PayMeOn, Inc.
Form 10-Q
November 14, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: **September 30, 2013**

Or

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

For the transition period from: _____________ to _____________

Commission File Number: 000-53574

PayMeOn, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**20-4959207**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

2400 E. Commercial Blvd., Suite 612, Ft. Lauderdale, FL 33308

(Address of Principal Executive Office) (Zip Code)

(800) 991-4534

(Registrant s telephone number, including area code)

____

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

þ Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

þ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

¨ Yes þ No

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

Class	**Shares Outstanding as of November 13, 2013**
Common Stock, $0.001 Par Value Per Share	5,572,688

PAYMEON, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PAYMEON, INC AND SUBSIDIARIES

(Formerly Known as MMAX MEDIA, INC AND SUBSIDIARIES)

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash	$ 251	$ 20,711
TOTAL CURRENT ASSETS	251	20,711
COMPUTER EQUIPMENT AND WEBSITE COSTS, NET	4,729	11,837
OTHER ASSETS		
Deposits	31,407	4,290
TOTAL ASSETS	$ 36,387	$ 36,838
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	$ 219,452	$ 45,519
Accrued expenses	333,591	230,482
Deferred revenue		5,080
Due to related parties		4,300
Note payable	2,000	2,000
Notes Payable related party- convertible (net of discount of $385,953 and $163,686, respectively)	479,627	26,814
TOTAL CURRENT LIABILITIES	1,034,670	314,195
COMMITMENTS AND CONTINGENCIES (SEE NOTE 5)		

STOCKHOLDERS DEFICIT				
Preferred stock, $0.001 par value, 5,000,000 shares authorized, none issued and outstanding, respectively				
Common stock, $0.001 par value, 1,000,000,000 shares authorized, 5,572,688 and 1,099,314 shares issued and outstanding, respectively as of September 30, 2013 and December 31, 2012		5,573		1,099
Additional paid in capital		4,550,981		3,197,828
Accumulated deficit		(5,554,837)		(3,476,284)
TOTAL STOCKHOLDERS'S DEFICIT		(998,283)		(277,357)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	36,387	$	36,838

See accompanying notes to condensed consolidated financial statements.

PAYMEON, INC AND SUBSIDIARIES

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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2013	**2012**	**2013**	**2012**
Revenue				
Service Revenue, net	$ 797	$ 10,092	$ 9,408	$ 26,541
OPERATING EXPENSES				
Professional fees	32,451		108,352	
Web development and hosting	34,104		115,378	
Impairment on technology and website development			521,009	
Payroll and payroll taxes	113,601	137,675	504,678	330,144
Consulting	170,191	9,109	359,585	741,370
Travel and entertainment	8,764		20,367	
General and administrative	21,466	28,281	95,501	173,876
Total Operating Expenses	380,577	175,065	1,724,870	1,245,390
NET LOSS FROM OPERATIONS	(379,780)	(164,973)	(1,715,462)	(1,218,849)
OTHER EXPENSES				
Interest expense	185,444	8,314	363,091	14,788

Total other expenses		185,444		8,314		363,091		14,788
Net loss before provision for income taxes		(565,224)		(173,287)		(2,078,553)		(1,233,637)
Provision for Income Taxes								
NET LOSS	$	(565,224)	$	(173,287)	$	(2,078,553)	$	(1,233,637)
Net loss per share - basic and diluted	$	(0.10)	$	(0.25)	$	(0.51)	$	(1.86)
Weighted average number of shares outstanding during the period - basic and diluted		5,572,688		685,161		4,049,581		662,440

See accompanying notes to condensed consolidated financial statements.

PAYMEON, INC AND SUBSIDIARIES

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

	For the Nine Months Ended September 30, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,078,553)	$ (1,233,637)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	7,108	7,107
Impairment of website and technology	521,009	
Amortization of debt discount	211,014	6,810
Warrants issued for services	332,813	699,472
Common stock issued for services	137,500	28,500
Changes in operating assets and liabilities:		
Decrease in prepaid expenses		3,000
(Increase) in deposit	(27,117)	
Increase in accounts payable and accrued expenses	277,042	194,383
(Decrease) / increase in deferred revenue	(5,080)	9,737
Net Cash Used In Operating Activities	(624,264)	(284,628)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of website	(66,976)	
Net Cash Used in Financing Activities	(66,976)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Due to / (from) related party	(4,300)	4,300
Sale of common stock		25,000
Proceeds from notes payable related party - convertible	675,080	249,000
Net Cash Provided By Financing Activities	670,780	278,300
NET DECREASE IN CASH	(20,460)	(6,328)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,711	6,328
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 251	$

Supplemental disclosure of non cash investing & financing activities:		
Cash paid for income taxes	$	$
Cash paid for interest expense	$	$

During the nine months ended September 30, 2013, the Company received $675,080 from a related party in exchange for convertible notes payable of $675,080 with the beneficial conversion feature valued at $555,080.

During the nine months ended September 30, 2013 the Company issued common stock with a fair value of $137,500 to a consultant.

See accompanying notes to condensed consolidated financial statements.

PAYMEON, INC AND SUBSIDIARIES

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2013

(UNAUDITED)

NOTE 1 ORGANIZATION, NATURE OF BUSINESS AND GOING CONCERN

(A) Organization

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information necessary for a comprehensive presentation of financial position and results of operations. The interim results for the period ended September 30, 2013 are not necessarily indicative of expected results for the full fiscal year. It is management s opinion, however that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statements presentation.

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

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

PayMeOn owns and operates products aimed at the location-based marketing industry. PayMeOn develops and markets products that provide merchants and consumers with mobile marketing services and offers, including but not limited to, mobile coupons, mobile business cards, mobile websites, advertising inclusion with mobile referrals, use of SMS short codes and contest management. PayMeOn (formerly Hyperlocal) has had nominal revenues since its inception. PayMeOn s mobile application product is designed to offer members using the application income potential when they allow PayMeOn s merchant customer information to be included with their mobile recommendations and referrals.

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

Effective April 1, 2013, the Company amended its articles of incorporation to increase its authorized common stock from 195,000,000 shares to 1,000,000,000 shares, eliminate the class of preferred stock known as Callable and Convertible Preferred Stock , and create a class of preferred stock consisting of 5,000,000 shares, the designations and attributes of which are left for future determination by the Company s board of directors.

On April 25, 2013 the Company approved a 1:69 reverse stock split effective May 17, 2013. As per ASC 505-10-S99, the historical financial statements have been adjusted to show the effect of the stock split as of May 15, 2013. In addition the Company approved the name change to PayMeOn, Inc.

(B) Principles of Consolidation

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

PAYMEON, INC AND SUBSIDIARIES

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(C) Going Concern

Since inception, the Company has incurred net operating losses and used cash in operations. As of September 30, 2013, the Company has an accumulated deficit of $5,554,837, a working capital deficiency of $1,034,419, and used cash in operations of $624,264. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of the Company s products which included the general and administrative expenses associated with its organization and product development.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Cash and Cash Equivalents

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

(B) Use of Estimates in Financial Statements

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

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

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

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

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

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

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

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

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(D) Computer and Equipment and Website Costs

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

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

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

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

Computer and equipment and website costs consisted of the following:

	September 30, 2013	**December 31, 2012**
Computer equipment	$ 6,089	$ 5,408
Website development	24,775	24,775
Total	30,864	30,183
Accumulated depreciation	(26,135)	(18,346)
Balance	$ 4,729	$ 11,837

Depreciation expense for the three and nine months ended September 30, 2013 and 2012 was $2,371, $7,108, $2,369 and $7,107, respectively.

On February 12, 2013, the Company entered into an asset purchase agreement with WCIS Media, LLC, a Florida limited liability company (WCIS). Under the asset purchase agreement the Company agreed to acquire a proprietary web based technology platform (the Asset) developed and owned by WCIS. The Asset is designed for: (1) lead generation tracking and reporting; (2) merchant categorization and sub categorization; (3) consumer tracking and qualification; (4) merchant bidding capabilities; and (5) offline tracking and service, including live transfer capabilities for consumers. The Company intends to incorporate the Asset into its current PayMeOn business. The Company acquired the Asset in consideration of 4,347,826 shares of restricted common stock of the Company valued at $454,033 the historical depreciated basis of the asset acquired. WCIS is an entity controlled by Vincent Celentano, a principal of WCIS Media, LLC and an affiliated shareholder of the Company. As such, the Company recorded the Asset at its historical cost. Furthermore, this transaction did not meet the criteria of a business combination within the guidelines of ASC 805 *Business Combinations* , and therefore will be accounted for as an asset purchase. The effective closing date for this transaction was April 1, 2013. As of September 30, 2013 the Company impaired the value of the technology acquired as well as $66,976 of additional costs associated with the development of its mobile application.

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(E) Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment whenever events or a change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset. As of September 30, 2013, the Company recorded impairment charges of $521,009 associated with its purchase of technology and website development.

(F) Revenue Recognition

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

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

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

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

(G) Segments

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

(H) Loss Per Share

The basic loss per share is calculated by dividing the Company's net loss available to common shareholders by the weighted average number of common shares during the period. The diluted loss per share is calculated by dividing the Company's net loss by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. The Company has 220,289 and 230,435 shares issuable upon the exercise of options and warrants and 2,508,927 and 140,774 shares issuable upon conversion of convertible notes payable that were not included in the computation of dilutive loss per share because their inclusion is anti-dilutive for the nine months ended September 30, 2013 and 2012, respectively.

(I) Stock-Based Compensation

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

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

(J) Income Taxes

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

(K) Reclassification

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

NOTE 3 RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements issued by FASB (including the Emerging Issues Task Force), the AICPA and the SEC, did not or are not believed by the Company management, to have a material impact on the Company s present or future financial statements.

NOTE 4 CONVERTIBLE NOTES PAYABLE RELATED PARTY

	September 30, 2013	December 31, 2012
Loan Amount	865,580	190,500
Discount	(385,953)	(163,686)
Balance	$ 479,627	$ 26,814

On December 21, 2012, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $25,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. As of September 30, 2013 and December 31, 2012, the Company accrued interest of $1,309 and $48, respectively.

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $79,440 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $79,440 for the fair value of the beneficial conversion feature. As of September 30, 2013 and December 31, 2012 the Company amortized $60,287 and $871 of the debt discount and accrued interest of $4,220 and $61, respectively.

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(UNAUDITED)

On December 27, 2012, the Company entered into an agreement to issue a secured convertible promissory note in the principal amount of $86,060 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $86,060 for the fair value of the beneficial conversion feature. As of September 30, 2013 and December 31, 2012 the Company amortized $65,311 and $943 of the debt discount and accrued interest of $4,572 and $66, respectively.

On January 10, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. There was no beneficial conversion expense recorded as the fair value of the common stock was less than the exercise price. As of September 30, 2013 the Company accrued interest of $2,018.

On January 29, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $30,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $6,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $3,995 and accrued interest of $1,398.

On January 30, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $20,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $4,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $2,663 and accrued interest of $813.

On February 1, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $2,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $1,321 and accrued interest of $462.

On February 20, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $8,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $4,866 and accrued interest of $1,703.

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(UNAUDITED)

On February 28, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $45,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $45,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $26,384 and accrued interest of $1,847.

On March 15, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $40,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $21,808 and accrued interest of $1,527.

On March 29, 2013, the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $45,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment for stock splits and dividends. The Company recorded a debt discount of $45,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $22,808 and accrued interest of $1,597.

On April 12, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $40,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $18,740 and accrued interest of $1,312.

On April 17, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $31,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $31,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $14,099 and accrued interest of $987.

On April 29, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $40,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $16,877 and accrued interest of $1,181.

On May 14, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $39,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $39,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $14,745 and accrued interest of $1,032.

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On May 24, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $24,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $24,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $8,482 and accrued interest of $594.

On May 31, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $40,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $40,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $13,670 and accrued interest of $936.

On June 14, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $25,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $25,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $7,397 and accrued interest of $518.

On June 25, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $15,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $15,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $3,986 and accrued interest of $279.

On June 28, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $20,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $20,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $5,151 and accrued interest of $361.

On July 1, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $2,493 and accrued interest of $175.

On July 9, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $18,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $18,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $4,093 and accrued interest of $287

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On July 15, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $22,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $22,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $4,641 and accrued interest of $325.

On July 17, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $12,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $12,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $2,466 and accrued interest of $172.

On July 31, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $25,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $25,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $4,178 and accrued interest of $292.

On August 13, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $1,288 and accrued interest of $90.

On August 15, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $15,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $15,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $1,890 and accrued interest of $132.

On August 22, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,795 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $1,795 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $192 and accrued interest of $11.

On August 30, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $10,000 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $849 and accrued interest of $60.

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On September 13, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,085 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $2,085 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $97 and accrued interest of $7.

On September 19, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,700 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $2,700 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $81 and accrued interest of $6.

On September 20, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,500 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The Company recorded a debt discount of $2,500 for the fair value of the beneficial conversion feature. As of September 30, 2013 the Company amortized $68 and accrued interest of $5.

NOTE 5 COMMITMENTS AND CONTINGENCIES

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling $250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of $50,000 in total. For the three and nine months ended September 30, 2013 and 2012 the Company recorded a salary expense of $75,000, $225,000, $75,000 and $225,000, respectively, including the minimum annual bonus of $50,000. Accrued compensation at September 30, 2013 and December 31, 2012, was $279,706 and $214,494, respectively.

Effective February 23, 2012, the Company entered into a consulting agreement with a Consultant/Advisor to provide marketing and sales services through February 23, 2016. In consideration of the Consultant/Advisor to perform the services for the Company, the Consultant/Advisor will receive a warrant to purchase 33,333 shares of the Company s Common Stock and a warrant to purchase 31,884 shares of the Company s Common Stock. Common Stock issued upon exercise of the warrant will not be registered under the Securities Act, but may be included, at the Company s option, in future registrations that the Company may undertake of its Common Stock. The warrant to purchase 33,333 shares shall have a cash exercise price of $4.83 per share, and shall expire on February 23, 2015. The warrant to purchase 31,884, shares shall have a cash exercise price of $12.42 per share and shall have an expiration date of February 23, 2016. The warrants shall have a vesting schedule, including certain vesting acceleration rights. If Consultant/Advisor ceases to provide services or the agreement is terminated by either party, then any vested, but unexercised warrants must be exercised within 180 days of Consultant/Advisor s departure date or by the expiration date of the warrants, whichever is sooner. Any unexercised warrants that remain outstanding 180 days after Consultant/Advisor s departure date (or at the expiration date) shall expire and terminate forever. The value of these warrants vests as accounts are sold by the Consultant/Advisor. As of September 30, 2013, no accounts have been sold and no expense has been recognized.

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Effective May 1, 2013, the Company entered into a lease agreement for executive offices located at 2400 E. Commercial Blvd., Suite 612, Fort Lauderdale, Florida. The facility is approximately 4,777 square feet and is sufficient for the Company s current and anticipated operations. The lease is for a term of 39 months at a current cost of approximately $9,900 per month. The lease contains three months of deferred rent that will be forgiven if the Company makes it 36 required monthly payments timely. The Company was also required to make a security deposit of $31,407. As of September 30, 2013 the Company has not been timely on its monthly payments and is default on its deferred rent of $29,700.

NOTE 6 STOCKHOLDERS DEFICIT

During January 2011, the Company entered into a two year software development and marketing agreement with a software developer. The agreement requires the developer to develop an application to use the Company s product in an iPhone application. The agreement requires the application to reach one of the following milestones; 200,000 downloads or 10,000 gift certificate purchases within 60 days of the application becoming available. The developer is entitled to 3% of the gross sales of the gift certificates and the issuance of 3,005 shares of common stock of the Company upon meeting the milestone. In January 2011, the Company amended the agreement to remove the milestones and issued the developer 3,005 shares of common stock valued at a recent cash offering cost of $29,000 ($9.66 per share). As of September 30, 2013, there were no amounts owed.

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

On April 25, 2013 the Company approved a 1:69 reverse stock split effective May 17, 2013. As per ASC 505-10-S99, the historical financial statements have been adjusted to show the effect of the stock split from inception.

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

On June 10, 2013, the Company issued 125,000 shares of common stock valued at $137,500 ($1.10 per share) the fair market value on the date of issuance to a consultant for public relations. In addition the Company agreed to pay the consultant $2,500 per months. The term of the contract is for three months and renews in three months with identical terms unless cancelled by the parties. The Company cancelled the agreement prior to the renewal date.

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NOTE 7 OPTIONS AND WARRANTS

The following tables summarize all options and warrant grants to consultants for the period ended September 30, 2013 and the related changes during these periods are presented below.

	Number of Options And Warrants	Weighted Average Exercise Price
Stock Options and Warrants		
Balance at December 31, 2012	223,188	$13.11
Granted		
Exercised		
Expired	(2,899)	$13.11
Balance at September 30, 2013	220,289	$13.11

The Company s stock price was lower than the weighted average exercise price at September 30, 2013 and December 31, 2012, therefore there is no aggregate intrinsic value of the options and warrants.

On March 24, 2011, the Company granted 7,246 three year warrants having an exercise price of $17.25 per share to a consultant for services. The warrants vest immediately. The warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 72%, risk free interest rate of .72%, and expected life of 2 years. For the year ended December 31, 2011 the Company expensed $12,322, the fair value.

On July 7, 2011, the Company issued options to purchase 1,449 shares of its common stock to a consultant at an exercise price of $17.94 per share. The options vest immediately. The options expired on July 7, 2013. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 173%, risk free interest rate of .17% and expected life of 1 year. For the year ended December 31, 2011 the Company expensed $15,930 the fair value.

On July 7, 2011, the Company issued options to purchase 1,449 shares of its common stock to an employee at an exercise price of $17.94 per share. The options vest immediately. The options expired on July 7, 2013. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 173%, risk free interest rate of .17%, and expected life of 1 year. For the year ended December 31, 2011 the Company expensed $15,930 the fair value.

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

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

On February 23, 2012, the Company granted warrants to purchase 2,898 shares of its common stock to consultants at an exercise price of $4.83 per share. The warrants vest ratably upon the sale of 400 associated accounts by the consultant. However, in the event of the sale of the Company to a third party within 18 months of the date of the warrants, 50% of the warrants shall immediately vest. In the event of the sale of the Company to a third party after 18 months of the date of the warrants (and prior to the expiration of the warrants), all remaining issued, but unexercised warrants shall immediately vest. The warrants expire on February 2, 2015. As of

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September 30, 2013 the consultant has sold 37 accounts. The Company accounts for equity instruments issued to non-employees for services and goods under ASC Topic 505.50; (Accounting for Equity Instruments Issued to Other Than Employees). These warrants require a future performance commitment by the recipient. Therefore, the Company will expense the fair market value of these securities over the period in which the performance commitment is earned. For the year ended December 31, 2012, the warrants were valued using the Black Scholes option pricing model, with the following assumptions: dividend rate of 0%, annual volatility of 232%, risk free interest rate of .29% and expected life of 2 years.

On February 23, 2012, the Company granted warrants to purchase 31,884 shares of its common stock to consultants at an exercise price of $12.42 per share. The warrants begin to vest upon the sale of 72 associated accounts by the consultant and will vest 6 warrants per account sold thereafter. The warrants were issued pursuant to a marketing and sales consulting agreement. The term of the agreement is through February 23, 2016, unless earlier terminated by either party. In the event the consultant ceases to perform services under the agreement or either party terminates the agreement, then any vested, but unexercised warrants shall expire at the earlier of 180 days of the date of termination or the expiration date of the warrants. The warrants expire on February 23, 2016. As of September 30, 2013, the consultant has not reached these milestones.

On February 23, 2012, the Company granted warrants to purchase 33,334 shares of its common stock to consultants at an exercise price of $4.83 per share. The warrants begin to vest upon the sale of 6 associated accounts by the consultant and will vest 7 warrants per account sold thereafter. The warrants expire on February 23, 2015. As of September 30, 2013 the consultant has not reached these milestones.

NOTE 8 RELATED PARTIES

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling $250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of $50,000 in total. For the three and nine months ended September 30, 2013 and 2012 the Company recorded a salary expense of $75,000, $225,000, $75,000 ad $225,000 respectively including the minimum annual bonus of $50,000. Accrued compensation at September 30, 2013 and December 31, 2012, was $279,706 and $214,494, respectively.

During the year ended December 31, 2012, the Company s Chief Executive Officer advanced the Company a total of $4,300. The amounts are non interest bearing and payable on demand. The amounts were repaid as of June 30, 2013.

During September, 2012, the Company entered into preliminary negotiations surrounding a licensing agreement with Destination Meals LLC. Our CEO, Edward Cespedes, is a 10% owner of Destination Meals LLC through the Edward A. Cespedes Revocable Trust dated August 22, 2007. The discussion points revolve around Destination Meals LLC licensing certain software from PayMeOn in exchange for per transaction payments to PayMeOn. Though a final agreement has not yet been signed, the parties have tentatively agreed to terms and are currently conducting testing and engaging in limited sales transactions. As of September 30, 2013 the Company has recognized $666 revenue under the proposed licensing agreement.

See Note 4 for Convertible Notes Payable Related Party.

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

NOTE 9 CONCENTRATIONS

For the nine months September 30, 2013 and 2012 there were no customers that exceeded 10% of sales.

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NOTE 10 SUBSEQUENT EVENTS

On October 1, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,800 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 2, 2013 the Company s Chief Executive Officer advanced the Company a total of $4,500. The amount is non-interest bearing and payable on demand.

On October 7, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 17, 2013 the Company s Chief Executive Officer advanced the Company a total of $2,100. The amounts are non-interest bearing and payable on demand.

On October 18, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,527 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 25, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $8,676 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On November 1, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On November 8, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $3,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

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ITEM 2.

MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. These forward-looking statements are based on our management s beliefs, assumptions and expectations and on information currently available to our management. Generally, you can identify forward-looking statements by terms such as may, will, should, could, would, expects, plans, anticipates, believes, estimates, projects, predicts, potential and similar expres identify forward-looking statements, which generally are not historical in nature. All statements that address operating or financial performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to product sales, future financings, or the commercial success of our products. We may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by federal securities laws and the rules of the Securities and Exchange Commission (the SEC). We may not actually achieve the plans, projections or expectations disclosed in our forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation those described from time to time in our future reports filed with the SEC.

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited interim consolidated condensed financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q.

Overview

PayMeOn, Inc. is a Nevada corporation. Our wholly owned subsidiary, Hyperlocal Marketing, LLC, a Florida limited liability company (Hyperlocal), was acquired pursuant to an agreement and plan of merger on March 16, 2011. In accordance with FASB ASC Topic 360-10-45-15, Hyperlocal was considered the accounting acquirer and PayMeOn the accounting acquiree. Hyperlocal was organized in January 2010 and has nominal revenues since its inception. Our operations are currently conducted principally through our wholly-owned subsidiary, HLM PayMeOn, Inc., a Florida corporation.

Business Overview

We own and operate products aimed at the location-based marketing industry. We develop and market products that provide merchants and consumers with mobile marketing services and offers, including but not limited to, mobile coupons, mobile business cards, mobile websites, advertising inclusion with mobile referrals and recommendations, use of SMS short codes and contest management. Effective April 1, 2013, we completed an asset purchase agreement with WCIS Media, LLC, a related party, to acquire a web-based technology platform in exchange for 4,347,826 shares of our common stock valued at $454,033. We determined to purchase this asset because we believe that this platform has features and benefits which we will integrate into our PayMeOn Platform, including: (1) lead generation tracking and reporting, (2) merchant categorization and sub categorization, (3) consumer tracking and qualification, (4) merchant bidding capabilities, and (5) offline tracking and service, including live transfer capabilities for consumers. From an accounting standpoint, we treated this transaction as an asset purchase as the transaction does not meet the criteria of a business combination with the guidelines of FASB Accounting Standards Codification Topic 805 Business Combination. In addition, because we acquired this asset from a related party, the Company recorded the asset at its historical cost. Furthermore, this transaction did not meet the criteria of a business combination within the guidelines of FASB ASC Topic 805 *Business Combinations*, and therefore is accounted for as an asset purchase. Voting control of WCIS Media, LLC is held by Vincent L. Celentano. Mr. Celentano also holds voting control of Celentano Consulting Company LLC, a related party. While at September 30, 2013 we impaired the value of the technology acquired, as well as its development costs, the software is currently a basis and platform for our products.

PayMeOn

We have developed PayMeOn branded web-based and mobile products designed to offer customers social income® potential from their purchase and referral of coupon-style deals (PayMeOn Merchant Profit Center), and from their person to person referrals and recommendations of service providers (PayMeOn Service Provider Referral Inclusions). PayMeOn products pay customers that refer coupon-style deals or personal service provider recommendations payout amounts based either on successful deal referrals (deal referrals that result in a purchase) or the inclusion of additional PayMeOn service providers with their personal service provider recommendations. Payout amounts for deal referrals come from our monetary share of the deals we or merchants offer on our sites. Payout amounts for service provider inclusions come from a portion of amounts that service providers pay us to be included with personal service provider referrals and recommendations that occur on the PayMeOn network.

Our deals business offering payout amounts on our deals causes PayMeOn to have an additional expense that our competitors do not have. We manage this competitive disadvantage by striving to keep our overhead costs low. We expect to pursue partnership opportunities with organizations that have relationships in various service provider categories. We believe that we will be able to offer competitive payout amounts because of our low internal overhead and because we believe that the cash incentive will result in higher sharing rates among our customers. By sharing rates, we mean the number of deals that PayMeOn members share with their contacts. We believe that PayMeOn deals will be shared often because of the potential for cash earnings for members that share them. PayMeOn intends to derive its net revenue from the difference of what it charges consumers for a particular deal and what it owes merchants and third parties as their share of a particular deal. The difference is PayMeOn s net revenue. PayMeOn establishes a payout amount for each of the deals it offers from its share of the net revenue. PayMeOn users earn their social income® from the payout amount established by PayMeOn. If we source deals from third party relationships, our margins will be reduced. However, we believe that because of our low cost structure, specifically the need for fewer personnel dedicated to deal acquisition relative to our competitors, our ultimate net revenue should be competitive and allow for PayMeOn to set payout amounts attractive enough to encourage members to share deals.

Our Hyperlocal Platform also supports multiple text messaging services such as WAP, MMS and XHTML, runs on a commercial grade mobile marketing platform used by the National Football League, Major League Baseball and others and operates with all major mobile carriers, including AT&T, Sprint, T-Mobile and Verizon. The fully-integrated interface allows for web-based monitoring of customers. It provides access to real-time statistics for each customer s account, including incoming and outgoing messages, number of keywords, credits, account status and more.

We have recently integrated our PayMeOn offerings with the Hyperlocal Marketing Platform to create the PayMeOn Merchant Profit Center . The PayMeOn Merchant Profit Center platform is designed to provide local merchants with a mobile and web based marketing platform that allows merchants to distribute coupons or daily deals , capture and retain customers, and earn money from their customers whenever they purchase from the PayMeOn network. The product is free or sold on a package basis. Packages are distinguished by different distribution opportunities and volume of text messages available.

Distribution of coupons or daily deals

Customers of the PayMeOn Merchant Profit Center are able to market coupons or daily deals at http://www.paymeon.com as often as they like (depending on the plan they select), and retain up to 90% of the proceeds. Unlike most PayMeOn competitors in the daily deal space, PayMeOn is able to allow merchants to retain nearly all the proceeds from sales of their coupons or daily deals on its network.

Capture and retention of customers

Use of the mobile marketing module of the PayMeOn Merchant Profit Center allows merchants to acquire and retain customer mobile phone numbers and merchants are able to market via text to customers from the platform in the future. Keyword driven accounts are created for merchants on the mobile module of the PayMeOn Merchant Profit Center Keywords are descriptive words created for the merchant in the system that are marketed at the point of sale or in print or online advertising to customers. For example, a customer might enter a restaurant called Stephs . When the customer enters the restaurant, they see a sign that reads, to join our VIP club, text stephs <space> your email address to 41513 . When the customer texts the keyword (stephs) and his/her email into the system, he/she is opting in to that merchant s account on the mobile marketing module of the PayMeOn Merchant Profit Center and also being anchored to the merchant s profit center account at PayMeOn.

The platform also provides the merchant with various other capabilities, including the ability to run contests for members, create mobile websites and other useful applications.

The PayMeOn Merchant Profit Center is marketed primarily to small and medium sized businesses in various categories, including but not limited to restaurants, automotive supply and repair shops, spas, specialty retail and medical offices. Merchants use the platform in a variety of ways by marketing keywords that drive consumer interest:

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Mobile coupons

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Calls to action (text paymeon to 41513 to view a working demonstration)

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Brand engagement (voting, contests, polling)

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Geotargeted ads (travel, rental cars)

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Send alerts, sales related notifications

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Appointment reminders

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Audience interactions (concerts, conferences, airports)

Generating revenue from customers from purchases on the PayMeOn network

When customers “text in keywords and email addresses to PayMeOn Merchant Profit Center accounts, they are anchored or connected to the merchant s account at PayMeOn. Merchants earn anchor payments for anything purchased by their anchored customers anywhere on the PayMeOn network.

PayMeOn Service Provider Inclusions

PayMeOn s Service Provider Inclusions product allows service provider merchants (such as plumbers, electricians, lawn care professionals, etc.) to be included with service provider referrals and recommendations being made by PayMeOn members (with their permission) using our mobile application. Service providers pay PayMeOn a per inclusion fee to be included with member referrals and recommendations. When members allow service providers to be included, they are paid a payout amount for allowing the inclusion based on the service provider category.

Licensing model

PayMeOn is also experimenting with developing a licensing revenue model. During September, 2012, the Company entered into preliminary negotiations surrounding a licensing agreement with Destination Meals LLC. Our CEO, Edward Cespedes, is a minority owner of Destination Meals LLC through the Edward A. Cespedes Revocable Trust dated August 22, 2007. The discussion points revolve around Destination Meals LLC licensing certain software from PayMeOn in exchange for per transaction payments to PayMeOn. Though a final agreement has not yet been signed, the parties have tentatively agreed to terms and are currently conducting testing and engaging in limited sales transactions. We believe that the economic terms of the agreement will be at least equal to or better than PayMeOn would receive if the agreement were negotiated with unrelated third parties.

Results of Operations

Revenues for the three months ended September 30, 2013, totaled $797 and were principally derived from sales of the Company s PayMeOn Merchant Profit Center packages to small businesses and direct consumers and from incremental text purchases from subscribers to the mobile text marketing packages. Revenues for the three months ended September 30, 2012, were $10,092 and substantially all revenues were derived from Hyperlocal mobile text marketing packages.

Operating expenses for the three months ended September 30, 2013, totaled $380,577, an increase of $205,512 or 117% from $175,065 for the three months ended September 30, 2012. Operating expenses for the three months ended September 30, 2013 totaled $380,577, and were largely made up of $58,511 non-cash expense primarily related to warrants and common stock issued to certain consultants and service providers in consideration of marketing, business and general consulting services, $32,451 of professional fees and payroll and payroll taxes of $113,601. Operating expenses for the three months ended September 30, 2012, totaled $175,065, were largely made up of $9,109 of non-cash expense primarily related to warrants issued to certain consultants and service providers in consideration of marketing, business and general consulting services, payroll expense of $137,675 and $28,281 of general and administrative.

Revenues for the nine months ended September 30, 2013, totaled $9,408 and were principally derived from sales of the Company s PayMeOn Merchant Profit Center packages to small businesses and direct consumers and from incremental text purchases from subscribers to the mobile text marketing packages. Revenues for the nine months ended September 30, 2012, were $26,541 and substantially all revenues were derived from Hyperlocal mobile text marketing packages.

Operating expenses for the nine months ended September 30, 2013, totaled $1,724,870, an increase of $479,480 or 39% from $1,245,390 for the nine months ended September 30, 2012. Operating expenses for the nine months ended September 30, 2013 were largely made up of $470,313 non-cash expense primarily related to warrants and common stock issued to certain consultants and service providers in consideration of marketing, business and general consulting services, $108,352 of professional fees and payroll and payroll taxes of $504,678, and an impairment charge of $521,009 related to the WCIS assets and related technology and website development. Operating expenses for the nine months ended September 30, 2012, totaled $1,245,390, were largely made up of $699,472 of non-cash expense primarily related to warrants issued to certain consultants and service providers in consideration of marketing, business and general consulting services and payroll expense of $330,194.

Liquidity and Capital Resources

At September 30, 2013, we had $251 of cash. At September 30, 2013 we had working a capital deficit of $1,034,419 and an accumulated deficit of $5,554,837. Since inception, the Company has incurred net operating losses and used cash in operations. The Company has also dedicated substantial resources required to research and development and marketing of the Company s products which included the general and administrative expenses associated with its organization and product development. The Company expects to incur continued marketing expenses in the near and medium term in pursuit of market share. Necessary marketing spending could continue to delay the Company s ability to generate significant revenues (and profits) in the near and medium term. We expect operating losses to continue, mainly due to the continued costs and expenses associated with development of our business and marketing of the Hyperlocal and PayMeOn products. These conditions raise substantial doubt about the Company s ability to continue as a going concern. Current working capital is not sufficient to maintain our current operations and there is no assurance that future sales and marketing efforts will be successful enough to achieve the level of revenue sufficient to provide cash to sustain operations. We continue to attempt to fund working capital requirements through third party financing, including private placements of our securities. We may also investigating and potentially pursue transactions with third parties, including strategic acquisitions and other relationships. We currently believe we require a minimum of $500,000 to maintain our current operations through 2014. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

We have historically satisfied our working capital requirements through the sale of restricted common stock and the issuance of promissory notes. Throughout fiscal year 2012 we also received unsecured non -interest bearing cash advances from our chief executive officer in the aggregate principal amount of $4,300. The advances were used to satisfy payroll and payroll taxes and other working capital requirements. The advances were payable on demand and were repaid during April 2013.

During the nine month period ended September 30, 2013, the Company received advances in the aggregate amount of $865,580 and issued a series of unsecured promissory notes in the aggregate principal amount of $865,580 to Celentano Consulting Company, LLC, an affiliate of the Company. Of these advances, $190,500 was received by the Company during fiscal year ended December 31, 2012. The notes bear interest at an annual rate of 7% and are payable on or before 12 months from the date of issuance. Subject to certain limitations below, the notes may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment. The conversion of the notes may be limited if, upon conversion, the holder thereof would beneficially own more than 4.9% of the Company s common stock. The Company used the proceeds from the notes for working capital purposes.

Effective April 1, 2013, the Company amended its articles of incorporation to increase its authorized common stock from 195,000,000 shares to 1,000,000,000 shares, eliminate the class of preferred stock known as Callable and Convertible Preferred Stock , and create a class of preferred stock consisting of 5,000,000 shares, the designations and attributes of which are left for future determination by the Company s board of directors. Effective on May 17, 2013, the Company effectuated a reverse split of its outstanding common stock, and, as a result, (i) every 69 shares of the Company s outstanding common stock was converted into 1 share of the Company s common stock, and (ii) the issued and outstanding common stock of the Company decreased from 375,852,636 to 5,447,688, including the rounding up of fractional shares to the nearest whole number. The Company also changed its name from MMAX Media, Inc. to PayMeOn, Inc. Its stock symbol changed from MMAX to PAYM to reflect the name change.

Effective May 1, 2013, the Company entered into a lease agreement for executive offices located at 2400 E. Commercial Blvd., Suite 612, Fort Lauderdale, Florida. The facility is approximately 4,777 square feet and is sufficient for the Company s current and anticipated operations. The lease is for a term of 39 months at a current cost of approximately $9,900 per month.

Subsequent Events

On October 1, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $2,800 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 2, 2013 the Company s Chief Executive Officer advanced the Company a total of $4,500. The amount is non-interest bearing and payable on demand.

On October 7, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 17, 2013 the Company s Chief Executive Officer advanced the Company a total of $2,100. The amounts are non-interest bearing and payable on demand.

On October 18, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $1,527 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On October 25, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $8,676 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On November 1, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $10,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

On November 8, 2013 the Company entered into an agreement to issue an unsecured convertible promissory note in the principal amount of $3,000 to a related party. The note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, the note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment.

Critical Accounting Policies and Estimates

Revenue Recognition

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

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

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

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

Stock-Based Compensation

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

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

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC, did not, or are not believed by management, to have a material impact on the Company s present or future financial statements.

Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risk factors included in the Company s annual report on Form 10-K for the year ended December 31, 2012 before deciding whether to invest in the Company. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies.

ITEM 4.

CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

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

The Company s management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial (and principal accounting) Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of September 30, 2013.

During our assessment of the effectiveness of internal control over financial reporting as of September 30, 2013 management identified significant deficiencies related to (i) the U.S. GAAP expertise of our internal accounting staff, (ii) the ability of our internal accounting staff to record our transactions to which we are a party which necessitates our bringing in external consultants to supplement this function, and (iii) a lack of segregation of duties within accounting functions. Therefore, our internal controls over financial reporting were not effective as of September 30, 2013 based on the material weakness described below.

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insufficient monitoring controls to determine the adequacy of our internal control over financial reporting and related policies and procedures;

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lack of competent financial management personnel with appropriate accounting knowledge and training;

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our financial staff does not hold a license such as Certified Public Accountant in the U.S., nor have they attended U.S. institutions or extended educational programs that would provide enough of the relevant education relating to U.S. GAAP, nor have any U.S. GAAP audit experience;

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we rely on outside consultant to prepare our financial statements; and

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insufficient controls over our period-end financial close and reporting processes.

As a result of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was not effective as of September 30, 2013. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness; yet important enough to merit attention by those responsible for oversight of the company s financial reporting.

Because of its inherent limitations, however, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. In order to mitigate the foregoing material weakness, we engaged an outside accounting consultant to assist us in the preparation of our financial statements to ensure that these financial statements are prepared in conformity to U.S. GAAP. This outside accounting consultant has significant experience in the preparation of financial statements in conformity with U.S. GAAP. We believe that the engagement of this consultant will lessen the possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis, and we will continue to monitor the effectiveness of this action and make any changes that our management deems appropriate. We expect to continue to rely on this outside consulting arrangement to supplement our internal accounting staff for the foreseeable future. Until such time as we hire the proper internal accounting staff with the requisite U.S. GAAP experience, however, it is unlikely we will be able to remediate the material weakness in our internal control over financial reporting.

We believe that the foregoing steps will remediate the material weaknesses identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

Changes in Internal Control over Financial Reporting

No change in our system of internal control over financial reporting occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1.

LEGAL PROCEEDINGS

As of the date of this report, we are not aware of any proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position.

ITEM 1A.

RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2.

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In addition to securities previously disclosed in reports filed with the Securities and Exchange Commission, during the period covered by this report we have sold the securities below without registration under the Securities Act of 1933, as amended. The securities contain legends restricting their transferability absent registration or applicable exemption.

During the three months ended September 30, 2013 in consideration of advances in the gross amount of $131,080, the Company issued a series of unsecured convertible promissory notes in the principal amount of $131,080 to an affiliate of the Company. Consistent with the terms of previously issued notes to the affiliate, each note bears interest at an annual rate of 7% and is payable on or before 12 months from the date of issuance. In addition, each note may be converted at any time, at the option of the holder, into shares of the Company s common stock at a conversion price of $0.345 per share, subject to adjustment and other limitations set forth therein.

ITEM 3.

DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4.

MINE SAFETY DISCLOSURE

None.

ITEM 5.

OTHER INFORMATION

None.

ITEM 6.

EXHIBITS

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13A-14(a) or Rule 15d-14(a) of the Securities Exchange Act
31.2	Certification of Chief Financial Officer pursuant to Rule 13A-14(a) or Rule 15d-14(a) of the Securities Exchange Act
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	XBRL Interactive Data File

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2013

PayMeOn, Inc.

By:	/s/ Edward Cespedes Edward Cespedes Chief Executive Officer Chief Financial Officer