



## Part 2 - Documentation Checklist

DUE DILIGENCE CATEGORY	DOCUMENTATION ITEM	LOCATION OF INFORMATION		
Business Plan, Corporate Structure, Financing			#	Status
Business plan	Current business plan	<ul style="list-style-type: none"> <li>1. PAYYAP 36-Month Financial Model (USD 100k+500k+3000k) v2016-12-01.xlsx</li> <li>1. PAYYAP Business Model.pdf</li> </ul>	1	
	Prior business plan	N/A	2	
Corporate organization	Certificate of Formation LLC	<ul style="list-style-type: none"> <li>3. NSDB LLC ARTICLES (to PAYYAP LLC 2016).pdf</li> </ul>	3	
	Operating agreement	Apart from the generic Articles of Organization, we have no formal Operating Agreement, and would be open to guidance in terms of what appeals to 3rd party investors.	4	
	Recent changes in corporate structure	N/A	5	
	Parent, subsidiaries, and affiliates	<ul style="list-style-type: none"> <li>6. PAYYAP LLC Corporate Structure, Ownership &amp; Ultimate Benefactors.pdf</li> <li>6. PAYYAL LLC Corporate Structure.pdf</li> </ul>	6	
	Membership agreements	<ul style="list-style-type: none"> <li>7. PAYYAP Subscription Agreement (Mallipot-Malliaras) - EXECUTED.pdf</li> <li>[add Renee]</li> <li>[add Sam]</li> <li>[add Doug]</li> <li>[add Alan]</li> </ul>	7	
	Minutes from membership board meetings	[add some first minutes]	8	
Membership	Maximum Membership Units Available	25,000,000	9	
	Minimum Membership Units Available	25,000,000	10	
	Price per unit	0.02	11	
	Minimum Investment	500,000	12	

	Current members, including number of units owned, dates that the unites were acquired, considerations received, and contact information	<b>NSDB PTY LTD (AUS)</b> <ul style="list-style-type: none"> <li>Units: <b>90,000,000</b></li> <li>Considerations: <b>None</b></li> <li>Purchase Date: <b>25 OCT 2016</b></li> <li>Contact: <b>shea.writer@nsdb.com</b></li> </ul> <b>MALLIPOT PTY LTD (AUS)</b> <ul style="list-style-type: none"> <li>Units: <b>10,000,000</b></li> <li>Considerations: <b>Non-Dulting for the next 500,000 USD capital raised.</b></li> <li>Contact: <b>peter@maliaras.com</b></li> <li>Purchase Date: <b>01 NOV 2016</b></li> </ul> <b>Barsa, Renée (person)</b> <ul style="list-style-type: none"> <li>Units: <b>xxxxxxx</b></li> <li>Considerations: <b>Non-Dulting for the next 500,000 USD capital raised.</b></li> <li>Contact: <b>renelements@yahoo.com</b></li> <li>Purchase Date: <b>01 NOV 2016</b></li> <li><b>[add Alan, Doug, Renee, Sam]</b></li> </ul>	13	
	Relevant private placement memoranda and other offering circulars	None	14	
<b>Lenders</b>	Convertible, senior, or other debt financing	None	15	
	Bank lines of credit, loan agreements, or guarantees	<b>None</b>	16	
	Loan defaults or expected defaults	<b>None</b>	17	
<b>Recent corporate transactions</b>	Description and rationale for each transaction	PAYYAP LLC accepted a USD 100,000 cash investment. The cash will be used to pay for operating expenses during start-up. (The investor received 10% of PAYYAP LLC.)	18	
	Purchase and sale agreements	<b>19. PAYYAP-Terms of Service.pdf</b>	19	
<b>Regulations</b>	Business licenses	PCI/DSS Payment Service Provider (Level 2) Compliance (Live / Public URL):	20	

		PDF: • 20. SecurityMetrics - Compliance Report.pdf  ONLINE / LIVE: <a href="https://www.securitymetrics.com/sm/public/reports/?e=security@payyap.network&amp;k=1cc5dcccfc07cab2f6b09">https://www.securitymetrics.com/sm/public/reports/?e=security@payyap.network&amp;k=1cc5dcccfc07cab2f6b09</a>		
	Environmental permits	N/A	21	
	Workers' health and safety permits	N/A	22	

Marketing, Products, Sales, Service			#	Status
Market analysis	Competition by product line (market size, market share, and competitive advantages and disadvantages)	• 23. PAYYAP Competitive Overview.pdf • 23. PAYYAP Service Advantage.pdf	23	
	Industry and market research	• 24. PAYYAP Market Overview.pdf	24	
	Trade publications	None	25	
Marketing, products, sales, service	Features and benefits of product offerings	<ul style="list-style-type: none"> <li>• Cheaper Than Square;</li> <li>• Faster than PayPal;</li> <li>• Easiest way to get paid by bank card.</li> </ul>	26	
	Product rollout schedule and product life cycle	Daily builds are uploaded to the applicable app stores. (Customers are receiving updates frequently.)	27	
	Copies of patents and trademarks filed or obtained	None	28	
	Pricing strategy of product or service	• 29. FAQ (Fee Comparison).pdf  More ONLINE FAQ's: <a href="https://support.PAYYAP.network">https://support.PAYYAP.network</a>	29	
	Descriptions of existing partners and joint ventures	N/A	30	
	Distribution channels	Direct internet: <ul style="list-style-type: none"> <li>• Website</li> <li>• Amazon App Store</li> </ul>	31	

	<ul style="list-style-type: none"> <li>• Apple App Store</li> <li>• Google App Store</li> </ul> <p>Affiliated Gateways</p> <ul style="list-style-type: none"> <li>• “White Label” services</li> </ul>		
Promotion tactics	<p>Standard:</p> <ul style="list-style-type: none"> <li>• Online Advertising</li> <li>• SMS &amp; Email-based member-referral marketing</li> <li>• Trade Shows (B2B)</li> </ul>	32	
Top-10 customers by product line and total installed base	<ol style="list-style-type: none"> <li>1. <i>Entrepreneurs</i></li> <li>2. <i>Graphic Designers</i></li> <li>3. <i>Boutiques</i></li> <li>4. <i>XXXX</i></li> <li>5. <i>XXXX</i></li> <li>6. <i>XXXX</i></li> <li>7. <i>XXXX</i></li> <li>8. <i>XXXX</i></li> <li>9. <i>XXXX</i></li> <li>10. <i>XXXX</i></li> </ol>	33	
Sales and marketing presentations	<ul style="list-style-type: none"> <li>• Facebook: <a href="https://www.facebook.com/payyap.network">https://www.facebook.com/payyap.network</a></li> <li>• Twitter: <a href="https://twitter.com/PAYYA_P_network">https://twitter.com/PAYYA_P_network</a></li> <li>• Google App Store: <a href="https://play.google.com/store/apps/details?id=network.payyap.payments.app&amp;hl=en">https://play.google.com/store/apps/details?id=network.payyap.payments.app&amp;hl=en</a></li> <li>• Amazon App Store: <a href="https://www.amazon.com/photo-BANGK-TM-PAYYA-P-Payments-AppTM/dp/B01N64UQZW/ref=sr_1_1?ie=UTF8&amp;qid=1479699215&amp;sr=8-1&amp;keywords=payyap">https://www.amazon.com/photo-BANGK-TM-PAYYA-P-Payments-AppTM/dp/B01N64UQZW/ref=sr_1_1?ie=UTF8&amp;qid=1479699215&amp;sr=8-1&amp;keywords=payyap</a></li> <li>• Apple App Store: <a href="https://itunes.apple.com/us/app/payyap/id1135281260?mt=8">https://itunes.apple.com/us/app/payyap/id1135281260?mt=8</a></li> <li>• LinkedIn: <a href="https://www.linkedin.com/company/payyap---the-payments-app%E2%84%A2">https://www.linkedin.com/company/payyap---the-payments-app%E2%84%A2</a></li> </ul>	34	
Product catalogs and brochures	<ul style="list-style-type: none"> <li>• 35. PAYYAP Desktop Service Overview.pdf</li> </ul>	35	

	Press releases or articles written about the organization	None	36	
	Professional affiliations	None	37	
	Customer service strategy	<ul style="list-style-type: none"> <li>• FAQ</li> <li>• Online Text &amp; Voice Chat</li> <li>• Email</li> </ul>	38	
<b>Contracts</b>	Major contracts by product line	None	39	
	Support/maintenance contracts	None	40	
	Warranties and guarantees	None	41	
	Other customer-related contracts	• 19. PAYYAP-Terms of Service.pdf	42	
	Supplier contracts	<ul style="list-style-type: none"> <li>• 43. PAYYAP LLC - ISV Referral Agreement 092916 - EXECUTED.pdf</li> <li>[add NetSpend / pending]</li> <li>[add IBM / pending]</li> </ul>	43	
<b>Technology</b>	Technology strategy	Best of class + all new bank card acceptance channel: <ul style="list-style-type: none"> <li>• 35. PAYYAP - The 8th Bank Card Channel.pdf</li> <li>• 35. PAYYAP Payments Timeline.pdf</li> </ul>	44	
	Overall technical capabilities	PAYYAP is a “fintech” company - w/ technologically focused in the following areas: <ul style="list-style-type: none"> <li>• Voice Biometrics               <ul style="list-style-type: none"> <li>○ Automatic Speech Recognition (ASR)</li> <li>○ Speaker Identity Verification (SIV)</li> </ul> </li> <li>• WebRTC (“audio over browser”), VOIP &amp; Interactive Voice Response (IVR) Systems</li> <li>• Payment Gateways</li> <li>• “Web” (LAMP) and “App” (Android &amp; iOS) stacks and frameworks.</li> </ul>	45	
	Technical competitive advantages and weaknesses	Weakness: Lacking capital to grow Advantage: First to market with the 8th payment channel - a real-time payment <i>request</i> via telephone. <ul style="list-style-type: none"> <li>• 23. PAYYAP Competitive Overview.pdf</li> </ul>	46	

	• 23. PAYYAP Service Advantage.pdf		
Technical personnel	Two, full-time technical personnel	47	

Financial and Operations			#	Status
<b>Financial statements</b>	Three years of historical statements:	(Since AUG 2016)	48	
	• Income statement (P&L)	• 49. PAYYAP LLC Income Statement.pdf	49	
	• Balance sheet	• 50. PAYYAP LLC Balance Sheet end Nov 2016.pdf	50	
	• Statement of cash flows	N/A	51	
	• Statement of shareholders' equity	_XXXXX_	52	
	CYTD statements	None	53	
	Most recent five-year projections (pro formas)	• 1. PAYYAP 36-Month Financial Model (USD 100k+500k+3000k) v2016-12-01.xlsx	54	
<b>Taxes and audits</b>	Tax Returns & Historical tax rate	N/A	55	
	Federal and state net operating loss carry forwards	N/A	56	
	Summary results of all tax examinations and audits	N/A	57	
<b>Receivables</b>	Accounts receivable turnover and seasonality	None	58	
	Accounts receivable aging schedule	None	59	
	Accounts receivable control and credit policy	N/A	60	
<b>Capital expenditures</b>	Last five years	N/A	61	
	Five-year gross projection	• 62. PAYYAP 5 YR Projections.pdf	62	
<b>Equipment</b>	List	N/A	63	
	Depreciation method	N/A	64	
	Age	N/A	65	
	Liquidation & Replacement values	N/A	66	

<b>Leases</b>	terms	None	67	
	Interest rate	N/A	68	
	Payment schedule	N/A	69	
<b>Litigation</b>	Current litigation and potential damages	None	70	
	Potential litigation and potential damages	None	71	
<b>Insurance</b>	Property	N/A	72	
	Liability	N/A	73	
	Workers' compensation	N/A	74	
	Other	None	75	

<b>Human Resources</b>			<b>#</b>	<b>Status</b>
<b>Management</b>	Organizational chart (including number of employees by department)	<ul style="list-style-type: none"> <li>• 6. PAYYAP LLC Corporate Structure.pdf</li> <li>• 76. PAYYAL LLC Employment Structure.pdf</li> </ul>	76	
	Biographies for key managers and key employees	<ul style="list-style-type: none"> <li>• 77. Key Bio (MALLIARAS, Peter).pdf</li> <li>• 77. Key Bio (WRITER, Shea).pdf</li> </ul>	77	
	Management stock incentives	None	78	
<b>Compensation and benefits</b>	Cash compensation per employee (including salary, bonuses, commissions)	<ul style="list-style-type: none"> <li>• 1. PAYYAP Use of Funds + Financial Model (USD 500k + 5mm) v2016-12-01.xlsx</li> </ul>	79	
	Summary of standard employee benefits (such as medical insurance, disability insurance, vacation)	None	80	
	Copies of 401(k) and other qualified pension and profit-sharing plans	None	81	
<b>Other</b>	Ownership interest	None	82	
	Employment contracts	None	83	
	Performance evaluation criteria	None	84	
	Material transactions with insiders or associates of insiders	None	85	
<b>Partnership Verification</b>	Attorney: All legal relationships	Snell & Wilmer L.L.P.	86	

		<ul style="list-style-type: none"> <li>• 86. Roger Cohen Engagement Email.pdf</li> <li>• <a href="https://www.swlaw.com/people/roger_cohen">https://www.swlaw.com/people/roger_cohen</a></li> <li>• NOTE: Will have formal letter of engagement available by DEC 10.</li> </ul>		
	Strategic partners	<ul style="list-style-type: none"> <li>• 43. PAYYAP LLC - ISV Referral Agreement 092916 - EXECUTED.pdf</li> <li>• [add NetSpend / pending]</li> <li>• [add IBM / pending]</li> </ul>	87	
	Consultants, freelance workers	3	88	
	Accountants	<ul style="list-style-type: none"> <li>• Dixon Hughes Goodman</li> <li>• <a href="https://www.dhglp.com/">https://www.dhglp.com/</a></li> <li>NOTE: Will source proof of engagement documents by DEC 10.</li> </ul>	89	
	Bankers and creditors	<ul style="list-style-type: none"> <li>• 90. Bank of America screenshot (PAYYAP LLC).pdf</li> </ul>	90	