date, the analysis of new business opportunities has been undertaken by or under the supervision of Steven Malone, our President, Chief Executive Officer, Chief Financial Officer and Secretary, together with members of our board of directors. Until such time as we enter into a definitive agreement for any such contemplated business combination, for which there can be no assurance, we have unrestricted flexibility in seeking, analyzing and pursuing potential business opportunities, subject to our obtaining the approval of our shareholders as may be necessary to authorize a particular transaction. In our efforts to analyze potential business combination targets, we have considered and expect to continue to consider the following kinds of factors, among others:

- potential for growth, indicated by new technology, anticipated market expansion or new products;
- competitive position as compared to other firms of similar size and experience within the industry segment as well as within the industry as a whole;
- strength and diversity of management, either in place or available for recruitment;
- capital intensity and requirements and anticipated availability of required funds, to be provided by us or from operations, through the sale of additional securities, through joint ventures or similar arrangements, or from other sources;
- the cost of participation by us as compared to the perceived tangible and intangible values and potentials;
- the likelihood that a business combination transaction could be consummated if pursued and the anticipated timeframe within which that might reasonably occur; and
- the accessibility of required management expertise, personnel, raw materials, services, professional assistance and other required items.

In applying the foregoing criteria, no one of which is controlling, our management has and will continue to attempt to analyze all factors and circumstances and make a determination based upon reasonable investigative measures and available data. We are being presented with potentially available business opportunities in a variety of industries and at varying stages of development, which makes the task of comparative investigation and analysis between and among them complex and challenging. Due to our limited financial and human resources available for investigation and pursuit of these opportunities, and despite the conducting of our due diligence to the best of our reasonable ability, we may not discover or adequately evaluate adverse facts about a target company with which we pursue a business combination.

Form of Business Combination

The manner in which we may participate in any given business combination opportunity will depend upon the nature of the opportunity, the respective needs and desires of us and the management of the target company and/or other promoters of the opportunity, and the negotiating strength we have relative to the other party or parties involved.

-8-

Table of Contents

To the extent that we are able to identify and secure a targeted business combination transaction, it is likely that we will participate through the issuance of our common stock or other securities. Although the terms of any such transaction cannot be predicted, it should be noted that, in certain circumstances, one of the primary factors for determining whether or not an acquisition is a so-called “tax free” reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) is whether the owners of the acquired business own 80% or more of the voting stock of the surviving entity. If a transaction were structured to take advantage of these provisions rather than other “tax free” provisions provided under the Code, which is likely but by no means assured, all prior stockholders would in such circumstances retain 20% or less of the total issued and outstanding shares. Depending upon the relative negotiating strength of the parties, prior stockholders may, in fact, retain substantially less than 20% of the total issued and outstanding shares of the surviving entity. This could result in substantial dilution to the equity of those who were our stockholders prior to any such transaction.

Given the likelihood that any business combination ultimately consummated by us would be one in which our net value will be low relative to the net value of the target company with which we combine due to our present financial state, it is unlikely that our stockholders will have control of a majority of our voting shares following any such transaction. As part of such a transaction, it is possible that all or a majority of our directors will resign and new directors be appointed without any vote by our stockholders.

In the case of an acquisition, the transaction may be accomplished upon the sole determination of management without any vote or approval by our stockholders. In the case of a statutory merger or consolidation directly involving the Company, it will likely be necessary to call a stockholders’ meeting and obtain the approval of the holders of a majority of our outstanding shares. The necessity to obtain such stockholder approval may result in delay and additional expense in the consummation of any proposed transaction and will also give rise to certain appraisal rights to dissenting stockholders. As is commonly the case in relation to similar corporate transactions, our management is likely to seek to structure any such transaction so as not to require stockholder approval, an objective often accomplished through the establishment and use of a special-purpose acquisition subsidiary.

It is anticipated that, going forward, as has already been true to date, the investigation of specific business opportunities and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial cost for accountants, auditors, attorneys and others. If a decision is made after expenses have already been incurred in pursuing a given business combination transaction to thereafter abandon such pursuit for any reason (as has already occurred), or a counter-party in any such contemplated transaction communicates its own decision to do the same (as has also already occurred), and whether such expenses have by then become substantial in the aggregate or not, those expenses then previously incurred would not be recoverable, and the fact that a definitive or other agreement shall have been reached in connection with the contemplated transaction would not necessarily change that result.

We presently have only one part-time employee other than Steven Malone, our President, Chief Executive Officer, Chief Financial Officer and Secretary. Mr. Malone is our sole employee devoting time to our pursuit of a business combination transaction. We do not expect any change in the number of our employees that would add materially to our operating expenses unless and until we consummate a business combination.

ITEM 1A. RISK FACTORS.

Several of the matters discussed in this annual report on Form 10-K for the fiscal year ended December 31, 2012 contain forward-looking statements that involve risks and uncertainties. Factors associated with the forward-looking statements that could cause actual results to differ from those projected or forecast are included in the statements below. In addition to other information contained in this annual report, readers should carefully consider the following cautionary statements and risk factors.

Table of Contents

An investment in the Company is highly speculative in nature and involves an extremely high degree of risk.

GENERAL BUSINESS RISKS

Our liquidity and capital resources are very limited.

Our ability to fund working capital and anticipated capital expenditures will depend on our future performance, which is subject to general economic conditions, our customers, actions of our competitors and other factors that are beyond our control. Our ability to fund operating activities is also dependent upon (i) the extent and availability of bank and other credit facilities, (ii) our ability to access external sources of financing, and (iii) our ability to effectively manage our expenses in relation to revenues. Although we believe that our existing working capital, together with cash flow from operations, will be adequate to meet our minimum anticipated liquidity requirements over the next twelve months, given our initiative toward rapid revenue growth and due to our need to service certain long-term liabilities, it is likely to become necessary for us to raise additional capital to support growth and/or otherwise finance potential acquisitions. Furthermore, there can be no assurance that our operations or access to external sources of financing will continue to provide resources sufficient to satisfy our liabilities arising in the ordinary course of business, and while it may be possible to borrow funds as required, any such additional capital is likely to require that we sell and issue additional equity and/or convertible securities, including shares issuable upon exercise of currently outstanding warrants, any of which issuances would have a dilutive effect on holdings of existing shareholders. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”.

There is uncertainty as to our ability to continue as a going concern.

Our audited financial statements for the period ending December 31, 2012, including the footnotes thereto, call into question our ability to continue as a going concern. This conclusion was drawn from the fact that, as of the date of those financial statements, we had a negative current ratio and total liabilities in excess of total assets. Those factors, as well as questions surrounding our ability to secure additional financing for continued operations, have resulted in uncertainty regarding our ability to continue as a going concern. See Note 2 in the Notes to the Consolidated Financial Statements for the year ended December 31, 2012.

We owe an aggregate amount of \$114,975 to various third parties which, under state escheat laws, could subject us to substantial additional liabilities for penalties and interest.

We are carrying certain liabilities on our balance sheet in the aggregate amount of \$53,890 for trade payables and royalties payable in connection with services and content licenses associated with certain of our titles extending back up to thirteen years but in relation to which we have been unable to locate the parties to whom we owe such trade payables and royalties and no effort to collect such obligations by such parties or any successors-in-interest have been made. We are additionally carrying certain liabilities on our balance sheet in the aggregate amount of \$61,085 for amounts payable to customers for product return refunds extending back up to twelve years many of whom we expect, without actually knowing at this point one way or the other, to similarly be unable to locate and in connection with which no effort to date to collect such obligations has been made. Under the escheat laws of the various states in which these creditors were last known to have an address based on our records, we are or may be required to pay to such states the aggregate amounts owed for these obligations – in both categories – even though we cannot locate the actual parties to whom they are owed. Moreover, we are likely to be additionally liable for substantial penalties, both individually and in the aggregate, for not having previously reported such obligations and paid such amounts to such various states, which reporting obligations and associated penalties for non-compliance vary significantly among states, as well as interest for amounts deemed past due. It is likely that these additional liabilities, neither the individual nor collective extent of which are known at this time and as such have not been accrued, will be material in the aggregate and have a material adverse effect on our financial condition and our results of operations, including our

liquidity.

Our accumulated deficit makes it harder for us to borrow funds.

As of December 31, 2012, and as a result of historical losses in prior years, our accumulated deficit was \$8,563,875. The fact that we maintain an accumulated deficit, as well as the extent of our accumulated deficit relative to recent earnings, negatively affects our ability to borrow funds because lenders generally view an accumulated deficit as a negative factor in evaluating creditworthiness. Any inability on our part to borrow funds if and when required, or any reduction in the favorability of the terms upon which we are able to borrow funds if and when required, including amount, applicable interest rate and collateralization, would likely have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”.

-10-

Table of Contents

RISKS ASSOCIATED WITH OUR BUSINESS AND INDUSTRY

We face serious competition in our business segments.

The market for our products is rapidly evolving and intensely competitive as new consumer software products and platforms are regularly introduced. Competition in the consumer software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher's access to retail shelf space;
- the price of each title; and
- the number of titles then available.

We face competition from other software publishers, all of which generally sell through the same combination of channels that we do. In relation to our form creation, these channels also include retail chain stores, direct and online sale and our competitors include FormDocs, LLC and Nuance Communications, Inc. In relation to our language tutorial titles, our competitors include secular language learning software such as Berlitz and Rosetta Stone.

To remain competitive in our market segments we rely heavily upon our product quality, marketing and sales abilities, proprietary technology and product development capability. However, some of our competitors have longer operating histories, larger customer bases and greater financial, marketing, service, support, technical and other resources than we do. Due to these greater resources, certain of our competitors have the ability to undertake more extensive marketing campaigns, adopt more aggressive pricing policies, pay higher fees to licensors and pay more to third-party software developers than we can. Only a small percentage of titles introduced into the software market achieve any degree of sustained market acceptance. If our titles, including special editions, are not successful, our business, our financial condition, including liquidity and profitability, and our results of operations will be negatively impacted. Moreover, we believe that competition from new entrants will increase as the markets for faith-based products and productivity tools continue to expand.

Product returns, price protections or price concessions that exceed our anticipated reserves could result in worse than expected operating results.

In relation to our retail sales, at the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. In the past, particularly during title version transitions, we have had to increase price concessions to our wholesale retail customers. If consumer demand for a specific title or title version falls below expectations or significantly declines below previous rates of retail sell-through, then a price concession or credit may be requested by our wholesale retail customers to spur further retail channel sell-through. Coupled with more competitive pricing, if product returns, price protections or price concessions exceed our reserves the magnitude of quarterly fluctuations will increase and our operating and financial results will be negatively impacted. Furthermore, if we incorrectly assess the creditworthiness of any one of our wholesale customers who take delivery of our products on credit, we could be required to significantly increase reserves previously established.

Typically we experience the highest reserves at the end of the first quarter and fourth quarter and the lowest at the end of the third quarter. Historically, actual returns have been within management's prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material

adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Revenues”.

Table of Contents

Errors or defects in our software products may cause a loss of market acceptance and result in fewer sales and/or greater returns of our products.

Our products are complex and may contain undetected errors or defects when first introduced or as new versions are released. In the past, we have discovered software errors in some of our new products and enhancements following introduction into the market. Because our products are complex, we anticipate that software errors and defects will be present in new products or releases in the future. Although to date, we have not discovered any material errors, future errors and defects could result in adverse product reviews and a loss of, or delay in, market acceptance of our products.

Our intellectual property may not be adequately protected from unauthorized use by others, which could increase our litigation costs and adversely affect our sales.

Our copyrighted software content and the brand recognition associated with our related product trademarks are the most important assets that we possess in our ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. There can be no assurance that these intellectual property assets will provide meaningful protection to us from unauthorized use by others, which could result in an increase in competing products and a reduction in our own sales. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in any case. This is particularly true given the fact that the copyrights that we own to the source code and other improvements made to our largest-selling product since 1999 has not been registered, which means that we may not rely upon the otherwise existing advantage of a rebuttable presumption of ownership in the event of, and in connection with, any such litigation. See “Description of Business – Intellectual Property”.

If our products infringe any proprietary rights of others, a lawsuit may be brought against us that could require us to pay substantial legal expenses and judgments and redesign or discontinue selling one or more of our products.

We are not aware that any of our products infringe upon any valid and clearly enforceable existing proprietary rights of third parties. Any infringement claims, however, whether or not meritorious, could result in costly litigation or require us to enter into royalty or licensing agreements. If we are found to have infringed the proprietary rights of others, we could be required to pay damages, redesign the products or discontinue their sale. Any of these outcomes, individually or collectively, could have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations.

RISKS ASSOCIATED WITH OUR PURSUIT OF A BUSINESS COMBINATION

Our future success is highly dependent on our ability to locate and attract a suitable business combination, but we may not be able to.

Our software business is currently very small, and our interest in pursuing a business combination is to achieve a certain scale in terms of revenue and/or revenue potential which we are unlikely to be able to achieve in the near-term through organic growth. We do not currently have in place, however, any arrangement, agreement or understanding with respect to acquiring or engaging in a merger with any other company. Moreover, no assurances can be given that we will be able to identify a suitable company with which to combine or that we will be able to negotiate and/or consummate a business combination, either at all or upon favorable terms. Our inability to do that within a reasonable period would likely mean that we will not achieve the substantial increase in revenues and/or revenue potential that we are aiming to achieve in the near-term through such a transaction, and this, in turn, is likely to be reflected in the market price of our common stock.

Table of Contents

We may combine with a company in a business other than software, which you may not understand or in which you may not want to be invested.

Although it is our preference to remain in the software business, we believe that limiting our options to only those within the software business would significantly decrease our likelihood of identifying and consummating a business combination, which we see as a more important objective all things considered. We are therefore exploring and considering options for a business combination in a variety of industries and businesses, and decisions as to which business opportunities we will pursue will be unilaterally made by our management, which may act without the consent, vote or approval of our stockholders. Should any business combination we ultimately consummate turn out to be in something other than the software business, it may be in an industry or business you do not understand or in which you would prefer not to be invested.

We may combine with a business that lacks the financial strength to meaningfully improve our own.

Our success following any business combination will largely depend on the operations, financial condition and management of the company with which we combine. While we are seeking opportunities to combine with entities that have established operating histories and characteristics that would strengthen us financially, there can be no assurance that we will be able to secure a deal with such an entity and any inability on our part to do so may mean that we combine with a business that lacks the financial strength to meaningfully improve our own, a fact likely to be reflected in the market price of our common stock.

There is intense competition for those companies suitable for a merger transaction of the type we are pursuing.

We are in a highly competitive market for a small number of business opportunities which could reduce the likelihood of consummating a successful business combination. We are and will continue to be an insignificant participant in the business of seeking mergers with, joint ventures with, and acquisitions of small private and public entities. A large number of established and well-financed entities, including other public companies and venture capital firms, are active in mergers and acquisitions of companies that may be desirable target candidates for us. Nearly all these entities have significantly greater financial resources, technical expertise and managerial capabilities than we do. Consequently, we will be at a competitive disadvantage in being able to identify attractive business opportunities and successfully complete a business combination. These competitive factors may reduce the likelihood of our ultimately being able to successfully identify and consummate a business combination.

Our management devotes only a limited amount of time to seeking a target company which may adversely impact our ability to identify a suitable acquisition candidate.

While seeking a business combination, and because of other responsibilities, our management devotes only a limited number of hours per week to this objective. Moreover, only our President and Chief Executive Officer, Steven Malone, is currently devoting any time regularly to this objective. This limited investment of time and lack of other resources devoted to the cause may adversely impact our ability to identify and consummate a business combination.

The time and cost of preparing a private company to become a public reporting company may preclude us from entering into a merger or acquisition with the most attractive private companies.

Target companies without previously prepared and/or audited financial statements may delay or preclude acquisition. Sections 13 and 15(d) of the Exchange Act require reporting companies to provide certain information about significant acquisitions, including certified financial statements for the company acquired, covering one, two, or three years, depending on the relative size of the company involved. The time and additional costs that may be incurred by some target entities to prepare these statements may significantly delay or essentially preclude

consummation of an otherwise potentially suitable acquisition. Otherwise suitable acquisition prospects that do not have or are unable to obtain within a certain timeframe the required audited statements may be inappropriate for acquisition so long as the reporting requirements of the Exchange Act remain applicable.

-13-

Table of Contents

We intend to issue more shares in a merger or acquisition, which will result in substantial dilution.

Our certificate of incorporation authorizes the issuance of a maximum of 120,000,000 shares of common stock and a maximum of 5,000,000 shares of preferred stock. Any merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then existing stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our board of directors currently has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of common stock or preferred stock are issued in connection with a business combination, or otherwise, dilution to the interests of our then existing stockholders will occur and the rights of the holders of common stock may be materially and adversely affected.

Our stockholders may have a minority interest in us following a business combination.

If we enter into a business combination with a company with a value determined to be in excess of our own value, and issue shares of our common stock to the stockholders of such company as consideration for merging with us, our stockholders would likely own less than 50% of our stock after the business combination. The stockholders of the acquired company would therefore be able to control the election of our board of directors and effectively control us.

Because we may complete a business combination through a so-called "reverse merger," following such a transaction we may not be able to attract the attention of major brokerage firms.

Since any business combination we consummate may be one involving a target privately-held business combining with us based on its interest in becoming publicly reporting and trading, and be effectuated through a so-called "reverse merger," securities analysts of major brokerage firms are unlikely to provide securities analyst coverage of us because there will be no incentive for them to recommend the purchase of our common stock. For this reason, no assurance can be given that brokerage firms will want to conduct any secondary offerings on behalf of our post-combination company in the future.

We may be subject to further government regulation which would adversely affect our operations.

Although we are subject to the reporting requirements under the Exchange Act, management does not believe that we are subject to regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act") since we are not engaged in the business of investing or trading in securities. If we engage in business combinations which result in our holding passive investment interests in a number of entities, we could be subject to regulation under the Investment Company Act. If this were to occur, we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. To date, we have obtained no formal determination from the SEC as to our status under the Investment Company Act and could, therefore, be determined at some later date to be an unregistered investment company, which could subject us to significantly heightened regulatory requirements that would likely, in the aggregate, have material adverse consequences on our business.

Any potential acquisition or merger with a foreign company may subject us to additional risks.

If we enter into a business combination with a foreign company, we will be subject to risks inherent in business operations outside of the United States. These risks include, for example, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, risks related to shipment of raw materials and finished goods across national borders, and cultural and language differences. Foreign economies may differ favorably or unfavorably from the United States economy in growth of gross national product, rate of inflation, market

development, rate of savings, and capital investment, resource self-sufficiency, and balance of payments positions, and in other respects.

We may be subject to certain tax consequences in our business, which may increase our cost of doing business.

We may not be able to structure a business combination to which we become a party in such a way as to result in tax-free treatment for the parties involved, which could deter third parties from entering into certain business combinations with us or result in us or our shareholders being taxed on consideration received in such a transaction. Currently, a transaction may be structured so as to result in tax-free treatment to both companies, as prescribed by various federal and state tax provisions. Although we intend to structure any business combination so as to minimize the federal and state tax consequences to both us and the target entity, there can be no assurance that any such business combination will meet the statutory requirements of a tax-free reorganization or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes that may have an adverse effect on both parties to the transaction.

Table of Contents

RISKS ASSOCIATED WITH OUR STATUS AS A PUBLIC REPORTING AND PUBLICLY-TRADING COMPANY

There can be no assurance that we will not be deemed a “shell company” for purposes of Rule 144, and if we are, it will render resales of our common stock ineligible for exemption under Rule 144 for an indefinite period.

Rule 144 under the Securities Act, which is commonly relied upon for resales of restricted securities, is unavailable to the holders of securities of companies coming within the definition of a “shell company” until it is no longer a shell company and certain conditions are satisfied. For purposes of Rule 144, a “shell company” is defined as any registrant that, among other things, has “no or nominal operations.” Although our operations relative to what we had up until our divestiture of QuickVerse® during 2011 may seem nominal, we do not believe that, given the tests to be applied in making a determination on this issue for purposes of this analysis, our operations are nominal. Specifically, and although there can be no assurance as to whether the SEC does or will share our view on this issue, we believe that our continued pursuit of our business and consumer software operations, when coupled with our continuing interest in developing that business for the foreseeable future, make any determination to the contrary incorrect. We believe further that the fact that, among other things, we are actively seeking a major business combination which may or may not involve another operating company in the software business has no bearing on the issue because of our continuing operations and our preference that any such company is within the software business, though, here too, no assurance can be provided that, if challenged, the SEC will agree with our position in this regard, either immediately or eventually. If we are deemed to be a shell company, among other implications, holders of our securities that are restricted will be unable to rely on Rule 144 to resell them, at least until we are no longer deemed a shell company, certain other conditions are met, and a year passes thereafter. For the holders of any such securities, and as a practical matter, this means they are unlikely to be able to sell them for an indefinite period.

There can be no assurance that we will not be deemed a “shell company” for purposes of Rule 144, and if we are, it will subject us to issues impacting liquidity of our securities with respect to the SEC’s review of a future resale registration statement.

If we are deemed a “shell company” as discussed above, holders of restricted shares of our common stock, including potentially those receiving them as part of a business combination, will be unable to rely on Rule 144 to resell them, and we will likely file a resale registration statement on Form S-1, or some other available form, to register for resale such shares. We cannot, however, control this future registration process in all respects as some matters are outside our control. Even if we are successful in causing the effectiveness of the resale registration statement, there can be no assurances that the occurrence of subsequent events may not preclude our ability to maintain the effectiveness of the registration statement. Any of the foregoing items could have adverse effects on the liquidity of our shares of common stock.

In addition, the SEC has announced in recent years that it has developed internal guidelines concerning the use of a resale registration statement to register the securities issued to certain investors in so-called private investment in public equity (“PIPE”) transactions, where the issuer has a market capitalization of less than \$75 million and, in general, does not qualify to file a registration statement on Form S-3 to register its securities if the issuer’s securities are listed on the Over-the-Counter Bulletin Board or on the Pink Sheets. The SEC has taken the position that these smaller issuers may not be able to rely on Rule 415 under the Securities Act (“Rule 415”), which generally permits the offer and sale of securities on a continued or delayed basis over a period of time, but instead would require that the issuer offer and sell such securities in a direct or “primary” public offering, at a fixed price, if the facts and circumstances are such that the SEC believes the investors seeking to have their shares registered are underwriters and/or affiliates of the issuer.

Table of Contents

It appears that the SEC in most cases will permit a registration for resale of up to one third of the total number of shares of common stock then currently owned by persons who are not affiliates of such issuer and, in some cases, a larger percentage depending on the facts and circumstances. SEC staff members also have indicated that an issuer in most cases will have to wait until the later of six months after effectiveness of the first registration, or such time as substantially all securities registered in the first registration are sold, before filing a subsequent registration on behalf of the same investors. Since, following a merger or business combination, we may have few or no tradable shares of common stock outstanding, it is unclear as to how many, if any, shares of common stock the SEC will permit us to register for resale, though SEC staff members have at times indicated a willingness to consider a higher percentage in connection with registrations following mergers with shell companies such as would be the case with the Company. The SEC may require as a condition to the declaration of effectiveness of a resale registration statement that we reduce or “cut back” the number of shares of common stock to be registered in such registration statement. The result of the foregoing is that a stockholder’s liquidity in our common stock may be adversely affected in the event the SEC requires a cutback of the securities as a condition to allow the Company to rely on Rule 415 with respect to a resale registration statement, or, if the SEC requires us to file a primary registration statement.

RISKS ASSOCIATED WITH AN INVESTMENT IN OUR COMMON STOCK

Unless an active trading market develops for our common stock, you may not be able to sell your shares.

We are a reporting company and our common stock is listed on the OTC Bulletin Board (owned and operated by the Nasdaq), however, there is no active trading market for our common stock. There can be no assurance that an active trading market will ever develop for our common stock or, if it does develop, that it will be maintained. Failure to develop or maintain an active trading market will have a generally negative effect on the price of our common stock, and you may be unable to sell your shares or any attempted sale of such shares may have the effect of lowering the market price, and therefore your investment could be a complete or partial loss.

Unless and until we garner analyst research coverage, we are unlikely to create long-term market value in our common stock.

Although we are a reporting company and our common shares are listed on the OTC Bulletin Board, we are unaware of any investment banking firms, large or small, that currently provide analyst research coverage on our company and, given our relatively small size within the public securities markets, it is unlikely that any investment banks will begin doing so in the near future. Without continuing research coverage by reputable investment banks or similar firms, it is considerably more difficult, and unlikely, to attract the interest of most institutional investors, which are generally considered to be very important in achieving a desirable balance in shareholder composition and long-term market value in a stock. While we intend to continue to aggressively pursue investor relations initiatives designed to create visibility for our company and common stock, and hope to garner analyst coverage in the future, there can be no assurance that we will succeed in this regard and any inability on our part to develop such coverage is likely to materially impede the realization of long-term market value in our common stock.

Since our common stock is thinly traded, it is more susceptible to extreme rises or declines in price, and you may not be able to sell your shares at or above the price you paid.

You may have difficulty reselling shares of our common stock, either at or above the price you paid, or even at a fair market value. The stock markets often experience significant price and volume changes that are not related to the operating performance of individual companies, and because our common stock is thinly traded, it is particularly susceptible to such changes. These broad market changes may cause the market price of our common stock to decline regardless of how well we perform as a company, and, depending on when you determine to sell, you may not be able to obtain a price at or above the price you paid.

Trading in our common stock on the OTC Bulletin Board may be limited thereby making it more difficult for you to resell any shares you may own.

Our common stock trades on the OTC Bulletin Board. The OTC Bulletin Board is not an exchange and, because trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a national exchange or on the Nasdaq Global Select Market, you may have difficulty reselling any of the shares of our common stock that you purchase from the selling stockholders.

-16-

Table of Contents

We cannot assure you that our common stock will ever be listed on one of the national securities exchanges.

To the extent that we consummate a substantial business combination, we may seek the listing of our common stock on NASDAQ (Global or Capital Markets) or another stock exchange, either immediately or after some period of time. There can be no assurance, however, that we will be able to meet the initial listing standards of either of those or any other stock exchange at such time, or that we will be able to maintain a listing of our common stock on either of those or any other stock exchange. After completing a business combination, until our common stock is listed on one of the national stock exchanges, for which there can be no assurance, we expect that our common stock would continue to trade on the OTC Bulletin Board.

Our common stock is subject to the “penny stock” regulations, which is likely to make it more difficult to sell.

Our common stock is considered a “penny stock”, which generally is a stock trading under \$5.00 and not registered on any national securities exchanges. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. This regulation generally has the result of reducing trading in such stocks, restricting the pool of potential investors for such stocks, and making it more difficult for investors to sell their shares. Prior to a transaction in a penny stock, a broker-dealer is required to:

- deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market;
- provide the customer with current bid and offer quotations for the penny stock;
- explain the compensation of the broker-dealer and its salesperson in the transaction;
- provide monthly account statements showing the market value of each penny stock held in the customer’s account; and
- make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction.

These requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that is subject to the penny stock rules. Since our common stock is subject to the penny stock rules, investors in our common stock may find it more difficult to sell their shares.

As an issuer of “penny stock,” we do not currently benefit from the protection provided by the federal securities laws relating to forward-looking statements.

Although, generally, federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, and since our common stock has consistently traded in recent years at a level at which it is considered to constitute a “penny stock”, we do not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that any material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading. Such an action could hurt our financial condition.

Our stock price could be volatile, and your investment could suffer a decline in value.

The trading price of our common stock is likely to be highly volatile and could be subject to extreme fluctuations in price in response to various factors, many of which are beyond our control, including:

- the trading volume of our shares;
- the number of securities analysts, market-makers and brokers following our common stock;

changes in, or failure to achieve, financial estimates by securities analysts;
new products introduced or announced by us or our competitors;
announcements of technological innovations by us or our competitors;
our ability to produce and distribute retail packaged versions of our software in advance of peak retail selling seasons;
actual or anticipated variations in quarterly operating results;
conditions or trends in the consumer software and/or Christian products industries;
announcements by us of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
additions or departures of key personnel;
sales of our common stock; and
stock market price and volume fluctuations of publicly-traded, particularly microcap, companies generally.

Table of Contents

The volatility of our common stock is illustrated by reference to the fact that, during fiscal year 2012, our trading price fluctuated from a low of \$0.001 to a high of \$0.025 per share.

The stock market has recently experienced significant price and volume fluctuations. Volatility in the market price for particular companies has often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In addition, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. A securities class action suit against us could result in substantial costs, potential liabilities and the diversion of management's attention and resources from our business. Moreover, and as noted above, our shares are currently traded on the OTC Bulletin Board and, further, are subject to the penny stock regulation. Price fluctuations in such shares are particularly volatile and subject to manipulation by market-makers, short-sellers and option traders.

Future sales of our common stock by our officers or directors may depress our stock price.

Our officers and directors are not contractually obligated to refrain from selling any of their shares; therefore, our officers and directors may sell any shares owned by them which are registered under the Securities Act, or which otherwise may be sold without registration to the extent permitted by Rule 144 or other exemptions. Because of the perception by the investing public that a sale by such insiders may be reflective of their own lack of confidence in our prospects, the market price of our common stock could decline as a result of a sell-off following sales of substantial amounts of common stock by our officers and directors into the public market, or even the mere perception that these sales could occur.

Future issuances of our common or preferred stock may depress our stock price and dilute your interest.

We may want to issue additional shares of our common stock in future financings and may grant stock options to our employees, officers, directors and consultants under our stock incentive plan. Any such issuances could have the effect of depressing the market price of our common stock and, in any case, would dilute the interests of our common stockholders. In addition, we could issue serial preferred stock having rights, preferences and privileges senior to those of our common stock, including the right to receive dividends and/or preferences upon liquidation, dissolution or winding-up in excess of, or prior to, the rights of the holders of our common stock. This could depress the value of our common stock and could reduce or eliminate the amounts that would otherwise have been available to pay dividends on our common stock (which are unlikely in any case) or to make distributions on liquidation.

If you require dividend income, you should not rely on an investment in our common stock.

Because we have very limited cash resources and a substantial accumulated deficit relative to recent earnings, we have not declared or paid any dividends on our common stock since our inception and we do not anticipate declaring or paying any dividends on our common stock in the foreseeable future. Rather, we intend to retain earnings, if any, for the continued operation and expansion of our business. It is unlikely, therefore, that holders of our common stock will have an opportunity to profit from anything other than potential appreciation in the value of our common stock held by them. If you require dividend income, you should not rely on an investment in our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

There were no reportable events under this Item 1B during the fiscal year ended December 31, 2012.

Table of Contents

ITEM 2. PROPERTIES.

Our principal executive offices are located in Elkhorn, Nebraska. At April 16, 2013, our two part-time employees work from this location. We do not pay for any space associated with these operations. Furthermore, we rent a storage unit located in Elkhorn, Nebraska. We rent this 220 square foot facility under a month-to month rental agreement with Dino's Storage. Our monthly rent is \$135. There are no associated taxes, insurance, or utility expenses associated with the storage facility.

ITEM 3. LEGAL PROCEEDINGS.

As of the date of this annual report on Form 10-K for the fiscal year ended December 31, 2012, and to the best knowledge of our officers and directors, there were no pending material legal proceedings to which we were a party and we were not aware that any were contemplated. There can be no assurance, however, that we will not be made a party to litigation in the future.

ITEM 4. MINE SAFETY DISCLOSURES.

There were no reportable events under this Item 4 during the fiscal year ended December 31, 2012.

Table of ContentsPART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET INFORMATION

Our common stock is traded on the OTC Bulletin Board, a service provided by the Nasdaq, under the symbol "FIND".

The following table sets forth for the periods indicated the high and low bid prices for our common stock as reported each quarterly period within the last two fiscal years on the OTC Bulletin Board, and as obtained from NASDAQ.com. The prices are inter-dealer prices, do not include retail mark-up, markdown or commission and may not necessarily represent actual transactions.

Common Stock		
2011	High	Low
First		
Quarter	\$ 0.020	\$ 0.002
Second		
Quarter	\$ 0.007	\$ 0.003
Third		
Quarter	\$ 0.025	\$ 0.003
Fourth		
Quarter	\$ 0.005	\$ 0.003
2012	High	Low
First		
Quarter	\$ 0.005	\$ 0.002
Second		
Quarter	\$ 0.006	\$ 0.003
Third		
Quarter	\$ 0.010	\$ 0.001
Fourth		
Quarter	\$ 0.015	\$ 0.003

STOCKHOLDERS

As of April 16, 2013, there were approximately 620 holders of record of our common stock, with any shares held by persons or companies in street or nominee name counted only under such street or nominee name.

DIVIDENDS

Since inception, no dividends have been paid on our common stock and we do not anticipate paying any dividends in the foreseeable future. Although it is our intention to utilize all available funds for the development of our business, no restrictions are in place that would limit or restrict our ability to pay dividends.

EQUITY COMPENSATION PLAN INFORMATION

Please refer to Part III, Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters as reported in this annual report on Form 10-K for the information regarding our equity compensation plans.

RECENT SALES OF UNREGISTERED SECURITIES

There were no previously unreported sales of unregistered securities during the fourth quarter of the fiscal year ended December 31, 2012.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by the Company itself, or any affiliated purchaser during the fourth quarter of the fiscal year ended December 31, 2012.

ITEM 6. SELECTED FINANCIAL DATA.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

Table of Contents

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read together with our consolidated financial statements for the period ended December 31, 2012 and the Notes to the Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies, including the assumptions and judgments underlying them, are more fully described in the Notes to the Consolidated Financial Statements. We have consistently applied these policies in all material respects. These policies primarily address matters of expense recognition and revenue recognition, including amortization of software development cost and the calculation of reserve for returns. Investors are cautioned that these policies are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially. Below are the accounting policies that we believe are the most critical in order to gain an understanding of our financial results and condition.

Discontinued Operations

Discontinued operations are defined as a component that has been disposed of or is classified as held for sale. If in management's review of a component determine that such component has been disposed of or is classified as held for sale the results of such component should be classified as discontinued operations provided (1) its operations and cash flows have been (or will be) eliminated from the Company's ongoing operations, and (2) the Company will have no significant continuing involvement in the component after its disposition.

Accounts Receivable

Accounts receivable arise in the normal course of business. It is the policy of management to continuously review the outstanding accounts receivable, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Individual accounts are charged against the allowance when they are deemed uncollectible.

Accounting for Long-Lived Assets

We review property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of our carrying amount to future net cash flows the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. Property and equipment to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Intangible Assets

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350-30, General Intangibles Other Than Goodwill, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives. All intangible assets are tested for impairment annually during the fourth quarter.

Software Development Costs

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a “beta” version for testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months, but up to 60 months), or (ii) the ratio of current revenues to total projected product revenues.

Table of Contents

Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management's best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues.

ASC 730, Research and Development, establishes accounting and reporting standards for research and development. In accordance with ASC 730, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs.

Revenue Recognition

We derive revenues from the sale of packaged software products and software distributed electronically via the Internet. We recognize software revenue for software products and related services in accordance with ASC 985-605, Software Revenue Recognition. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectability is probable.

We sell some of our products on consignment to a limited number of resellers. We recognize revenue for these consignment transactions only when the end-user sale has occurred. Revenue associated with advance payments from our customers is deferred until we ship the product or offer the support service. Revenue for software distributed electronically via the Internet is recognized when the customer has been provided with the access codes that allow the customer to take immediate possession of the software on its hardware and evidence of the arrangement exists.

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products.

Trends that our returns typically follow include (i) the seasonality of sales, and (ii) the fact that, generally, relatively higher return rates occur in connection with recently released title or title versions. Historically, actual returns have been within management's prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. Management continually monitors and adjusts these allowances to take into account actual developments and sales results in the marketplace. In the past, particularly during title and title version transitions, we have had to increase price concessions to our retail customers in order to move channel inventory.

With respect to our discontinued product lines, product returns from distributors and Christian bookstores have been allowed primarily in exchange for new products or for credit towards purchases as part of a stock-balancing program. These returns have been subject to certain limitations provided for in the contract between us and the corresponding distributor/retailer. Returns from sales made directly to consumers are accepted within 30 days of purchase and involve a cash refund. Product returns, price protections or price concessions that exceed our reserves could materially adversely affect our business and operating results and could increase the magnitude of quarterly fluctuations in our operating and financial results.

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of sales on our consolidated statements of operations.

Table of Contents

Deferred Tax Asset Valuation Allowance

In accordance with ASC 740-30, Other Considerations or Special Areas, we record deferred tax assets for deductible temporary differences, net of operating loss carryforwards. To the extent that it is more likely than not that some portion or all of the deferred tax asset will not be realized, a valuation allowance is established.

DESCRIPTION OF BUSINESS

Since 1999, our business has been developing, publishing, marketing, distributing and direct-selling off-the-shelf consumer and organizational software products for the Windows platform. Following divestitures of two software titles which had consistently accounted for the overwhelming majority of our revenues while owned by us, including our Membership Plus® product line, which we sold in late 2007, and our flagship QuickVerse® product line, which we sold during 2011, and title acquisitions during the same period that, in the aggregate, have been relatively insignificant in offsetting the loss of revenues associated with those divestitures, our continuing operations, while not nominal, are currently very limited and insubstantial in terms of revenue, both relative to what they had been prior thereto and by any appropriate standalone measure. Specifically, our current operations consist exclusively of those relating to FormTool.com and its related line of products which we acquired in February 2008, as well as two language tutorial products, which were retained after the sale of the QuickVerse® product line.

Beyond our current software business, a current principal focus of ours surrounds, and has increasingly surrounded for some time, the identification and evaluation of what we perceive as our best broader-range strategic options for realizing the most favorable economic outcome for our shareholders, and ultimately the selection and pursuit of one or more of those options. With very different though similarly difficult-to-meaningfully-forecast capital allocation considerations, the options under consideration in this regard have included the pursuit of a business combination transaction involving a potential merger or acquisition aimed at revenue re-development and long-term growth, on the one hand, and liquidation and/or winding-down, aimed in the very different direction of business cessation, on the other. Unless and until we determine to liquidate and/or wind down, we will continue to be largely focused on acquiring or merging with another operating company.

MANAGEMENT OVERVIEW

During the year ended December 31, 2012, there were no new developments to the FormTool® product line in regards to either the software program itself or the dedicated website. Although we formulated plans prior to 2012 to develop a new version of our FormTool® software package as well as to undertake a cosmetic and functional makeover of the related marketing website, and executing such plans remains a relatively high priority, our ability to do so has been dependent, among other things, on our having available the requisite financial resources, which, to date, we have not, and which, looking ahead, is highly uncertain. At this time, and given these financial constraints, we are unable to provide any estimate in terms of our completing either the FormTool® product and/or website updates that we believe ought be meaningfully relied upon, and, moreover, there can be no assurance that, should financial resources become available, we will continue to be of a view that FormTool® is worthy of further investment as a business line given the current uncertainties surrounding our broader strategic objectives.

During the year ended December 31, 2012, we continued to market and sell our two language tutorial products, Greek Tutor™ and Hebrew Tutor™, to retail stores as well as to end users. With sales on the decline, we believe that these software programs, too, are in need of updating both for general market perception purposes and because of their current incompatibility with some of the newer platform technologies that have been widely adopted throughout the broader consumer software market. Given the same financial constraints that have been and are likely to continue to impede advancements in our FormTool® line, however, there can be no assurance that we will be able to initiate and/or complete any such update in the foreseeable future.

A key focus of management during the year ended December 31, 2012 centered on reducing our ongoing operational expenses, including personnel, rent, sales and marketing, and general overhead as well as achieving a sharp reduction in our existing liabilities by initiating compromise-and-settlement negotiations with our existing creditors. Simultaneously, and moving forward, management is concentrated on the strategic determination to begin a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across the business and consumer segments more generally.

Table of Contents

Near-term liquidity poses a continuous challenge to us and is expected to continue to do so for the foreseeable future. And the need to find ways to stretch our very limited economic resources places ongoing strains on our very limited human resources.

RESULTS OF CONTINUING OPERATIONS FOR YEARS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

Statements of Continuing Operations for Quarters Ending December 31	2012	2011	Change
Net revenues	\$ 57,593	\$ 62,650	\$ (5,057)
Cost of sales	(13,604)	(43,016)	29,412
Gross profit	\$ 43,989	\$ 19,634	\$ 24,355
Sales, marketing and general and administrative expenses	(374,323)	(599,611)	225,288
Impairment expense	(18,781)	---	(18,781)
Total operating expenses	\$ (393,104)	\$ (599,611)	\$ 206,507
Loss from operations	\$ (349,115)	\$ (579,977)	\$ 230,862
Other income (expenses), net	(4,020)	(9,410)	5,390
Gain on debt settlement	28,504	34,866	(6,362)
Loss before income taxes	\$ (324,631)	\$ (554,521)	\$ 229,890
Income tax (provision)	---	---	---
Net loss from continuing operations	\$ (324,631)	\$ (554,521)	\$ 229,890

The differing results of operations are primarily attributable to the following for the year ended December 31, 2012:

- a slight decrease in net revenues attributable to a decrease in retail sales for our Greek and Hebrew Tutor software products, offset to some degree, however, by a decrease in sales returns attributable to our FormTool® product line;
- a decrease in cost of sales due to the corresponding decrease in our direct costs and freight costs associated with the unit volume decline in our Greek and Hebrew Tutor software product sales;
- a decrease in sales, marketing and general and administrative expenses resulting from ongoing cost-cutting initiatives;
- the taking of an impairment expense related to previously capitalized website development costs for our FormTool.com website as we have postponed indefinitely the plan to revamp the website due to a lack of available funds;
- a decrease in interest expense, included within Other income (expenses), due to a reduction in the principal amounts of our trade payables and note payables; and
- a decrease in gain realized on debt settlements as a result of the fewer negotiations that were successfully pursued during 2012 with either vendors to satisfy existing trade payable obligations, customers to whom credit balances had been owed by us, or settlements reached with former employee(s) for previously accrued payroll that was owed.

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In the past, our software products have been highly seasonal. More than 50% of our annual sales have occurred in the five months of September through January; the five months of April through August have generally been our weakest, generating less than 30% of our annual sales. Although there can be no assurance, our continuing operations may experience the same seasonality as in previous years.

Revenues

The following table presents our revenues for continuing operations for the years ended December 31, 2012 and December 31, 2011 and dollar and percentage changes from the prior year.

					Change	
Revenues for Continuing Operations for Years Ended December 31	2012	% to Sales	2011	% to Sales	\$	%
Gross revenues	\$ 57,634	100 %	\$ 83,557	100 %	\$ (25,923)	31 %
Less estimated sales returns and allowances	(41)	0 %	(20,907)	25 %	20,866	100 %
Net revenues	\$ 57,593	100 %	\$ 62,650	75 %	\$ (5,057)	8 %

Table of Contents

The decrease in gross revenues for the year ended December 31, 2012 was attributable to a sharp fall-off in demand in the retail channel for our Greek and Hebrew Tutor software products due largely, we believe, to the lack of recent updating of the products and their lack of compatibility with newer platform technologies. Another contributing factor to this decline was the loss of a major customer for these products, Lifeway Christian Resources. Offsetting to some degree the decrease in gross revenues year-over-year, however, was a very significant decrease in sales returns and allowances for the year ended December 31, 2012, almost exclusively attributable not to an extraordinary improvement in 2012 but rather to the extraordinarily high baseline percentage of 2011, a result of our having experienced a marked increase in wholesale return volume of FormTool® units due to a sharp drop in retail demand for it.

Cost of Sales

Cost of sales consists primarily of direct costs, royalties accrued to third party providers of intellectual property and the costs associated with reproducing, packaging, and shipping our products. Cost of sales decreased approximately \$29,000 from approximately \$43,000 for the year ended December 31, 2011 to \$14,000 for the year ended December 31, 2012. The overall decrease in cost of sales for the year ended December 31, 2012 is mainly attributable to the decrease in direct costs and freight costs. The decrease in direct costs and freight costs are attributable to the following:

- a decrease in our retail sales for our Greek and Hebrew Tutor software products;
- a relative percentage increase year over year in online, downloadable FormTool® unit sales volume versus shipped unit sales volume; and
- a portion of our FormTool® unit sales having originated with a third party and for which we do not incur any direct costs or freight costs.

Sales, General and Administrative

		Change							
Sales, General and Administrative Costs for Continuing Operations for Years Ended December 31		% to Sales		% to Sales		\$		%	
2012				2011					
Selected expenses:									
Advertising and direct marketing	\$ 3,412	6 %		\$ 12,958	16 %	\$ (9,546)		74	%
Bad debt provision	(100)	0 %		(20,091)	24 %	19,991		100	%
Total sales and marketing	\$ 3,312	6 %		\$ (7,133)	9 %	\$ 10,445		146	%
Personnel costs	\$ 147,846	257 %		\$ 251,290	301 %	\$ (103,444)		41	%
Amortization and depreciation									
Accounting	21,612	37 %		45,181	54 %	(23,569)		52	%
Legal	59,261	103 %		70,372	84 %	(11,111)		16	%
	40,242	70 %		119,594	143 %	(79,352)		66	%

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Other general and administrative costs	102,050	177%	120,307	144%	(18,257)	15 %
Total general and administrative	\$ 371,011	644%	\$ 606,744	726%	\$ (235,733)	39 %
Total sales, marketing, general and administrative	\$ 374,323	649%	\$ 599,611	718%	\$ (225,288)	38 %

Table of Contents

The differing results of total sales, marketing, general and administrative costs are primarily attributable to the following for the year ended December 31, 2012:

- a decrease in advertising and direct marketing expenditures in relation to our FormTool® product line;
- a decrease in our bad debt provision made appropriate as a result of major improvements in the general collectability of the overwhelming majority of our accounts receivable following our sale of the QuickVerse® product line due to sales terms and customer profile;
- a large decrease in personnel expenses following divestiture of the QuickVerse® product line, including the elimination in its entirety of our fulfillment and development team and the cessation of our maintaining a chief technology officer;
- a lower depreciation expense due to the advancing age of our property and equipment, which consists principally of computer equipment, coupled with our utilization of accelerated depreciation rates, as well as a net reduction in our property and equipment base following the elimination of the last of our dedicated physical facilities during 2012;
- a decrease in amortization due to the following:
 - the concluding of amortization in respect of the existing FormTool.com website in August 2011; and
 - a decrease in the aggregate amortization expense of the FormTool® product line assets we acquired in February 2008, which, individually, are being written down over periods ranging in each case from less than one year to as many as ten years;
- a decrease in accounting expenses due to a decrease in audit fees attributable to the reduction in the scope of our existing business and operations, however partially offset by a modest increase in contractor fees for accounting work;
- a decrease in legal costs as we experienced substantially reduced needs for legal services year over year due to relative transactional dormancy; and
- an overall decrease in other general and administrative costs resulting from ongoing cost-cutting initiatives.

Due to the sale of the QuickVerse® product line, we did not recognize an expense for sales and marketing wages in continuing operations for the years ended December 31, 2012 and 2011. In years past, these expenses had been associated exclusively with the QuickVerse® product line, and have thus since been included, if at all, in income from operations of discontinued component.

During the year ended December 31, 2012, there were no new developments to the FormTool® product line in regards to either the software program itself or the dedicated website. Although we formulated plans prior to 2012 to develop a new version of our FormTool® software package as well as to undertake a cosmetic and functional makeover of the related marketing website, and executing such plans remains a relatively high priority, our ability to do so has been dependent, among other things, on our having available the requisite financial resources, which, to date, we have not, and which, looking ahead, is highly uncertain. At this time, and given these financial constraints, we are unable to provide any estimate in terms of our completing either the FormTool® product and/or website updates that we believe ought be meaningfully relied upon, and, moreover, there can be no assurance that, should financial resources become available, we will continue to be of a view that FormTool® is worthy of further investment as a business line given the current uncertainties surrounding our broader strategic objectives.

During the year ended December 31, 2012, we continued to market and sell our two language tutorial products, Greek Tutor™ and Hebrew Tutor™, to retail stores as well as to end users. With sales on the decline, we believe that these software programs, too, are in need of updating, both for general market perception purposes and because of their current incompatibility with some of the newer platform technologies that have been widely adopted throughout the broader consumer software market. Given the same financial constraints that have been and are likely to continue to

impede advancements in our FormTool® line, however, there can be no assurance that we will be able to initiate and/or complete any such update in the foreseeable future.

Provision for Income Taxes

For the years ended December 31, 2012 and 2011, based on uncertainty about the timing of and ability to generate future taxable income and our assessment that the realization of the deferred tax assets no longer met the “more likely than not” criterion for realization, we provided for a full valuation allowance against our net deferred tax assets. If we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be recorded in the period when such determination is made.

Table of Contents

As of December 31, 2012, we have net operating loss carryforwards, for federal income tax purposes, of approximately \$8,603,000. These carryforwards are the result of income tax losses generated as follows:

Generated	Loss	Expiration
2001	\$ 5,123,000	2021
2002	\$ 235,000	2022
2005	\$ 956,000	2025
2006	\$ 584,000	2026
2008	\$ 694,000	2028
2009	\$ 366,000	2029
2010	\$ 292,000	2030
2012	\$ 353,000	2032

See Note 8, Income Taxes, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2012 for further information regarding the components of our income tax provision.

LIQUIDITY AND CAPITAL RESOURCES

Our primary needs for liquidity and capital resources are the working capital requirements of our continued operations, which currently includes the ongoing expansion and upgrade of existing products, website and related promotional, marketing, and sales initiatives, as well as the pursuit of new product lines and/or businesses for potential acquisition. At this time it is unlikely that cash generated through our continuing operations will be sufficient to sustain our continuing operations indefinitely. Furthermore, our pursuit of an aggressive growth plan, whether based on internally developed products, licensing opportunities, or strategic product line and/or business acquisitions, will likely require funding from outside sources, at least to some degree. Funding from outside sources may include but is not limited to the pursuit of other financing options such as commercial loans, common stock and/or preferred stock issuances and convertible notes. At this time, we have no legally committed funds for future capital expenditures.

Our decision during the first half of 2011 to sell the QuickVerse® product line as well as the divestiture of our Membership Plus® product line in October 2007 was driven by a combination of our need to raise cash and a strategic determination to begin a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across the business-to-business and consumer segments more generally. With a portion of the net proceeds we realized from the sale of our Membership Plus® product line, we purchased FormTool® in February 2008 which was our first product line acquisition outside of the faith-based market.

Though it had been our reasoned hope and expectation to re-deploy into new business opportunities all or most of the net proceeds realized from the sale of the QuickVerse® product line, as it has turned out, interim and developing cash requirements associated with the mere exploration and pursuit of prospective new business opportunities have (i) been substantially higher than we had anticipated, (ii) become substantial on an aggregate, standalone basis and meaningfully depleted such net proceeds, (iii) increasingly imposed a significant strain on both our general liquidity, and (iv) led to a dramatic reduction in our cash currently available for both the exploration and pursuit of prospective new business opportunities and any capital investment therein.

Working Capital	2012	2011
Current assets	\$ 51,743	\$ 236,516
Current liabilities	\$ 366,685	\$ 447,944
Retained deficit	\$ 8,563,875	\$ 8,265,331

While liquidity for our day-to-day continuing operations remains a very serious ongoing concern for us, and while there can be no continuing assurance, the situation suggested by our consistently and significantly negative ratio of current assets to current liabilities has historically been manageable, at least minimally.

-27-

Table of Contents

Cash Flows for Years Ended December 31	2012	2011	Change	%
Cash flows (used) by operating activities	\$ (214,467)	\$ (878,317)	\$ 663,850	76 %
Cash flows provided by investing activities	\$ --	\$ 982,171	\$ (982,171)	100%
Cash flows provided by financing activities	\$ 61,589	\$ 35,748	\$ 25,841	72 %

Net cash used by operating activities for the year ended December 31, 2012 consisted mainly of cash payments going out for our legal and accounting vendors, our former content providers, and our remaining employees. Comparatively, for the year ended December 31, 2011, we had a significant increase in the amount of cash going out in the form of payments to content providers, vendors and employees than we had cash coming in from customers. In large part, this was directly attributable to the efforts of our management following relinquishment to WORDsearch of control and responsibility of the business operations related to the QuickVerse® product line towards achieving a sharp reduction in our existing liabilities by initiating compromise-and-settlement negotiations with our existing creditors.

For the year ended December 31, 2012, we made no investment in capitalized software and website development. The figure representing our investing activities for the year ended December 31, 2011, substantial by contrast, was very largely attributable to proceeds realized upon the sale of the QuickVerse® product line. The dramatic change year over year in investment was the result of our not having had other major product lines to replace QuickVerse® and into which we allocated development dollars.

Cash provided by financing activities for the years ended December 31, 2012 and 2011 resulted partly from our executive officers, corporate controller and members of our board of directors contributing their compensation to contributed capital in exchange for common stock at a value less than the amount otherwise due them. Offsetting that, however, was the continuation of payments made on long-term notes payable during both years. In addition, the increase in cash flows provided by financing activities for the year ended December 31, 2012 was the result of fewer long-term notes payable obligations, and therefore, fewer payments made on long-term notes payable.

Overall, our cash position as of April 16, 2013 is highly strained and showing no signs of near-term improvement, and struggles with insolvency are continuous.

Financing

Looking ahead, we believe that completing an equity financing, or equity-linked financing, of some sort seems the only realistic option to sustain viability beyond approximately August, 2013. However, there are currently no definitive plans for any such financing nor any definitive prospects identified from which it will be secured. In connection with any such financing, we may issue additional shares of our common stock or securities exchangeable or exercisable for shares of our common stock, including but not limited to preferred stock, debentures, and purchase warrants. Any such issuances would likely have the effect of depressing the market price of our common stock and, in any case given the historical market trading price of our common stock, would likely dilute the interests of our common stockholders, potentially very significantly.

Although no attempt has been made for several years now, we have been unable to secure any bank or other secured financing due to our internal financial ratios and negative working capital position, and we do not expect that we will be successful in securing any such financing if we were to recommence efforts to do so unless and until our ratios in this regard improve, something we believe to be unlikely absent the occurrence of a major business combination and/or equity or equity-linked financing transaction.

Contractual Liabilities

Since August 2011, we utilize approximately 650 square feet for our corporate offices in Elkhorn, Nebraska. Through arrangements made by our CEO, we currently do not pay rent or other maintenance fees or charges for these 650 square feet. In addition, we are not responsible for any taxes or insurance expenses associated with this space.

At December 31, 2012, there were no future minimum rental payments required under these lease agreements. See Note 11, Rental and Lease Information, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2011 for more detailed information.

Table of Contents

The Potential Impact of Known Facts, Commitments, Events and Uncertainties on Future Operating Results or Future Liquidity Requirements

New Accounting Pronouncements

See Note 1, Summary of Significant Accounting Policies, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2012 for information regarding the potential effects of new accounting pronouncements on our results of operations and financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

Table of Contents

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and
Stockholders of FindEx.com, Inc.

We have audited the accompanying consolidated balance sheets of FindEx.com Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended. Findex.com Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FindEx.com Inc. and subsidiaries as of December 31, 2012 and 2011 and the results of operations and cash flows for the years ended December 31, 2012 and 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company incurred a net loss from continuing operations of \$324,631 during the year ended December 31, 2012, and, as of that date, had a working capital deficiency of \$314,942 and a retained deficit of \$8,563,875. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Brimmer, Burek & Keelan LLP
Tampa, Florida

April 16, 2013

Table of Contents

Findex.com, Inc.		
CONSOLIDATED BALANCE SHEETS		
December 31, 2012 and 2011		
	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,751	\$ 161,629
Accounts receivable, trade, net	920	8,104
Receivable, in escrow	36,957	47,264
Inventories, net	2,578	4,629
Other current assets	2,537	14,890
Total current assets	51,743	236,516
Property and equipment, net	868	2,295
Intangible assets, net	71,169	91,503
Other assets	---	18,781
Total assets	\$ 123,780	\$ 349,095
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Current portion of term debt	\$ 28,783	\$ 33,188
Accrued royalties	48,955	37,825
Accounts payable, trade	110,982	131,114
Accounts payable, related parties	15,062	10,561
Accrued payroll	27,328	60,463
Other current liabilities	21,207	21,410
Other current liabilities from discontinued operations	114,368	153,383
Total current liabilities	366,685	447,944
Long-term debt, net	---	---
Deferred income taxes, net	---	---
Commitments and contingencies (Note 12)		
Stockholders' equity (deficit):		
Preferred stock, \$.001 par value 5,000,000 shares authorized		
-0- and -0- shares issued and outstanding, respectively	---	---
Common stock, \$.001 par value 120,000,000 shares authorized, 103,635,060 and 77,993,935 shares issued and outstanding, respectively	103,635	77,994
Paid-in capital	8,217,335	8,088,488
Retained (deficit)	(8,563,875)	(8,265,331)
Total stockholders' equity (deficit)	(242,905)	(98,849)
Total liabilities and stockholders' equity (deficit)	\$ 123,780	\$ 349,095

See accompanying notes.

Table of Contents

Findex.com, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended December 31	2012	2011
Revenues, net of reserves and allowances	\$ 57,593	\$ 62,650
Cost of sales	13,604	43,016
Gross profit	43,989	19,634
Other operating income and expenses:		
Sales and marketing expenses	3,312	(7,133)
General and administrative expenses	371,011	606,744
Impairment expense	18,781	---
Total operating expenses	393,104	599,611
Loss from operations	(349,115)	(579,977)
Other income (expenses), net	(145)	2,947
Interest expense	(3,875)	(12,357)
Gain on debt settlement	28,504	34,866
Loss from continuing operations before income taxes	(324,631)	(554,521)
Income tax (provision)	---	---
Loss from continuing operations	\$ (324,631)	\$ (554,521)
Discontinued operations (Note 13):		
Income from operations of discontinued component	\$ ---	\$ 179,777
Gain on sale of software product line	---	977,842
Impairment expense	---	(288,587)
Gain on debt settlement	26,087	614,117
Income tax (provision)	---	---
Income from discontinued operations, net of taxes	26,087	1,483,149
Net income (loss)	\$ (298,544)	\$ 928,628
Net earnings (loss) per share - Basic & Diluted:		
Net loss per share from continuing operations	\$ ---	\$ (0.01)
Net income per share from discontinued operations	\$ ---	\$ 0.02
Net income (loss) per share	\$ ---	\$ 0.01
Weighted average shares outstanding:		
Weighted average shares used in computing basic and diluted income (loss) per share	79,745,378	69,569,690

See accompanying notes.

Table of Contents

Findex.com, Inc.					
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)					
	Common Stock		Paid-In	Retained	
	Shares	Amount	Capital	Earnings (Deficit)	Total
Balance, December 31, 2010	67,349,153	\$ 67,349	\$ 7,988,833	\$ (9,193,959)	\$ (1,137,777)
Common stock issued for services	10,644,782	10,645	99,655	---	110,300
Net income, December 31, 2011	---	---	---	928,628	928,628
Balance, December 31, 2011	77,993,935	\$ 77,994	\$ 8,088,488	\$ (8,265,331)	\$ (98,849)
Common stock issued for services	25,641,125	25,641	128,847	---	154,488
Net loss, December 31, 2012	---	---	---	(298,544)	(298,544)
Balance, December 31, 2012	103,635,060	\$ 103,635	\$ 8,217,335	\$ (8,563,875)	\$ (242,905)

See accompanying notes.

Table of Contents

Findex.com, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31	2012	2011
Cash flows from operating activities:		
Cash received from customers	\$ 73,884	\$ 744,961
Cash paid to suppliers and employees	(287,517)	(1,617,560)
Other operating receipts	---	421
Interest paid	(838)	(6,531)
Interest received	4	392
Net cash (used) by operating activities	(214,467)	(878,317)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	---	2,851
Proceeds from sale of software product line	---	975,000
Deposits refunded, net	---	4,320
Net cash provided by investing activities	---	982,171
Cash flows from financing activities:		
Payments made on term debt	(4,405)	(42,666)
Proceeds from issuance of common stock	24,596	---
Contributed Capital	41,398	78,414
Net cash provided by financing activities	61,589	35,748
Net (decrease) increase in cash and cash equivalents	(152,878)	139,602
Cash and cash equivalents, beginning of year	161,629	22,027
Cash and cash equivalents, end of year	\$ 8,751	\$ 161,629
Reconciliation of net (loss) income to cash flows from operating activities:		
Net (loss) income	\$ (298,544)	\$ 928,628
Adjustments to reconcile net (loss) income to net cash (used) by operating activities:		
Stock issued for services	88,493	31,886
Bad debts provision	(100)	(20,091)
Depreciation & amortization	21,611	45,181
Loss (gain) on sale of property and equipment	150	(2,134)
(Gain) on debt settlement	(54,591)	(648,983)
(Gain) on sale of software product line	---	(977,842)
Loss on impairment expense	18,781	288,587
Change in assets and liabilities:		
Decrease in accounts receivable	17,591	73,966
Decrease in inventories	2,051	60,033
Decrease in prepaid expenses	12,354	24,151
(Decrease) in accrued royalties	(1,799)	(153,684)
Increase (decrease) in accounts payable	12,874	(350,126)
(Decrease) in other liabilities	(33,338)	(177,889)
Net cash (used) by operating activities	\$ (214,467)	\$ (878,317)

See accompanying notes.

Table of Contents

Findex.com, Inc.
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Findex.com, Inc. was incorporated under the laws of the State of Nevada on November 7, 1997, as EJH Entertainment, Inc. On December 4, 1997, we acquired EJH Entertainment, Inc., an Idaho corporation, in a stock-for-stock transaction. EJH Idaho was incorporated on June 21, 1968, as Alpine Silver, Inc. Alpine changed its name to The Linked Companies, Inc. on December 4, 1992. On September 9, 1996, The Linked Companies acquired Worldwide Entertainment, Inc., a Delaware corporation, in a stock-for-stock transaction and changed its name to Worldwide Entertainment, Inc. On June 27, 1997, Worldwide Entertainment changed its name to EJH Entertainment, Inc.

On April 30, 1999, we acquired FINdex Acquisition Corporation, a Delaware corporation in a stock-for-stock transaction and our name was changed to Findex.com, Inc. FINdex Acquisition Corporation is a wholly-owned subsidiary without current business operations. It was incorporated on February 19, 1999 and acquired FinSource Ltd., a Delaware corporation in April 1999, in a stock-for-stock transaction. The mergers with FINdex Acquisition Corporation and FinSource were treated as reorganization mergers with the accounting survivor being FinSource.

On March 7, 2000, we acquired Reagan Holdings, Inc., a Delaware corporation in a stock-for-stock transaction. Reagan was incorporated on July 27, 1999 and is a wholly-owned subsidiary without current business operations.

Since 1999, our business has been developing, publishing, marketing, distributing and direct-selling off-the-shelf consumer and organizational software products for the Windows platform. Following divestitures of two software titles which had consistently accounted for the overwhelming majority of our revenues while owned by us, including our Membership Plus® product line, which we sold in late 2007, and our flagship QuickVerse® product line, which we sold during 2011, and title acquisitions during the same period that, in the aggregate, have been relatively insignificant in offsetting the loss of revenues associated with those divestitures, our continuing operations, while not nominal, are currently very limited and insubstantial in terms of revenue, both relative to what they had been prior thereto and by any appropriate standalone measure. Specifically, our current operations consist exclusively of those relating to FormTool.com and its related line of products which we acquired in February 2008, as well as two language tutorial products, which were retained after the sale of the QuickVerse® product line.

Beyond our current software business, a current principal focus of ours surrounds, and has increasingly surrounded during the period since we began for some time, the identification and evaluation of what we perceive as our best broader-range strategic options for realizing the most favorable economic outcome for our shareholders, and ultimately the selection and pursuit of one or more of those options. With very different though similarly difficult-to-meaningfully-forecast capital allocation considerations, the options under consideration in this regard have been included the pursuit of a business combination transaction involving a potential merger or acquisition aimed at revenue re-development and long-term growth, on the one hand, and liquidation and/or winding-down, aimed in the very different direction of business cessation, on the other. Unless and until we determine to liquidate and/or wind down, we will continue to be largely focused on acquiring or merging with another operating company.

DISCONTINUED OPERATIONS

On May 5, 2011, we entered into a Software Product Line Purchase Agreement with WORDsearch Corp., L.L.C. In accordance with the Software Product Line Purchase Agreement, WORDsearch agreed to acquire from us all of the assets associated with the QuickVerse® product line which centered around our industry-leading Bible-study software program. The specific assets conveyed include, among others, the underlying software source code, registered trade names, and existing product inventories. As a result, we have classified this asset and any associated liabilities as well as all revenues and expenses directly related to the QuickVerse® product line as discontinued operations for the years ended December 31, 2012 and 2011. See Note 15.

F-6

Table of Contents

ACCOUNTING METHOD

We recognize income and expenses on the accrual basis of accounting.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and our wholly-owned subsidiaries after eliminations.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Significant estimates used in the consolidated financial statements include the estimates of (i) doubtful accounts, sales returns and price protections, (ii) provision for income taxes and realizability of the deferred tax assets, and (iii) the life and realization of identifiable intangible assets. The amounts we will ultimately incur or recover could differ materially from current estimates.

CONCENTRATIONS

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. We place our cash and cash equivalents at well-known, quality financial institutions. We currently maintain our cash balances in one financial institution located in Omaha, Nebraska. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. For the years ended December 31, 2012 and 2011, we did not have any cash balances that exceeded the amount that would have been covered by the federal insurance.

Within our operations as a whole, including those operations now classified as discontinued operations, we sell a majority of our products to consumers through distributors, Christian bookstores, Internet and direct marketing efforts. Although we attempt to prudently manage and control accounts receivable and perform ongoing credit evaluations in the normal course of business, we generally require no collateral on our product sales. During 2012, we incurred sales transactions with approximately 300 consumers and 10 retail bookstores and/or distributors. Our top five retail customers in aggregate accounted for 63% and 21% of gross sales for the years ended December 31, 2012 and 2011, respectively, as indicated below:

Sales to Top 5 Retail Customers – Percent to Total Sales			
	Customers		
	A	B – E Combined	Total
2012	52%	11%	63%
2011	9%	12%	21%

Accounts receivable relating to customer A was \$-0- and \$-0- at December 31, 2012 and 2011, respectively.

During the years ended December 31, 2012 and 2011, we derived our total revenue from the following sales breakdown:

	2012	2011
FormTool®	90%	7%

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QuickVerse®	0%	86%
Other		
software titles	10%	7%
Total	100%	100%

F-7

Table of Contents

During the years ended December 31, 2012 and 2011, three vendors provided purchases individually of 10% or more of the total product and material purchases for our operations as a whole, including those operations now classified as discontinued operations, as follows:

Major Vendors – Percent to Total Product and Material Purchases				
	Vendors			
	A	B	C	Total
2012	50%	49%	1%	100%
2011	54%	14%	11%	79%

Accounts payable relating to vendors A, B and C was \$-0- and \$-0- at December 31, 2012 and 2011, respectively

ROYALTY AGREEMENTS

We have entered into certain agreements whereby we are obligated to pay royalties for content of software published. We generally pay royalties based on a percentage of sales on respective products or on a fee per unit sold basis. We expense software royalties as product costs during the period in which the related revenues are recorded. See Note 12.

CASH AND CASH EQUIVALENTS

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Within our operations as a whole, including those operations now classified as discontinued operations, we sell our products to resellers and distributors generally under terms appropriate for the creditworthiness of the customer. Our terms generally range from net 30 days for domestic resellers, net 60 days for domestic distributors, to net 90 days for international resellers and distributors. Receivables from customers are unsecured. We continuously monitor our customer account balances and actively pursue collections on past due balances.

We maintain an allowance for doubtful accounts comprised of two components, (i) historical collections performance and (ii) specific collection issues. If actual bad debts differ from the reserves calculated based on historical trends and known customer issues, we record an adjustment to bad debt expense in the period in which the difference occurs. Such adjustment could result in additional expense or a reduction of expense.

Our accounts receivable go through a collection process that is based on the age of the invoice and requires attempted contacts with the customer at specified intervals and the assistance from other personnel within the Company who have a relationship with the customer. If after a number of days, we have been unsuccessful in our collections efforts, we may turn the account over to a collection agency. We write-off accounts to our allowance when we have determined that collection is unlikely. The factors considered in reaching this determination are (i) the apparent financial condition of the customer, (ii) the success we've had in contacting and negotiating with the customer and (iii) the number of days the account has been outstanding. To the extent that our collections do not correspond with historical experience, we may be required to incur additional charges.

INVENTORY

Inventory, including out on consignment, consists primarily of software media and related packaging materials and is recorded at the lower of cost or market value, determined on a first-in, first-out, and adjusted on a per-item basis.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Furniture, fixtures and computer equipment are depreciated over five years using the straight-line method. Software is depreciated over three years using the straight-line method. Expenditures for maintenance, repairs and other renewals of items are charged to expense when incurred.

F-8

Table of Contents

ACCOUNTING FOR LONG-LIVED ASSETS

We review property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of our carrying amount to future net cash flows the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. Property and equipment to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

INTANGIBLE ASSETS

In accordance with Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 350-30, General Intangibles Other Than Goodwill, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives, generally three to ten years. All intangible assets are tested for impairment annually during the fourth quarter.

SOFTWARE DEVELOPMENT COSTS

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a “beta” version for testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months, but up to 60 months), or (ii) the ratio of current revenues to total projected product revenues. We did not recognize any capitalized software development costs or associated accumulated amortization for the years end December 31, 2012 and 2011, respectively.

Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management’s best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues. We have written down capitalized software developments costs associated with the discontinued operations and have recorded an impairment expense of \$-0- and \$264,506 for the years December 31, 2012 and 2011, respectively, which has been included in discontinued operations. See Note 15.

ASC 730, Research and Development, provides accounting and reporting standards for research and development. In accordance with ASC 730-10, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs. Research and development costs incurred prior to determination of technological feasibility and marketability and after general release to the public and charged to expense were \$-0- and \$153,627 for the years ended December 31, 2012 and 2011, respectively, included in general and administrative expenses of discontinued operations.

We capitalize costs related to the development of computer software developed or obtained for internal use in accordance with the ASC 350-40, Internal-Use Software. Software obtained for internal use has generally been enterprise level business and finance software that we customize to meet our specific operational needs. We have not sold, leased, or licensed software developed for internal use to our customers and have no intention of doing so in the future.

F-9

Table of Contents

We capitalize costs related to the development and maintenance of our website in accordance with ASC 350-50, Website Development Costs. Accordingly, costs expensed as incurred are as follows:

- planning the website,
- developing the applications and infrastructure until technological feasibility is established,
- developing graphics such as borders, background and text colors, fonts, frames, and buttons, and
- operating the site such as training, administration and maintenance.

Capitalized costs include those incurred to:

- obtain and register an Internet domain name,
- develop or acquire software tools necessary for the development work,
- develop or acquire software necessary for general website operations,
- develop or acquire code for web applications,
- develop or acquire (and customize) database software and software to integrate applications such as corporate databases and accounting systems into web applications,
- develop HTML web pages or templates,
- install developed applications on the web server,
- create initial hypertext links to other websites or other locations within the website, and
- test the website applications.

We amortize website development costs on a straight-line basis over the estimated life of the site, generally 36 months. Total cumulative website development costs, included in Other assets from continuing operations on our Consolidated Balance Sheets, were \$-0-, less accumulated amortization of \$-0- at December 31, 2012. As a result of the decision to postpone indefinitely the plan to revamp our FormTool.com website due to a lack of available financial and human resources, we have written down capitalized website developments costs and have recorded an impairment expense of \$18,781 in continuing operations for the year ended December 31, 2012. See Note 15.

REVENUE RECOGNITION

Within our operations as a whole, including those operations now classified as discontinued operations, we derive revenues from the sale of packaged software products and software distributed electronically via the Internet. We recognize software revenue for software products in accordance with ASC 985-605, Software Revenue Recognition. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectability is probable.

In some situations, we receive advance payments from our customers. We defer revenue associated with these advance payments until we ship the products or offer the support. During the year ended December 31, 2012, we received an advance payment of \$15,000 as part of an amended licensing agreement with a certain publisher whom sells our FormTool® product line. The advanced payment was to be applied against future royalties owed to us by the publisher for sales generated from the FormTool® product line. During the year ended December 31, 2012, sales exceeded the royalty advance payment of \$15,000; and therefore, the deferred revenue has been fully recognized. Finally, the amended licensing agreement also extended the initial term of the agreement by three years

Product Revenue

We typically recognize revenue from the sale of our packaged software products when we ship the product. We sell some of our products on consignment to a limited number of resellers. We recognize revenue for these consignment transactions only when the end-user sale has occurred. Revenue for software distributed electronically via the Internet

is recognized when the customer has been provided with the access codes that allow the customer to take immediate possession of the software on its hardware and evidence of the arrangement exists (web order).

Some of our software arrangements involve multiple copies or licenses of the same program. These arrangements generally specify the number of simultaneous users the customer may have (multi-user license), or may allow the customer to use as many copies on as many computers as it chooses (a site license). Multi-user arrangements, generally sold in networked environments, contain fees that vary based on the number of users that may utilize the software simultaneously. We recognize revenue when evidence of an order exists and upon delivery of the authorization code to the consumer that will allow them the limited simultaneous access. Site licenses, generally sold in non-networked environments, contain a fixed fee that is not dependent on the number of simultaneous users. Revenue is recognized when evidence of an order exists and the first copy is shipped to the consumer.

F-10

Table of Contents

Many of our software products contain additional content that is “locked” to prevent access until a permanent access code, or “key,” is purchased. We recognize revenue when evidence of an order exists and the customer has been provided with the access code that allows the customer immediate access to the additional content. All of the programs containing additional locked content are fully functional and the keys are necessary only to access the additional content. The customer’s obligation to pay for the software is not contingent on delivery of the “key” to access the additional content.

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products.

Shipping and Handling Costs

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of sales on our Consolidated Statements of Operations.

Sales Taxes

We record the amounts we charge our customers for sales taxes assessed by state and local governments on the sale of our software products and related shipping charges, as appropriate, on the net basis. As such, we report the taxes collected as a liability on our balance sheet and do not include them in product revenue in our Consolidated Statements of Operations.

Customer Service and Technical Support

Customer service and technical support costs include the costs associated with performing order processing, answering customer inquiries by telephone and through websites, email and other electronic means, and providing technical support assistance to our customers. In connection with the sale of certain products, we provide a limited amount of free technical support assistance to customers. We do not defer the recognition of any revenue associated with sales of these products, since the cost of providing this free technical support is insignificant. The technical support is provided within one year after the associated revenue is recognized and free product enhancements (bug fixes) are minimal and infrequent. We accrue the estimated cost of providing this free support upon product shipment and record it as cost of sales.

ADVERTISING

Advertising costs, including direct response advertising costs, are charged to operations as incurred. We have determined that direct response advertising costs are insignificant.

STOCK-BASED COMPENSATION

We recognize share-based compensation in accordance with ASC 718, Compensation – Stock Compensation, using the modified prospective method. ASC 718 requires that we measure the cost of the employee services received in exchange for an award for equity instruments based on the grant-date fair value and to recognize this cost over the requisite service period. It also provides that any corporate income tax benefit realized upon exercise or vesting of an award in excess of that previously recognized in earnings (referred to as a “windfall tax benefit”) will be presented in the Consolidated Statements of Cash Flows as a financing (rather than as operating) cash flow. Realized windfall tax benefits are credited to paid-in capital in the Consolidated Balance Sheets. Realized shortfall tax benefits (amounts which are less than that previously recognized in earnings) are first offset against the cumulative balance of windfall

tax benefits, if any, and then charged directly to income tax expense.

No options or warrants were issued during the year ended December 31, 2012.

We maintain a policy of issuing authorized but unissued shares of common stock to satisfy share option and warrant exercises.

F-11

Table of Contents

LEGAL COSTS RELATED TO LOSS CONTINGENCIES

We accrue legal costs expected to be incurred in connection with a loss contingency as they occur. We did not accrue any legal costs related to a loss contingency during the years ended December 31, 2012 and 2011.

INCOME TAXES

We follow the guidance of ASC 740, Income Taxes, which requires the use of the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of our assets and liabilities. 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.

EARNINGS PER SHARE

We follow the guidance of ASC 260, Earnings Per Share, to calculate and report basic and diluted earnings per share (“EPS”). Basic EPS is computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed by giving effect to all dilutive potential shares of common stock that were outstanding during the period. For us, dilutive potential shares of common stock consist of the incremental shares of common stock issuable upon the exercise of stock options and warrants for all periods, convertible notes payable and the incremental shares of common stock issuable upon the conversion of convertible preferred stock.

When discontinued operations, extraordinary items, and/or the cumulative effect of an accounting change are present, income before any of such items on a per share basis represents the “control number” in determining whether potential shares of common stock are dilutive or anti-dilutive. Thus, the same number of potential shares of common stock used in computing diluted EPS for income from continuing operations is used in calculating all other reported diluted EPS amounts. In the case of a net loss, it is assumed that no incremental shares would be issued because they would be anti-dilutive. In addition, certain options and warrants are considered anti-dilutive because the exercise prices were above the average market price during the period. Anti-dilutive shares are not included in the computation of diluted EPS, in accordance with ASC 260-10-45-17.

The following table shows the amounts used in computing earnings per share and the effect on income and the average number of shares of dilutive potential common stock:

For the Year Ended December 31	2012	2011
Numerator for continuing operations:		
Net loss from continuing operations	\$ (324,631)	\$ (554,521)
Numerator for discontinued operations:		
Net income from discontinued operations	\$ 26,087	\$ 1,483,149
Numerator for net income (loss):		

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Net income (loss)	\$ (298,544)	\$ 928,628
Denominator for continuing operations and discontinued operations:		
Denominator for basic		
per share amounts –		
weighted average shares	79,745,378	69,569,690
Dilutive effect of:		
Stock options	---	---
Warrants	---	---
Denominator for diluted		
per share amounts -		
weighted average shares	79,745,378	69,569,690

F-12

Table of Contents

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such instruments because of the short maturity of those instruments.

RECENT ACCOUNTING PRONOUNCEMENTS

At December 31, 2012, there were no recent accounting pronouncements that we believe would have a material impact on our consolidated financial statements.

RECLASSIFICATIONS

Certain accounts in our 2011 financial statements have been reclassified for comparative purposes to conform with the presentation in our 2012 financial statements.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates our continuation as a going concern. However, as of December 31, 2012 and 2011, we had negative working capital of \$314,942 and \$211,428, respectively, and had an accumulated deficit of \$8,563,875 and \$8,265,331, respectively. Although these factors raise substantial doubt about our ability to continue as a going concern, we have taken several actions in an attempt to mitigate the risk that we will be unable to continue as a going concern through December 31, 2012. These actions include pursuing the sale of product lines and pursuing mergers and acquisitions that will provide profitable operations and positive operating cash flow.

NOTE 3 – BALANCE SHEET DETAILS

Details of certain balance sheet captions within continuing operations are as follows:

Year ended December 31,	2012	2011
Accounts receivable, trade, net:		
Gross trade accounts receivable	\$ 1,320	\$ 8,604
Less: allowance for doubtful accounts	(400)	(500)
Net accounts receivable, trade	\$ 920	\$ 8,104
Allowance for doubtful accounts:		
Beginning balance for total operations	\$ 500	\$ 21,000
Bad debts provision (included in Sales and marketing expenses)	(100)	(20,091)
Accounts written off	---	(409)
Collection of accounts previously written off	---	---

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Ending balance for total operations	\$ 400	\$ 500
Less: portion attributed to discontinued operations	---	---
Ending balance for continuing operations	\$ 400	\$ 500
Inventories, net:		
Raw materials	\$ 2,262	\$ 2,477
Finished goods	2,591	3,152
Less: reserve for obsolete inventory	(2,275)	(1,000)
Net inventories	\$ 2,578	\$ 4,629

F-13

Table of Contents

Reserve for obsolete inventory:		
Beginning balance for total operations	\$ 1,000	\$ 9,108
Provision for obsolete inventory	1,298	(7,957)
Obsolete inventory written off	(23)	(151)
Ending balance for total operations	\$ 2,275	\$ 1,000
Less: portion attributed to discontinued operations	---	---
Ending balance for continuing operations	\$ 2,275	\$ 1,000

Other current assets:		
Prepaid expenses	\$ 2,537	\$ 14,890
Total other current assets	\$ 2,537	\$ 14,890

Property and equipment, net		
Computer equipment	\$ 4,253	\$ 4,253
Office furniture and fixtures	757	1,357
Warehouse equipment	1,299	1,299
Total property and equipment	6,309	6,909
Less: accumulated depreciation	(5,441)	(4,615)
Net property and equipment	\$ 868	\$ 2,295

Intangible assets, net		
Software license agreement, net		
Cost	\$ 214,638	\$ 214,638
Less: accumulated amortization	(143,469)	(123,135)
Net intangible assets	\$ 71,169	\$ 91,503

Amortization related to the FormTool® software license agreement, included in General and administrative expenses on our Consolidated Statements of Operations, was \$20,334 and \$22,844 for the years ended December 31, 2012 and 2011, respectively.

Other current liabilities:		
Reserve for directors' fees	\$ 13,000	\$ 15,000
Reserve for sales returns	200	1,500
Accrued interest	3,577	540
Other accrued expenses	4,430	4,370
Total other current liabilities	\$ 21,207	\$ 21,410

Reserve for sales returns (included in Other current liabilities):		
Beginning balance for total operations	\$ 1,500	\$ 115,756
Return provision – sales	1,300	62,400
	(195)	(9,360)

Return provision – cost of sales		
Returns processed	(1,145)	(60,728)
Returns provision	(1,260)	(106,568)
Ending balance for total operations	\$ 200	\$ 1,500
Less: portion attributed to discontinued operations	---	---
Ending balance for continuing operations	\$ 1,500	\$ 12,733

NOTE 4 – RECEIVABLE IN ESCROW

For the years ended December 31, 2012 and 2011, we had a receivable held in escrow by WORDsearch Corp., L.L.C in the amount of \$36,957 and \$47,264, respectively. As part of the Software Product Line Purchase Agreement for the sale of our QuickVerse® product line, it was agreed that WORDsearch would hold a portion of the original purchase price of \$975,000 in cash in escrow. These funds were and continue to be held for settlement agreements reached with certain of our royalty content providers pursuant to which reductions in the total accrued royalty balance owed by us to them were and continue to be finalized, which agreements were part of a broad initiative on our part arising in connection with our sale to WORDsearch of our QuickVerse® product line. See Note 15.

Table of Contents

NOTE 5 – DEBT

At December 31, 2012 and 2011, the current portion of term debt consisted of the following:

	2012	2011
Unsecured term note payable to a finance company due March 2012 in monthly installments of \$1,483, including interest at 5.89% APR.	\$ ---	\$ 4,405
Unsecured term note payable to a former shareholder due January 2012, plus interest at 5% APR. Interest on overdue principal accruing at 10% APR.	28,783	28,783
Current portion of debt	\$ 28,783	\$ 33,188

At December 31, 2012, we were in arrears on the unsecured term note payable to a former shareholder.

NOTE 6 – IMPAIRMENT EXPENSE

As a result of the decision to postpone indefinitely the plan to revamp our FormTool.com website due to a lack of available financial and human resources, we tested for impairment certain intangible assets associated with the FormTool® product line. In accordance with ASC 360-10-35, Property, Plant, and Equipment, Overall, Subsequent Measurement, we recognized a total impairment expense of \$18,781 during the year ended December 31, 2012 for the intangible assets related to capitalized website development costs. This has been treated as an operating expense and included in Impairment expense on our Consolidated Statement of Operations.

NOTE 7 – GAIN ON DEBT SETTLEMENT

During the year ended December 31, 2012 and 2011, we recognized income from debt forgiveness totaling \$28,504 and \$34,866, respectively. This income from debt forgiveness mainly results from settlement agreements involving certain of our vendors whom trade payables were owed by us to them, settlement agreements involving certain of our customers whom credit balances were owed by us to them, as well as a settlement with a former employee with whom we had payroll accrued and unpaid from June 2010 through September 2011. This has been treated as a gain from extinguishment of debt and included in Gain on debt settlement on our Consolidated Statement of Operations.

NOTE 8 – INCOME TAXES

The provision for taxes on income from continuing operations for the years ended December 31, 2012 and 2011 consisted of the following:

	2012	2011
Current:		
Federal	\$ ---	\$ ---
State	---	---
	---	---

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Net current income tax expense				
Deferred:				
Federal	---		---	
State	---		---	
Net deferred income tax expense		---		---
Total tax provision	\$	---	\$	---

F-15

Table of Contents

The provisions for income taxes differ from the amounts computed by applying the federal statutory rate due to the following:

	2012	2011
Expense (benefit) at Federal statutory rate – 34%	\$ (97,240)	\$ 315,860
State tax effects, net of Federal taxes	(486)	1,579
Nondeductible expenses	69	190
Nontaxable income	---	---
Deferred tax asset valuation allowance	97,657	(317,629)
Income tax expense	\$ ---	\$ ---

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Our total and net deferred tax assets, deferred tax asset valuation allowances and deferred tax liabilities at December 31, 2012 and 2011 are as follows:

For the years ended December 31	2012	2011
Total current deferred income tax asset	\$ 10,500	\$ 28,300
Total non-current deferred income tax asset	2,920,200	2,799,600
Total deferred income tax asset	2,930,700	2,827,900
Less: Valuation allowance	(2,958,100)	(2,845,800)
Deferred income tax asset, net	(27,400)	(17,900)
Total deferred income tax liability	27,400	17,900
Deferred income tax liability, net	\$ ---	\$ ---

A valuation allowance has been recorded primarily related to tax benefits associated with income tax operating loss carryforwards. Adjustments to the valuation allowance will be made if there is a change in management's assessment of the amount of the deferred tax asset that is realizable. The valuation allowance for deferred tax assets was increased by \$112,200 during the year ended December 31, 2012 and decreased by \$288,600 during the year ended December 31, 2011.

At December 31, 2012, we had available net operating loss carryforwards of approximately \$8,603,000 for federal income tax purposes that have a range of expiration dates beginning in the year of 2021 and extending through the year of 2032. The federal carryforwards resulted from losses generated in 1996 through 2002, 2005, 2006, 2008, 2009, 2010 and 2012.

We adopted the provisions of FIN No. 48 (now codified as ASC 740) as of January 1, 2007, and have analyzed filing positions in each of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. Federal, Nebraska, Iowa, Texas and Illinois as our "major" tax jurisdictions. Generally, we remain subject to examination of our 2008 through 2011 U.S. Federal,

Nebraska, Iowa, Texas and Illinois income tax returns.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

NOTE 9 – STOCKHOLDERS’ EQUITY

COMMON STOCK

In April 2011, we committed to issue a total of 1,812,085 restricted shares of common stock to our outside directors, at the closing price as of April 8, 2011 (\$0.004), in lieu of cash for services rendered from July 1, 2010 through December 31, 2010. These services were valued at \$30,000; however, the board of directors determined that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

Table of Contents

In April 2011, an outside board of director forfeited 292,308 shares of common stock. These shares of common stock were previously committed to be issued by the Company in March 2006, in lieu of cash for services rendered from September 1, 2004 through March 31, 2006 which were previously valued at \$38,000.

In November, 2011, we committed to issue a total of 4,500,000 restricted shares of common stock to our outside directors, at the closing price of November 17, 2011 (\$0.0027), in lieu of cash for services from January 1, 2011 through September 30, 2011. These services were valued at \$45,000; however, the board of directors determined that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

In November, 2011, we committed to issue a total of 3,125,005 restricted shares of common stock to our Chief Executive Officer and Chief Technology Officer, at the closing price of November 17, 2011 (\$0.0027), as compensation for their services in lieu of cash for half of the payroll accrued and unpaid from June 2010 through September 2011. These services were valued at \$31,250; however, both the officers and the board determined that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

In November 2011, we committed to issue 1,000,000 restricted shares of common stock to our corporate controller, at the closing price of November 17, 2011 (\$0.0027), as compensation for services rendered in connection with her employment. This issuance was valued at \$2,700.

In November, 2011, we committed to issue a total of 500,000 restricted shares of common stock valued to two outside consultants, at the closing price of November 17, 2011 (\$0.0027), for their services as consultants. This issuance was valued at \$1,350.

In December, 2012, we committed to issue a total of 8,000,000 restricted shares of common stock to our outside directors, at the closing price of December 6, 2012 (\$0.0075), in lieu of cash for services from October 1, 2011 through September 30, 2012. These services were valued at \$60,000; however, the board of directors determined that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

In December, 2012, we committed to issue a total of 1,200,000 restricted shares of common stock to a consultant, whom later was appointed to fill a vacancy on our Board of Directors, at the closing price of December 6, 2012 (\$0.0075), in lieu of cash for business development advisory services with a consultant. These services, which remained accrued and unpaid since the year ended 2007, were previously valued at \$9,000; however, the board of directors determined that the difference between the value of the restricted shares of common stock and the corresponding services would be recorded as contributed capital.

In December, 2012, we committed to issue a total of 5,524,533 restricted shares of common stock to our Chief Executive Officer at the closing price of December 6, 2012 (\$0.0075), as compensation for the payroll and vacation accrued and unpaid from July 2010 through September 2012. These services were valued at \$51,300; however, the board of directors determined that the difference between the value of the restricted shares of common stock and the corresponding services would be recorded as contributed capital.

In December, 2012, we committed to issue a total of 1,077,867 restricted shares of common stock to our corporate controller at the closing price of December 6, 2012 (\$0.0075), as compensation for the payroll and vacation accrued and unpaid from July 2012 through September 2012. These services were valued at \$9,591; however, the board of directors determined that the difference between the value of the restricted shares of common stock and the corresponding services would be recorded as contributed capital.

In December, 2012, two of our outside board of directors entered into common stock subscription agreements to purchase from the Company a total of 9,838,725 restricted shares of common stock at a price of twenty five thousands of a dollar (\$0.0025) per share, such price being paid as of December 6, 2012 to the Company in cash.

F-17

Table of Contents

COMMON STOCK OPTIONS

In July 2011, 175,000 vested stock options with an exercise price of \$0.11 held by a former outside board member expired unexercised. We did not grant any options or other stock-based awards to the holder of the options during the six month periods preceding or following the option expirations.

COMMON STOCK WARRANTS

For the years ended December 31, 2012 and 2011, no warrants were issued or expired.

NOTE 10 – STOCK-BASED COMPENSATION

Our 1999 Stock Incentive Plan authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. The plan has been approved by our stockholders and as such, provides certain income tax advantages to employees as provided under Sections 421, 422, and 424 of the Internal Revenue Code. Stock options are granted at an exercise price as determined by our board at the time the option is granted and may not be less than the par value of such shares of common stock. None of the options granted under the plan have been granted with an exercise price less than fair value of the common stock on the date of grant. Stock options vest quarterly over three years and have a term of up to ten years. The plan authorizes an aggregate of 1,500,000 shares of common stock may be issued. We did not grant any options under the plan during 2012 or 2011.

In addition, we issue various forms of stock-based awards including nonqualified stock options and restricted stock awards to directors, officers, other key employees and third-party consultants, outside of the plan. Awards granted outside of the plan have been granted pursuant to equity compensation arrangements that have not been approved by our stockholders. These awards are granted at an exercise price as determined by our board at the time of grant and are not less than the par value of such shares of common stock. None of the options granted outside of the plan have been granted with an exercise price less than fair value of the common stock on the date of grant. Stock options granted outside of the plan vest as determined by our board at the time of grant and have a term of up to ten years. We did not grant any options outside of the plan during 2012 or 2011 to non-executive employees. During the year ended December 31, 2011, a total of 175,000 vested stock options expired unexercised. See Note 9.

For the year ended December 31, 2012, there was no activity under our stock option plans. Furthermore, there were no non-vested equity instruments at the beginning of the year, end of the year, granted or forfeited during the year.

No other equity instruments were issued during 2012 to acquire goods and services. See Note 9.

NOTE 11 – RENTAL AND LEASE INFORMATION

OPERATING LEASES

We leased warehouse facilities in Omaha, Nebraska under an operating lease with a third-party with terms extending through June 2010. From June 2010 through July 2011, we continued to lease the warehouse facilities under a month-to-month lease agreement. In August 2011, the lease agreement was considered to be paid in full and a full release had been granted by the third-party. We were responsible for all taxes, insurance and utility expenses associated with this lease.

Since August 2011, we utilize approximately 650 square feet for our corporate offices in Elkhorn, Nebraska. Through arrangements made by our CEO, we currently pay no rent for these 650 square feet and are not responsible for any

taxes or insurance expenses associated with this space.

Rental expense for the years ended December 31, 2012 and 2011 amounted to \$-0- and \$20,636, respectively.

At December 31, 2012, there were no future minimum rental payments required under these leases and/or arrangements.

F-18

Table of Contents

NOTE 12 – COMMITMENTS AND CONTINGENCIES

We are subject to legal proceedings and claims that arise in the ordinary course of our business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect our financial statements taken as a whole.

The employment agreement with our Chief Executive Officer expired on April 14, 2010. This agreement was not extended nor is a new agreement being considered. Our Chief Executive Officer, however, has continued to be employed by us on an at-will basis since the expiration of his employment agreement at the following base annual salary rates:

	Chief Executive Officer
Base Annual Salary	\$ 75,000

Although the employment agreement has expired, we have accrued the following for our Chief Executive Officer as of December 31, 2012:

	Accrued Base Salary
Included in Accrued Payroll at December 31, 2012	\$ 20,495

We have included third-party technology in FormTool® under a contract with a publisher provider that has expired. We are currently pursuing resolution, however, there is no guarantee that we will be able to secure a new agreement, or an extension, and should the publisher demand we cease and desist including their technology, the unknown potential negative impact could be material.

We do not collect sales/use taxes or other taxes with respect to shipments of most of our goods into most states in the U.S. Our fulfillment center and customer service center networks, and any future expansion of those networks, along with other aspects of our evolving business, may result in additional sales/use and other tax obligations. One or more states may seek to impose sales/use or other tax collection obligations on out-of-jurisdiction companies that engage in e-commerce. A successful assertion by one or more states that we should collect sales/use or other taxes on the sale of merchandise or services could result in substantial tax liabilities for past sales, decrease our ability to compete with traditional retailers, and otherwise harm our business.

Currently, decisions of the U.S. Supreme Court restrict the imposition of obligations to collect state and local taxes and use taxes with respect to sales made over the Internet. However, a number of states, as well as the U.S. Congress, have been considering various initiatives that could limit or supersede the Supreme Court's constitutional concerns and result in a reversal of its current position, we could be required to collect sales and use taxes in additional states. The imposition by state and local governments of various taxes upon Internet commerce could create administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on all of our online competitors and decrease our future sales.

NOTE 13 – RELATED PARTY TRANSACTIONS

Our executive officers and employees, from time to time, make purchases of materials and various expense items (including business related travel) in the ordinary course of business via their personal credit cards in lieu of a corporate check for COD orders and/or prior to establishment of a line of credit with a vendor. We do not provide our employees or executive officers with corporate credit cards and reimburse these purchases as quickly as possible. The unpaid expense account balances are included in Accounts payable, related parties on our Consolidated Balance Sheets.

After the divestiture of the QuickVerse® product line in 2011 and as a result largely leaving the Christian publishing space, our Chief Executive Officer entered into a license agreement for an updated version of the ClickArt software program. Given the shift in the company's strategy to focus largely on acquiring or merging with another company and to develop its remaining software assets outside of the Christian space, the board of directors had no objection to the CEO entering into such agreement and felt there was no conflict of interest.

Table of Contents

NOTE 14 – RISKS AND UNCERTAINTIES

Our future operating results may be affected by a number of factors. We are dependent upon a number of major inventory and intellectual property suppliers. If a critical supplier had operational problems or ceased making material available to us, operations could be adversely affected.

NOTE 15 – DISCONTINUED OPERATIONS

On May 5, 2011, we entered into a Software Product Line Purchase Agreement to sell our QuickVerse® product line to WORDsearch Corp., L.L.C. In accordance with the Software Product Line Purchase Agreement, WORDsearch agreed to acquire from us all of the assets associated with our QuickVerse® product line for \$975,000 in cash at closing and the assumption of up to \$140,000 of our then-existing liabilities at closing.

On June 30, 2011, closing of the asset sale transaction governed by the Software Product Line Purchase Agreement, which is transitional in nature and expected to be ongoing through approximately the end of April, 2012, commenced. As one of the initial parts of the closing, on July 1, 2011 WORDsearch assumed possession of the physical assets conveyed in the transaction as well as control and responsibility of the business operations related to the QuickVerse® product line, including, among many other things, the receipt of revenues for sales in exchange for partial payment of the cash portion of the purchase price being paid to us. On April 13, 2012, we determined that the final closing conditions under the Software Product Line Purchase Agreement had been met, which meant that we were able to deliver to WORDsearch the last in a series of officer's certificates required thereunder. Having delivered such certificate to WORDsearch on April 13, 2012, the sale of the QuickVerse® product line to WORDsearch was complete. At December 31, 2012 and 2011, we had a receivable held in escrow by WORDsearch in the amount of \$36,957 and \$47,264, respectively. These funds are held in escrow for settlement agreements yet to be reached with certain of our royalty content providers for remaining accrued royalty balances owed by us to them. See Note 4.

As a result of the decision to sell the QuickVerse® product line, we have classified this asset as discontinued operations for the years ended December 31, 2012 and 2011. We have recorded the remaining class of liabilities for the QuickVerse® product line as presented below:

Year ended December 31,	2012	2011
Other current liabilities from discontinued operations:		
Accrued royalties	\$ 114,368	\$ 153,383
Other current liabilities from discontinued operations	\$ 114,368	\$ 153,383

The following table presents the results of operations of our discontinued operations for the years ended December 31, 2012 and 2011:

Year Ended December 31,	2012	2011
Gross revenues	\$ ---	\$ 658,329
Less estimated sales returns and allowances	---	64,272
Net revenues	---	722,601

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Cost of sales	---	162,899
Gross profit	---	559,702
Operating expenses:		
Advertising and direct marketing	---	54,645
Sales and marketing wages	---	101,777
Total sales and marketing	---	156,422
Research and development	---	153,627
Rent	---	20,636
Other general and administrative costs	---	49,240
Total general and administrative	---	223,503
Income from operations of discontinued component	---	179,777
Gain on sale of software product line	---	977,842
Impairment expense	---	(288,587)
Gain on debt settlement	26,087	614,117
Income tax (provision)	---	---
Income from discontinued operations, net of taxes	\$ 26,087	\$ 1,483,149

Table of Contents

GAIN ON SALE OF SOFTWARE PRODUCT LINE

Due to the transfer of control and responsibility of the business operations related to the QuickVerse® product line to WORDsearch on July 1, 2011, we recognized a disposal gain of \$977,842 at December 31, 2011 in accordance with ASC 360-10-35, Property, Plant, and Equipment, Overall, Subsequent Measurement. The disposal gain has been treated as a gain on long-lived assets classified as held for sale and included in discontinued operations as a Gain on sale of software product line on our Consolidated Statement of Operations.

At December 31, 2011, the Gain on sale of software product line consisted of the following:

Purchase price for the sale of the QuickVerse® product line	\$975,000
Assumed liabilities by WORDsearch	99,433
Inventory transferred to WORDsearch, at cost	(42,868)
Unamortized basis of QuickVerse® software license	(9,083)
Legal and broker fees associated with the Software Product Line Purchase Agreement	(44,640)
Balance December 31, 2011	\$977,842

IMPAIRMENT EXPENSE

As a result of the decision to sell the QuickVerse® product line, we tested for impairment certain intangible assets associated with the QuickVerse® product line. In accordance with ASC 360-10-35, Property, Plant, and Equipment, Overall, Subsequent Measurement, we recognized a total impairment expense of \$288,587 during the year ended December 31, 2011 for the intangible assets related to capitalized software development costs, capitalized raw material packaging costs, and capitalized website development costs. This has been treated as an expense within discontinued operations and included in Impairment expense on our Consolidated Statement of Operations.

GAIN ON DEBT SETTLEMENT

During the years ended December 31, 2012 and 2011, we recognized income from debt forgiveness totaling \$26,087 and \$614,117, respectively. This income from debt forgiveness results from agreements reached with certain of our royalty content providers pursuant to which reductions in the total accrued royalty balance owed by us to them were finalized, which agreements were part of a broad initiative on our part arising in connection with our sale to WORDsearch of our QuickVerse® product line. This has been treated as a gain from extinguishment of debt and included in Gain on debt settlement within discontinued operations on our Consolidated Statement of Operations.

NOTE 16 – SUBSEQUENT EVENTS

On December 31, 2012 Mr. Gordon Landies resigned, effective immediately, as a member of our board of directors, as well as from our compensation committee. Mr. Landies has informed the Company that other professional obligations prevent him from continued participation on our board of directors. Mr. Landies has had no disagreements

at any time with the Company on any matters related to our operations, policies or practices.

As of the date hereof, an active search for an independent director to fill the vacancy created by Mr. Landies' resignation is underway, and while the Company has not yet identified a suitable replacement, it will make every effort to do so as soon as possible.

The date to which events occurring after December 31, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is April 16, 2013, which is the date on which the financial statements were available to be issued.

F-21

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There are not currently and have not been any disagreements between us and our accountants on any matter of accounting principles, practices or financial statement disclosure.

ITEM 9A(T). CONTROLS AND PROCEDURES.

DISCLOSURE CONTROLS AND PROCEDURES

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our principal executive and principal financial officers are responsible for assessing the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(f) under the Exchange Act). Accordingly, we maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our Chief Executive Officer/Chief Financial Officer has evaluated our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K December 31, 2012, and has determined that such disclosure controls and procedures are not effective. Our disclosure controls and procedures are not effective as a result of the material weakness in internal control over financial reporting because of inadequate segregation of duties over authorization, review and recording of transactions as well as the financial reporting of such transactions. Management is attempting to develop a plan to mitigate the above material weaknesses. Despite the existence of these material weaknesses, we believe the financial information presented herein is materially correct and in accordance with generally accepted accounting principles.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act).

Our management, under the supervision of our Chief Executive Officer/Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework. Based on the assessment, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2012. Despite the existence of these material weaknesses, we believe the financial information presented herein is materially correct and in accordance with generally accepted accounting principles.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the fourth quarter of 2012, there were no changes in our internal control over financial reporting, other than those disclosed above that materially affected, or is reasonable likely to materially effect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

There were no reportable events under this Item 9B during the fourth quarter of the fiscal year ended December 31, 2012.

Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Our directors and executive officers and their ages as of April 16, 2013 were as follows:

Name	Age	Position
Steven Malone	46	Director, Chairman of the Board, President and Chief Financial Officer
John A. Kuehne, CA	55	Director

Steven Malone — Chairman of the Board of Directors, President, Chief Executive Officer and Chief Financial Officer

Mr. Malone has served as our President and Chief Executive Officer since March 2001, as a director and Chairman of the Board since February 2002 and as Chief Financial Officer since July 2010. Between July 2000 and March 2001, Mr. Malone was Senior Vice President and between June 1999 and July 2000 he was a Vice President. Mr. Malone possesses over twenty years of experience in the computer industry, with the last nineteen focused on software sales. As a National Account Manager from 1992 to 1996 for Grolier Interactive, he was responsible for their largest retail and distribution accounts. As Director of Corporate Sales from 1996 to 1998 for Software Publishing Corporation, he was responsible for the on-going sales growth of premiere corporate products, such as the award winning Harvard Graphics, as well as the introduction of several new products to the corporate marketplace. As Director of Sales from 1998 to 1999 for InfoUSA, he was responsible for sales and marketing of InfoUSA's products to retail, distribution, OEM and corporate accounts.

John A. Kuehne, CA – Director

Mr. Kuehne has served as one of our directors since December 2000. He is also currently an independent management consultant. Mr. Kuehne was the President of SmallCap Corporate Partners Inc., (www.smallcap.ca), a venture capital and management consulting firm for microcap public companies from August 2003 to January 2009. Prior to SmallCap, Mr. Kuehne served as a management consultant with Alliance Corporate Services Inc. from July 2000 through to June 2003. Mr. Kuehne worked in finance and accounting for Deloitte & Touche for eight years. He also has industry experience, including over seven years with Doman Industries Limited (1990 to 1999), a large private Canadian forest products company, where he eventually became Chief Financial Officer. As the CFO of Doman Industries, Mr. Kuehne gained practical experience in corporate finance and mergers and acquisitions, completing a \$125 million senior note issue through Bear Stearns and the \$140 million acquisition of Pacific Forest Products. Mr. Kuehne holds a Bachelor of Commerce degree from the University of Alberta (1984) and a Masters of Management from the J.L.Kellogg Graduate School of Management at Northwestern University (1990). From June 2000 to May 2004 he served as a director of Prospector Consolidated Resources Inc., a Canadian public company. From January 2003 to November 2004 he served as a director of Beau Pre Explorations Ltd., also a Canadian public company. Mr. Kuehne qualified as a Canadian Chartered Accountant in 1983 and as an American Certified Public Accountant in 1985.

Board of Directors Committees

Currently our two standing committees comprised of members of our board of directors are our audit committee and our compensation committee. Since December 2000, our board of directors has maintained an audit committee. As of April 16, 2013, the audit committee consisted of one member, John Kuehne. Mr. Kuehne is considered to be a “financial expert” within the meaning of Item 407(d)(5) of Regulation S-K and each qualifies as an “independent” under Item 7(d)(3)(iv) of Schedule 14A of the Securities Exchange Act of 1934. Since July 2003, we have maintained a compensation committee. We currently have one member, John A. Kuehne, serving on our compensation committee.

Except as may be provided in our bylaws (incorporated by reference into this Form 10-K as Exhibit 3(ii)), we do not currently have specified procedures in place pursuant to which whereby security holders may recommend nominees to the Board of Directors.

Code of Ethics

We have adopted the Code of Ethics incorporated by reference as Exhibit 14.1 to this Form 10-K for our senior financial officers and the principal executive officer.

Table of Contents

Compliance with Section 16(a)

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities of ours. Officers, directors and greater than ten percent stockholders are required by the SEC's regulations to furnish us with copies of all Section 16(a) forms they filed. We prepare the Section 16(a) forms on behalf of our executive officers and directors based on the information provided by them.

The following table sets forth the compliance reporting under Section 16(a) for the fiscal year ended December 31, 2012.

	Number of Late Reports	Number of Transactions Not Timely Reported	Failure to File
Steven Malone	---	---	---
John A. Kuehne	1	1	---
Gordon A. Landies	1	1	---
William J. Bush	---	---	---
William Terrill	---	---	---

ITEM 11. EXECUTIVE COMPENSATION.

SUMMARY COMPENSATION TABLE

The following table sets forth the total compensation awarded to, earned or paid, for each of the last two fiscal years to our Chief Executive Officer and each of our executive officers earning a total compensation of \$100,000 or more during any such fiscal year. Steven Malone has served as our President and Chief Executive Officer since March 2001 and as our Chief Financial Officer since July 2010. William Terrill served as our Chief Technology Officer from July 2002 through February 2012. No other individuals employed by us earned a total compensation in excess of \$100,000 during the fiscal year ended December 31, 2012.

Summary Compensation									
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Compensation (\$)	Non-qualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
Steven Malone,	2012	\$96,923	\$14,424	\$---	\$---	\$---	\$---	\$---	\$111,347
President, Chief	2011	\$140,145	\$5,529	\$---	\$---	\$---	\$---	\$14,424	\$160,098

Executive
Officer and
Chief
Financial
Officer

William Terrill, Chief Technology Officer	2012	\$3,000	\$---	\$---	\$---	\$---	\$---	\$---	\$14,250	\$17,250
	2011	\$101,448	\$5,966	\$---	\$---	\$---	\$---	\$---		\$107,414

(a) In December 2012, our board of directors authorized the issuance of restricted stock compensation awards to our Chief Executive Officer as compensation for vacation accrued and unpaid from July 2010 through September 2012. The restricted shares of common stock were committed to be issued on December 6, 2012 with a closing price of \$0.0075 per common share. In November 2011, our board of directors authorized the issuance of restricted stock compensation awards to our executive officers, Steven Malone and William Terrill, as compensation for services in lieu of cash for half of the payroll accrued and unpaid from June 2010 through September 2011. The restricted shares of common stock were committed to be issued on November 17, 2011 with a closing price of \$0.0027 per common share.

(b) For 2012, this represents compensation earned for services as an outside consultant. For 2011, this represents earnings accrued at the end of each fiscal year for vacation hours earned that would be required to be paid in connection with any termination, including without limitation through retirement, resignation, severance or constructive termination of any such executive officer's employment.

Table of Contents

EQUITY AWARDS

Information Concerning Stock Options

Our Stock Incentive Plan, adopted in 1999, authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. In accordance with the terms of the Stock Incentive Plan, stock options are granted at an exercise price as determined by our board of directors at the time any such option is granted but which may not be less than the par value of our common shares (\$.001).

As of the fiscal year ended December 31, 2012, we did not have any outstanding equity awards, specifically unexercised options, stock that has not vested, and equity incentive plan awards, held by the executive officers. Furthermore, we did not grant stock options to our executive officers during the fiscal year ended December 31, 2012, and no executive exercised any stock options during the fiscal year 2012.

EMPLOYMENT AGREEMENTS

The employment agreement with our Chief Executive Officer expired on April 14, 2010. This agreement was not extended nor is a new agreement being considered.

DIRECTOR COMPENSATION

Pursuant to authority granted under Article III, Section 13 of our bylaws, non-officer directors are entitled to such compensation as our board of directors shall from time to time determine. On November 17, 2011, we resolved to issue our outside directors, John Kuehne and William J. Bush, each 1,800,000 restricted shares of common stock valued at \$0.0027 per share in lieu of cash and meeting fees accrued and earned for the period of January 1, 2011 through September 30, 2011. In addition, on November 17, 2011, we resolved to issue our outside director, Gordon A. Landies, 900,000 restricted shares of common stock valued at \$0.0027 per share in lieu of cash and meeting fees accrued and earned for the period of January 1, 2011 through September 30, 2011. While these services for the period of January 1, 2011 through September 30, 2011 performed by our board of directors were previously valued at a total of \$45,000; the board of directors agreed that the difference between the value of the restricted shares of common stock and their services, which totaled \$32,850, would be recorded as contributed capital.

On December 6, 2012, we resolved to issue our outside directors, John Kuehne and William J. Bush, each 3,200,000 restricted shares of common stock valued at \$0.0075 per share in lieu of cash and meeting fees accrued and earned for the period of October 1, 2011 through September 30, 2012. In addition, on December 6, 2012, we resolved to issue our outside director, Gordon A. Landies, 1,600,000 restricted shares of common stock valued at \$0.0075 per share in lieu of cash and meeting fees accrued and earned for the period of October 1, 2011 through September 30, 2012. While these services for the period of October 1, 2011 through September 30, 2012 performed by our board of directors were previously valued at a total of \$60,000; the board of directors agreed that the difference between the value of the restricted shares of common stock and their services, which totaled \$15,200, would be recorded as contributed capital.

As of the date hereof, we have accrued approximately \$13,000 in director's fees for our outside directors for the period of October 1, 2012 through December 31, 2012.

Table of Contents

The following table sets forth the compensation of our outside directors for the fiscal year ended December 31, 2012.

Name	Director Compensation						Total (\$)
	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	
John Kuehne	\$ 24,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 24,000
Gordon A. Landies	\$ 12,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 12,000
William J. Bush	\$ 22,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 22,000

Mr. Kuehne has served as one of our directors since December 2000. Mr. Kuehne's compensation agreement provides for a monthly fee of \$1,000 for committee services and a monthly fee of \$1,000 for services as a "financial expert" (as defined in Item 407(d)(5) of Regulation S-K). We have accrued \$2,000 a month for Mr. Kuehne's services for the period of January 1, 2012 through December 31, 2012.

Mr. Landies has served as one of our directors since December 2007. Mr. Landies' compensation agreement provides for a monthly fee of \$1,000 for committee services. We have accrued \$1,000 a month for Mr. Landies' services for the period of January 1, 2012 through December 31, 2012. On December 31, 2012, Mr. Landies resigned, effective immediately, as a member of our board of directors as well as our compensation committee. Mr. Landies has informed the Company that other professional obligations prevent him from continued participation on our board of directors.

Mr. Bush has served as one of our directors since December 2007. Mr. Bush's compensation agreement provides for a monthly fee of \$1,000 for committee services and a monthly fee of \$1,000 for services as a "financial expert" (as defined in Item 407(d)(5) of Regulation S-K). We have accrued \$2,000 a month for Mr. Bush's services for the period of January 1, 2012 through November 30, 2012. On December 7, 2012, Mr. Bush resigned, effective immediately, as a member of our board of directors as well as our audit committee. Mr. Bush has informed the Company that other professional obligations prevent him from continued participation on our board of directors.

Please refer to Part III, Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters as reported in this annual report on Form 10-K for the aggregate number of stock awards and option awards outstanding at fiscal year-end 2011 for all of our directors listed above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding	Weighted-average exercise price of all outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding

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	options, warrants and rights (a)	(b)	securities reflected in column (a) (c)
Equity compensation plans approved by security holders	---	\$ ---	1,500,000
Equity compensation plans not approved by security holders	---	\$ ---	---
Total	---	\$ ---	1,500,000

Table of Contents

Our 1999 Stock Incentive Plan authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. The plan has been approved by our stockholders and as such, provides certain income tax advantages to employees as provided under Sections 421, 422, and 424 of the Internal Revenue Code. Stock options are granted at an exercise price as determined by our board at the time the option is granted and may not be less than the par value of such shares of common stock. Stock options vest quarterly over three years and have a term of up to ten years. The plan authorizes an aggregate of 1,500,000 shares of common stock that may be issued.

In addition, we issue various forms of stock-based awards including nonqualified stock options and restricted stock awards to directors, officers, other key employees and third-party consultants, outside of the 1999 Stock Incentive Plan. Awards granted outside of the plan have been granted pursuant to equity compensation arrangements that have not been approved by our stockholders. These awards are granted at an exercise price as determined by our board at the time of grant, which is based on the last available closing price of our common stock and are not less than the par value of such shares of common stock. Stock options granted outside of the plan vest as determined by our board at the time of grant and have a term of up to ten years.

All issued options, whether under the plan or not, create the obligation for stock issuance upon payment of the corresponding exercise price.

The tables below set forth information regarding the beneficial ownership of our common stock as of April 16, 2013. The information in these tables provides the ownership information for:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership has been determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock and those rights to acquire additional shares within sixty days. Unless otherwise indicated, the persons named in the table below have sole voting and investment power with respect to the number of shares of common stock indicated as beneficially owned by them, except to the extent such power may be shared with a spouse. Common stock beneficially owned and percentage ownership are based on 103,635,060 shares of common stock currently outstanding (reflects a 1-for-50 reverse stock-split of our common stock that occurred in 1997 and a 1-for-20 reverse stock-split of our common stock that occurred on March 18, 1998). The address of each person listed is in care of Findex.com, Inc., 18151 Lafayette Avenue, Elkhorn, Nebraska 68022.

Certain Beneficial Owners

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Gordon A. Landies (1)	20,900,000	20.17%
Common Stock	John A. Kuehne (2)	20,500,800	19.78%

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Common Stock	Steven Malone	14,173,428	13.67%
	(3)		
Common Stock	William J. Bush	8,327,215	8.04%
	(4)		

(1) Consists of 20,500,000 shares of common stock directly owned, and 400,000 shares of common stock indirectly owned through children.

(2) Consists of 20,500,800 shares of common stock directly owned.

(3) Consists of 11,746,561 shares of common stock directly owned, and 2,426,867 shares of common stock indirectly owned through spouse.

(4) Consists 8,327,215 shares of common stock directly owned.

Table of Contents

Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Stevenson Malone (1)	14,173,428	13.67%
Common Stock	John A. Kuehne (2)	20,500,800	19.78%
Common Stock	All officers and directors as a group (5 persons)	34,674,228	33.45%

(1) Consists of 11,746,561 shares of common stock directly owned, and 2,426,867 shares of common stock indirectly owned through spouse.

(2) Consists of 20,500,800 shares of common stock directly owned.

As of April 16, 2013, we are not aware of any contract or other arrangement, including a pledge of the Company's securities that could result in a change in the control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We rely on our board to review related party transactions on an ongoing basis to prevent conflicts of interest. Our board reviews a transaction in light of the affiliations of the director, officer or employee and the affiliations of such person's immediate family. Transactions are presented to our board for approval before they are entered into or, if this is not possible, for ratification after the transaction has occurred. If our board finds that a conflict of interest exists, then it will determine the appropriate remedial action, if any. Our board approves or ratifies a transaction if it determines that the transaction is consistent with the best interests of the Company.

DIRECTOR INDEPENDENCE

We currently have two directors serving on our Board of Directors, Mr. Malone and Mr. Kuehne. We are not a listed issuer and, as such, are not subject to any director independence standards. Using the definition of independence set forth in the rules of the American Stock Exchange, Mr. Kuehne would be considered an independent director of the Company.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table sets forth the aggregate amount of various professional fees billed by our principal independent accountants, Brimmer, Burek & Keelan LLP, for our last two fiscal years.

	2012	2011
--	------	------

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Audit Fees (1)	\$ 44,191	\$ 68,713
Audit-Related Fees	\$ ---	\$ ---
Tax Fees	\$ ---	\$ ---
All Other Fees (2)	\$ 70	\$ 1,659

(1) Consists of fees for professional services rendered in connection with the audits of our financial statements included in our annual reports on Form 10-K for the years-ending 2011 and 2010, and the review of our financial statements included in our quarterly reports on Form 10-Q for the periods ending March 31, 2012 and 2011, June 30, 2012 and 2011, and September 30, 2012 and 2011.

(2) Consists of fees for professional services rendered in connection with research on certain tax issues.

All audit fees are approved by our audit committee and board of directors.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements: The following financial statements are included in Item 8 herein:

	Page Number
<u>Report of Independent Registered Public Accounting Firm</u>	F-1
<u>Consolidated Balance Sheets at December 31, 2012 and December 31, 2011</u>	F-2
<u>Consolidated Statements of Operations for years ended December 31, 2012 and December 31, 2011</u>	F-3
<u>Consolidated Statements of Stockholders' Equity for years ended December 31, 2012 and December 31, 2011</u>	F-4
<u>Consolidated Statements of Cash Flows for years ended December 31, 2012 and December 31, 2011</u>	F-5
<u>Notes to Consolidated Financial Statements</u>	F-6

(a)(2) Financial Statement Schedules:

All other schedules are omitted because they are either not required, are not applicable, or the information is included in the consolidated financial statements and notes thereto.

(a)(3) Exhibits:

Exhibits required by Item 601 of Regulation S-K.

EXHIBIT INDEX

No.	Description of Exhibit
2.1	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings, Inc. dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
3(i)(1)	Restated Articles of Incorporation of Findex.com, Inc. dated June 1999 incorporated by reference to Exhibit 3.1 on Form 8-K filed March 15, 2000.
3(i)(2)	Amendment to Articles of Incorporation of Findex.com, Inc. dated November 10, 2004 incorporated by reference to Exhibit 3.1(ii) on Form 10-QSB filed November 10, 2004.
3(ii)	Restated By-Laws of Findex.com, Inc., incorporated by reference to Exhibit 3.3 on Form 8-K filed March 15, 2000.
10.1	Stock Incentive Plan of Findex.com, Inc. dated May 7, 1999, incorporated by reference to Exhibit 10.1 on Form 10-KSB/A filed May 13, 2004.

Table of Contents

- 10.2 Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
- 10.3 License Agreement between Findex.com, Inc. and Parsons Technology, Inc. dated June 30, 1999, incorporated by reference to Exhibit 10.3 on Form 10-KSB/A filed May 13, 2004.
- 10.4 Employment Agreement between Findex.com, Inc. and Steven Malone dated July 25, 2003, incorporated by reference to Exhibit 10.4 on Form 10-KSB/A filed May 13, 2004.
- 10.5 Employment Agreement between Findex.com, Inc. and Kirk Rowland dated July 25, 2003, incorporated by reference to Exhibit 10.5 on Form 10-KSB/A filed May 13, 2004.
- 10.6 Employment Agreement between Findex.com, Inc. and William Terrill dated June 7, 2002, incorporated by reference to Exhibit 10.6 on Form 10-KSB/A filed May 13, 2004.
- 10.7 Restricted Stock Compensation Agreement between Findex.com, Inc. and John A. Kuehne dated July 25, 2003, incorporated by reference to Exhibit 10.7 on Form 10-KSB/A filed May 13, 2004.
- 10.8 Restricted Stock Compensation Agreement between Findex.com, Inc. and Henry M. Washington dated July 25, 2003, incorporated by reference to Exhibit 10.8 on Form 10-KSB/A filed May 13, 2004.
- 10.9 Restricted Stock Compensation Agreement between Findex.com, Inc. and William Terrill dated July 25, 2003, incorporated by reference to Exhibit 10.9 on Form 10-KSB/A filed May 13, 2004.
- 10.10 Stock Purchase Agreement, including the form of warrant agreement, between Findex.com, Inc. and Barron Partners, LP dated July 19, 2004, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 28, 2004.
- 10.11 Amendment No. 1 to Stock Purchase Agreement between Findex.com, Inc. and Barron Partners, LP dated September 30, 2004, incorporated by reference to Exhibit 10.3 on Form 8-K filed October 6, 2004.
- 10.12 Registration Rights Agreement between Findex.com, Inc. and Barron Partners, LP dated July 26, 2004, incorporated by reference to Exhibit 10.2 on Form 8-K filed July 28, 2004.
- 10.13 Waiver Certificate between Findex.com, Inc. and Barron Partners, LP dated September 16, 2004, incorporated by reference to Exhibit 10.4 on Form 8-K filed October 6, 2004.
- 10.14

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Settlement Agreement between Findex.com, Inc., The Zondervan Corporation, Mattel, Inc., TLC Multimedia, Inc., and Riverdeep, Inc. dated October 20, 2003, incorporated by reference to Exhibit 10.14 on Form 10-KSB/A filed December 14, 2005.

- 10.15 Employment Agreement Extension between Findex.com, Inc and Steven Malone dated March 31, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 6, 2006.
- 10.16 Employment Agreement Extension between Findex.com, Inc and William Terrill dated March 31, 2006, incorporated by reference to Exhibit 10.2 on Form 8-K filed April 6, 2006.
- 10.17 Employment Agreement Extension between Findex.com, Inc and Kirk R. Rowland dated March 31, 2006, incorporated by reference to Exhibit 10.3 on Form 8-K filed April 6, 2006.
- 10.18 Promissory Note to Barron Partners, LP dated April 7, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 13, 2006.
- 10.19 Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.

Table of Contents

- 10.20 Convertible Secured Promissory Note between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 26, 2006.
- 10.21 Security Agreement between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.2 on Form 8-K filed July 26, 2006.
- 10.22 Common Stock Purchase Warrant between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.3 on Form 8-K filed July 26, 2006.
- 10.23 Modification and Extension Agreement Between FindEx.com, Inc. and W. Sam Chandoha, dated September 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed September 25,2006.
- 10.24 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 13, 2007, incorporated by reference to Exhibit 10.24 on Form 10-KSB filed April 17, 2007.
- 10.25 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 13, 2007, incorporated by reference to Exhibit 10.25 on Form 10-KSB filed April 17, 2007.
- 10.26 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 13, 2007, incorporated by reference to Exhibit 10.26 on Form 10-KSB filed April 17, 2007.
- 10.27 Asset Purchase Agreement between Findex.com, Inc. and ACS Technologies Group, Inc. dated October 18, 2007, incorporated by reference to Exhibit 10.27 on Form 8-K filed October 24, 2007.
- 10.28 Partial Assignment of License Agreement Among Findex.com, Inc., Riverdeep, Inc.,LLC and ACS Technologies Group, Inc. dated October 11, 2007, incorporated by reference to Exhibit 10.28 on Form 8-K filed October 24, 2007.
- 10.29 Asset Purchase Agreement between Findex.com, Inc. and ORG Professional, LLC dated February 25, 2008, incorporated by reference to Exhibit 10.29 on Form 8-K filed on February 28, 2008.
- 10.30 Warrant Cancellation Agreement between Findex.com, Inc. and Barron Partners, L.P. dated March 6, 2008, incorporated by reference to Exhibit 10.30 on Form 8-K filed on March 10, 2008.
- 10.31 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 14, 2008, incorporated by reference to Exhibit 10.31 on Form 10-KSB filed on April 15, 2008.
- 10.32 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 14, 2008, incorporated by reference to Exhibit 10.32 on

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Form 10-KSB filed on April 15, 2008.

- 10.33 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 14, 2008, incorporated by reference to Exhibit 10.33 on Form 10-KSB filed on April 15, 2008.
- 10.34 License Agreement between Findex.com, Inc. and Houghton Mifflin Harcourt Publishing Company dated May 7, 2010, incorporated by reference to Exhibit 10.34 on Form 10-K filed on April 15, 2011.
- 10.35 Software Product Line Purchase Agreement between FindEx.com, Inc. and WORDsearch Corp., L.L.C. dated May 5, 2011, incorporated by reference to Exhibit 10.35 on Form 8-K filed on May 10, 2011.
- 10.36 Promissory Note to Barron Partners, LP dated August 18, 2011, incorporated by reference to Exhibit 10.36 on Form 10-Q filed on August 22, 2011.
- 14.1 Code of Ethics, adopted by Board of Directors April 16, 2013. FILED HEREWITH.

-38-

Table of Contents

- 21.1 Subsidiaries of Findex.com, Inc. as of December 31, 2012. FILED HEREWITH.
- 31.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and dated April 16, 2013. FILED HEREWITH.
- 32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and dated April 16, 2013. FILED HEREWITH.

Signatures

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

FINDEX.COM,
INC.

By: /s/ Steven
Malone
Steven Malone
President, Chief
Executive
Officer and
Chief Financial
Officer

Date: April 16, 2013

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/ Steven Malone	Chairman of the Board, President, Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Accounting Officer)	April 16, 2013

/s/ John A. Kuehne John A. Kuehne	Director	April 16, 2013
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Table of Contents