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**ACTIV FINANCIAL SYSTEMS, INC.**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**TOGETHER WITH AUDITOR'S REPORT**

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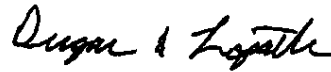
## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
ACTIV Financial Systems, Inc.:

We have audited the accompanying balance sheet of ACTIV Financial Systems, Inc. (the Company) as of December 31, 2010 and 2009, and the related statements of changes in stockholders' equity, operations and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of ACTIV Financial Systems, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



DUGAN & LOPATKA

Wheaton, Illinois  
March 12, 2011

AFFILIATE  
**INPACT**  
INTERNATIONAL NETWORK OF  
PROFESSIONAL ACCOUNTANTS

**ACTIV FINANCIAL SYSTEMS, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2010 AND 2009**

**ASSETS**

	<u>2010</u>	<u>2009</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,118,273	\$ 10,688,138
Accounts receivable, net of allowance of \$100,000 and \$80,000 for 2010 and 2009, respectively	4,082,488	3,609,449
Investments	218,172	217,077
Refundable income taxes	945,051	1,166,746
Prepaid expenses	220,350	158,061
Deferred benefit taxes	877,000	-
Deposits	280,588	328,199
<b>Total current assets</b>	<u>8,741,922</u>	<u>16,167,670</u>
 <b>PROPERTY AND EQUIPMENT:</b>		
Furniture and fixtures	1,136,569	849,194
Equipment	8,555,683	5,036,984
Software	133,877	63,751
Leasehold improvements	513,548	314,422
	<u>10,339,677</u>	<u>6,264,351</u>
Less - Accumulated depreciation	<u>(4,057,532)</u>	<u>(2,211,225)</u>
<b>Net property and equipment</b>	<u>6,282,145</u>	<u>4,053,126</u>
 <b>OTHER ASSETS:</b>		
Deposits	387,525	368,800
Intangibles (net of accumulated amortization)	553,856	-
<b>Total other assets</b>	<u>941,381</u>	<u>368,800</u>
	<u>\$ 15,965,448</u>	<u>\$ 20,589,596</u>

The accompanying notes are an integral part of this statement.

*Kenneth Lea*

K Lea  
Director

30 September 2011

**EXHIBIT 1**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>2010</u>	<u>2009</u>
<b>CURRENT LIABILITIES:</b>		
Notes payable -		
Line of credit	\$ 368,515	\$ 532,499
Notes payable	913,961	122,638
Capital leases	699,484	197,873
Accounts payable	1,823,788	4,147,873
Accrued expenses	902,626	884,847
Deferred income taxes	-	184,000
Liability to shareholders under stock redemption agreement	-	1,574,693
Customer deposits	1,099,801	1,276,451
	<u>5,808,175</u>	<u>8,920,874</u>
<b>LONG-TERM LIABILITIES:</b>		
Deferred income taxes	663,000	493,000
Notes payable, net of current maturities	674,613	63,434
Capital leases, net of current maturities	812,002	65,956
	<u>2,149,615</u>	<u>622,390</u>
<b>Total liabilities</b>	<u>7,957,790</u>	<u>9,543,264</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock (liquidation at lesser of original offering price plus unpaid dividends plus 18% annual incremental increase or 2.5 times the original offering price plus unpaid dividends)	302	302
Common stock	1,041	1,041
Additional paid-in capital	27,233,647	27,233,647
Retained earnings (deficit)	(19,227,332)	(16,188,658)
	<u>8,007,658</u>	<u>11,046,332</u>
<b>Total stockholders' equity</b>	<u>\$ 15,965,448</u>	<u>\$ 20,589,596</u>

*Kenneth Lea*

K Lea  
Director  
30 September 2011

EXHIBIT 2

ACTIV FINANCIAL SYSTEMS, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Common Stock	Preferred Stock	Additional Paid-In Capital	Deferred Compensation Cost	Treasury Stock	Retained Earnings (Deficit)	Total
Balance at January 1, 2009	\$ 1,145	\$ -	\$ 3,140,364	\$ (2,724)	\$ (16,914)	\$ 24,388	\$ 3,146,259
Deferred stock-based compensation	-	-	-	2,724	-	-	2,724
Conversion of convertible debt	91	-	909,909	-	-	-	910,000
Stock options exercised	11	-	410,590	-	-	-	410,601
Redemption and cancellation of common stock net of \$320,600 tax benefit	(206)	-	(814,776)	-	16,914	(16,513,026)	(17,311,094)
Issuance of preferred shares - net of expenses of \$1,737,058	-	302	23,587,560	-	-	-	23,587,862
Net income	-	-	-	-	-	299,980	299,980
Balance at December 31, 2009	1,041	302	27,233,647	-	-	(16,188,658)	11,046,332
Net (loss)	-	-	-	-	-	(3,038,674)	(3,038,674)
Balance at December 31, 2010	\$ 1,041	\$ 302	\$ 27,233,647	\$ -	\$ -	\$ (19,227,332)	\$ 8,007,658

The accompanying notes are an integral part of this statement.

EXHIBIT 3

ACTIV FINANCIAL SYSTEMS, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
LICENSE, DATA FEED AND OTHER REVENUES	\$ 36,847,153	\$ 29,983,011
COST OF DATA ACCESS AND EQUIPMENT	<u>18,286,727</u>	<u>12,544,548</u>
GROSS MARGIN	<u>18,560,426</u>	<u>17,438,463</u>
OPERATING EXPENSES:		
Selling and marketing	3,107,736	2,356,696
Salaries and benefits	13,843,926	10,263,936
Rent, utilities and telephone	1,850,853	1,398,789
Other general and administrative	1,552,493	1,419,936
Depreciation	<u>2,891,643</u>	<u>1,370,571</u>
Total operating expenses	<u>23,246,651</u>	<u>16,809,928</u>
Income (loss) from operations	<u>(4,686,225)</u>	<u>628,535</u>
OTHER INCOME (EXPENSES):		
Loss on disposal of fixed assets	-	(5,739)
Interest income	11,556	7,957
Interest expense	<u>(138,434)</u>	<u>(46,122)</u>
Net other expenses	<u>(126,878)</u>	<u>(43,904)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(4,813,103)	584,631
PROVISION (BENEFIT) FOR INCOME TAXES	<u>(1,774,429)</u>	<u>284,651</u>
NET INCOME (LOSS)	<u>\$ (3,038,674)</u>	<u>\$ 299,980</u>

The accompanying notes are an integral part of this statement.

**ACTIV FINANCIAL SYSTEMS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (3,038,674)	\$ 299,980
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,891,643	1,370,571
Loss on disposal of property and equipment	-	5,739
Stock based compensation and commissions	-	2,724
Deferred income taxes	(891,000)	69,000
Change in assets and liabilities:		
Decrease in accounts receivable	(473,039)	(1,506,480)
(Increase) decrease in refundable income taxes	221,695	(846,146)
(Increase) in prepaid expenses	(62,289)	(6,608)
(Increase) decrease in deposits	28,886	(253,794)
Increase (decrease) in accounts payable	(2,324,085)	3,318,001
Increase in accrued expenses	17,779	437,060
(Decrease) in income tax payable	-	(99,000)
Increase (decrease) in customer deposits	(176,650)	423,726
Net cash provided by (used in) operating activities	<u>(3,805,734)</u>	<u>3,214,773</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of certificate of deposit	(1,095)	(92,792)
Purchases of intangible assets	(586,436)	-
Purchases of property and equipment	<u>(3,286,437)</u>	<u>(2,964,605)</u>
Net cash (used in) investing activities	<u>(3,873,968)</u>	<u>(3,057,397)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Line of credit, borrowings (repayment)	(163,984)	532,499
Notes payable - Borrowings	2,200,000	245,000
- Payments	(797,498)	(58,928)
Capital leases, payments	(553,988)	(131,914)
Redemption of common stock	-	(15,646,400)
Issuance of preferred stock	-	23,587,862
Payments to shareholders under stock redemption agreement	<u>(1,574,693)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(890,163)</u>	<u>8,528,119</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(8,569,865)</u>	<u>8,685,495</u>
<b>CASH AND CASH EQUIVALENTS, Beginning of the year</b>	<u>10,688,138</u>	<u>2,002,643</u>
<b>CASH AND CASH EQUIVALENTS, End of the year</b>	<u>\$ 2,118,273</u>	<u>\$ 10,688,138</u>

The accompanying notes are an integral part of this statement.

**ACTIV FINANCIAL SYSTEMS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>NON-CASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Financed purchase of equipment under capital lease agreements	<u>\$ 1,801,645</u>	<u>\$ 395,743</u>
Debt converted into common shares	<u>\$ -</u>	<u>\$ 910,000</u>
Tax benefit for exercised stock options	<u>\$ -</u>	<u>\$ 320,600</u>
Exercised stock options netted with redemption of shares	<u>\$ -</u>	<u>\$ 90,000</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ 138,434</u>	<u>\$ 58,255</u>
Cash paid (received) for income taxes	<u>\$ (1,105,124)</u>	<u>\$ 1,160,797</u>

The accompanying notes are an integral part of this statement.



ACTIV FINANCIAL SYSTEMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACTIV Financial Systems, Inc. (the Company) provides financial information services, content and technology to the global capital markets industry. The Company was incorporated in 2002 and has offices in Chicago, Illinois; Wheaton, Illinois; New York, New York; Secaucus, New Jersey; London, UK; Tokyo, Japan; and data centers in Chicago, Illinois, Singapore, Hong Kong, Frankfurt and London.

The financial statements were available to be issued on March 12, 2011, with subsequent events being evaluated through this date.

Cash and Cash Equivalents -

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

Investments -

The Company's investments consist of certificates of deposit.

Accounts Receivable -

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Management considers accounts receivable delinquent when payment has not met specific contractual terms, which primarily are net 30 days. The Company does not accrue interest on any of its accounts receivable.

Foreign Currencies -

Transactions in foreign currencies are translated at the exchange ruling at the date of the transaction. Aggregate foreign currency transaction gains or losses are included in net income.

Property and Equipment -

The Company follows the practice of capitalizing all expenditures for fixed assets in excess of \$1,000. Depreciation is provided over the estimated useful life of the assets ranging from 3 to 10 years using the straight-line method.

Intangible Assets -

Intangible assets subject to amortization include printed circuit board prototype costs. Prototype costs are being amortized on a straight-line basis over three years. Intangible assets are also reviewed for impairment when events or changes in circumstances indicate that the carrying value of the intangible assets might not be fully recoverable. Recoverability is determined based on an estimate of the expected future undiscounted cash flows of the intangible assets.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Advertising -

The Company expenses advertising expenses as they are incurred. Advertising expense for the years ended December 31, 2010 and 2009 was \$41,589 and \$21,772, respectively.

Research and Development -

Research and development costs incurred in connection with the purchases and development of the printed circuit board prototypes were expensed as incurred. Research and development costs for the years ended December 31, 2010 and 2009 were approximately \$1,145,000 and \$838,000, respectively. Amounts are included in statement of operations, salaries and benefits expenses.

Revenue Recognition -

The Company recognizes contract revenues and obligations only when earned or incurred. The Company enters into license contracts with its customers over various periods, the most common of which is twelve months. The Company receives the first and last months licensing fees in advance, which it records as a customer deposit liability until the amounts are earned.

In April, 2005, the Company entered into a five-year revenue sharing arrangement with an unrelated party. The agreement has an automatic renewal option for another two years. Under the agreement, the Company has granted rights to sell ACTIV products in Canada and elsewhere under certain revenue sharing and other terms and conditions.

Income Taxes -

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company files income tax returns in the U.S. federal jurisdiction, Great Britain, Japan, Illinois, New York, and New Jersey. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2007. The Company does not expect a material net change in unrecognized tax benefits in the next twelve months.

Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Common Stock and Preferred Stock -

The Company has 10,000,000 authorized shares of common stock, \$0.001 par value per share. Common stocks issued and outstanding were 1,041,496 at December 31, 2010 and 2009.

During the year ended December 31, 2009, the Company purchased and reured 206,458 shares of common stock at \$83.84/share, and issued 102,500 shares through conversion of debt and exercised employee stock options.

Preferred Stock -

The Company has 302,038 authorized shares of preferred stock, \$0.001 par value per share. All preferred shares are designated as Series A Convertible Redeemable Preferred Stock.

Preferred shares issued and outstanding at December 31, 2010 and 2009 were 302,038.

Preferred stockholders have the first right to receive dividends on each outstanding share of Series A Preferred Stock when dividends are declared for common stockholders. Dividends payable to preferred stockholders are computed by multiplying the number of common shares obtained from conversion of preferred shares based on the formula explained below with dividend payable per common share.

Preferred shares can be converted into the number of fully paid shares of common shares obtained by multiplying the number of shares of Series A Preferred Stock to be converted by the Original Offering Price per share and dividing the result by the Conversion Price in effect at the time of the conversion. The Conversion Price is defined as the original purchase price of \$83.8468 adjusted for certain events as more specifically described in the Certificate of Designation, Preferences and Other Rights of Series A Convertible Redeemable Preferred Stock Agreement. None of the events occurred during the year 2010. For 2010 and 2009, the conversion ratio is 1:1 for an initial offering price equal to the conversion price of \$83.84.

Preferred shares are automatically converted into common shares at the applicable conversion price immediately upon occurrence of the closing of a qualified public offering of shares of common shares or upon written consent of holders of more than 50% of the outstanding shares of preferred shares.

The Board of Directors of the Company is authorized to issue Preferred Stock from time to time in one or more classes or series thereof, each such class or series to have such voting powers (if any), conversion rights (if any), designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof as shall be determined by the Board of Directors and stated and expressed in a resolution or resolutions thereof providing for the issuance of such Preferred Stock.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Stock Options -

The Company accounts for employee and non-employee stock options under the fair value method of accounting using a Black-Scholes valuation model to measure the stock option expense at the date of grant. Compensation cost associated with employee stock options is recognized over the service period beginning on the grant date. Compensation cost for performance based stock options are accrued if it is probable that the performance condition will be achieved. No compensation costs were accrued for the years ended 2010 and 2009. The expense associated with non-employee stock options is recognized at the grant date.

(2) INTANGIBLES:

Intangible assets consist of the following:

	<u>2010</u>	<u>2009</u>
Printed circuit board prototype	\$ 586,436	\$ -
Less - Accumulated amortization	<u>(32,580)</u>	<u>-</u>
	<u>\$ 553,856</u>	<u>\$ -</u>

Total amortization expense amounted to \$32,580 and \$0- in 2010 and 2009, respectively. Intangible assets are being amortized over their estimated useful live. Estimated future amortization expense is as follows:

<u>Year ending</u> <u>December 31,</u>	
2011	\$ 195,479
2012	195,479
2013	162,898

(3) COMMITMENTS:

Hosting and Network Commitments -

The Company has entered into various agreements with data content and communication providers which range in length from 12 to 36 months. Future contractual commitments as of December 31, 2010 are approximately as follows:

<u>Year ending</u> <u>December 31,</u>	
2011	\$ 4,234,000
2012	1,395,000

(3) COMMITMENTS: (Continued)

Operating Leases -

The Company leases office space with various unrelated parties. The operating leases expire at various dates through 2019. Under the lease agreements, the Company is responsible for its share of real estate taxes, insurance, and maintenance costs for the buildings. Total rent expense for the years ended December 31, 2010 and 2009 was \$1,534,873 and \$1,177,065, respectively. Minimum lease payments are as follows:

<u>Year ending</u> <u>December 31.</u>	
2011	\$ 1,308,049
2012	1,045,522
2013	1,095,191
2014	1,096,197
2015	1,016,156
Thereafter	2,077,475

Capital Leases -

The Company has acquired equipment under capital leases which requires \$71,000 aggregate monthly payments over 24 to 36 months.

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2010:

<u>Year ending</u> <u>December 31.</u>	
2011	\$ 748,587
2012	645,170
2013	<u>226,812</u>
Total minimum lease payments	1,620,569
Less - Amount representing interest	<u>(109,083)</u>
Present value of net minimum lease payments	<u>\$ 1,511,486</u>

The leased equipment, included in property and equipment had a net book value of approximately \$1,544,000 and \$264,000 at December 31, 2010 and 2009, respectively.

(4) NOTES PAYABLE:

	<u>2010</u>	<u>2009</u>
Notes payable to bank:		
Payable in monthly installments of principal and interest of \$10,757, due in June, 2011, bearing interest at 5%, and secured by equipment.	\$ 63,607	\$ 186,072
Payable in monthly installments of principal and interest of \$30,602, due in February, 2012, bearing interest at 4.5%, and secured by equipment.	415,824	-
Payable in monthly installments of principal and interest of \$45,558, due in February, 2013, bearing interest at 4.5%, and secured by equipment.	<u>1,109,143</u>	<u>-</u>
	1,588,574	186,072
Less - Current maturities	<u>(913,961)</u>	<u>(122,638)</u>
	<u>\$ 674,613</u>	<u>\$ 63,434</u>

The future payments under notes payable as of December 31, 2010:

2011	\$ 913,961
2012	585,574
2013	<u>89,039</u>
	<u>\$ 1,588,574</u>

(5) LINE OF CREDIT:

As of December 31, 2009, the Company had a line of credit agreement with a commercial bank that provides for a maximum borrowing of \$1,500,000, due in March, 2010. In February, 2010 the \$1,500,000 line of credit was converted into a term note which requires monthly payments of principal and interest of \$45,558 and has the maturity in February, 2013 as presented in Note 4.

In December 2010, the Company obtained a line of credit with a commercial bank that provides for a maximum borrowing of \$1,250,000. The line of credit is due in March, 2011, bearing interest at the 30-day LIBOR rate plus 1%, minimum 4.5% (4.5% at December 31, 2010), and collateralized by equipment. Outstanding balance as of December 31, 2010 was \$368,515. The Company must maintain compliance with certain financial and nonfinancial covenants, as defined in the agreement. At December 31, 2010 and 2009, the Company was in compliance with the covenants.

(6) LETTERS OF CREDIT:

The Company has guaranteed two separate letters of credit totaling \$209,855 outstanding at December 31, 2010 and 2009 with certificate of deposits in the same amount deposited at a bank. The letters of credit are issued to the Company's New York landlords and are renewed annually. The certificates of deposit are classified as a current investment.

(7) LIABILITY TO SHAREHOLDERS.

The Company had an Escrow Fund of \$1,574,693 established under an Escrow Agreement in conjunction with the redemption of common shares and issuance of preferred shares. The escrow was established to provide a source of funds during the term of the agreement for satisfaction of certain amounts potentially owing from the redeemed shareholders to the preferred share investors. The escrow funds would be distributed under certain conditions in the event any of the preferred share investors should have a claim against the redeemed shareholders. Otherwise the funds had to be released three months after the date of issuance of the audit report for fiscal year ended December 31, 2009. The Escrow Funds were released as provided per the agreement during 2010

(8) OTHER COMMITMENTS:

During 2009, the Company entered into a five-year agreement with a three-year renewal option to provide fully managed market data services for one client. The services will be provided in three phases which are broken down by use. Each phase is implemented by separate service orders executed by both parties. Fixed annual fees for the three phases are summarized below:

Phase I - Low Latency Service	\$ 516,000
Phase II - Internet Streaming	2,177,000
Phase III - Snap Services	1,131,000

All other fees incurred by the Company for provision of these services such as bandwidth, hardware, hosting etc. will be billed separately. Fees also exclude software customization that is to be paid on a time and material basis. As of December 31, 2010, phase I and II were executed.

(9) INCOME TAXES:

The provision (benefit) for income taxes for the years ended December 31, 2010 and 2009 is summarized as follows:

	<u>2010</u>	<u>2009</u>
Current:		
Federal	\$ (802,951)	\$ (46,518)
State and city	(80,478)	228,372
Foreign	-	33,797
Deferred:		
Federal	(711,950)	67,000
State	<u>(179,050)</u>	<u>2,000</u>
	<u>\$ (1,774,429)</u>	<u>\$ 284,651</u>

(9) INCOME TAXES: (Continued)

A reconciliation of the provision for income taxes to the U S. federal income tax rate of 34% is as follows:

	<u>2010</u>	<u>2009</u>
Income tax provision (benefit) at statutory rate	\$ (1,636,456)	\$ 198,775
State, city and foreign income tax expense (benefit), net of federal tax effect	(159,668)	71,536
Nondeductible expenses and other	<u>21,695</u>	<u>14,340</u>
	<u>\$ (1,774,429)</u>	<u>\$ 284,651</u>

Deferred tax assets (liabilities) are comprised of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Current:		
Net operating loss carryforwards	\$ 1,052,000	\$ -
Accrual to cash adjustment	(201,000)	(200,000)
Allowance for doubtful accounts	20,000	11,000
Accrued expenses	<u>6,000</u>	<u>5,000</u>
	<u>877,000</u>	<u>(184,000)</u>
Long term:		
Accrual to cash adjustment	-	(201,000)
Accumulated depreciation	(805,000)	(434,000)
Deferred compensation - stock options	<u>142,000</u>	<u>142,000</u>
	<u>(663,000)</u>	<u>(493,000)</u>
	<u>\$ 214,000</u>	<u>\$ (677,000)</u>

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to using the cash basis of accounting for income tax purposes (in prior years), depreciation, deferred tax deductibility for stock options expense, and the allowance for doubtful accounts.

The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes.

The Company has approximately \$3,095,000 of federal net operating loss carryforwards available to offset future taxable income. The carryforwards expire in 2030. The Company also has various state net operating loss carryforwards available to offset future taxable income totaling approximately \$3,695,000. The majority of net operating losses are in Illinois and cannot be used until 2014 and expire in 2034.



(10) EMPLOYEE BENEFITS:

The Company participates in a 401(k) retirement plan covering full-time employees meeting a one-year waiting period. During the years ended December 31, 2010 and 2009, there were no matching contributions from the Company.

(11) CONCENTRATIONS:

Credit Risk -

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits.

Vendors -

A total of 24% and 37% of the data access and exchange fees were purchased from two providers in 2010 and 2009, respectively. Accounts payables for the two vendors totaled to 27% and 15% of total trade payables at December 31, 2010 and 2009, respectively

Customers -

A total of 14% of sales revenue was from one customer. Accounts receivable balance for that customer was 29% of total trade receivable.

(12) EMPLOYEE STOCK OPTIONS:

The Company has a Nonqualified Stock Option Plan which was implemented by the Board in May, 2004. The options under the plan may be granted to employees based on the performance of the Company and employee performance against certain targets. The targets have to be met before the options are granted. The Company believes that such awards better align the interests of its employees with those of its shareholders. Option awards are generally granted with an exercise price equal to the estimated fair value of the Company's stock at the date of grant; those option awards generally vest based on two years of continuous service and have 10-year contractual terms.

The Company was required to adopt the provisions of Accounting Standards Codification (ASC) topic 718, *Share-Based Payment* effective January 1, 2006. The Company accounts for stock option awards using the fair value method. Prior to 2006, the Company used the fair value method permitted by ASC, *Accounting for Stock-Based Compensation* to account for stock options granted to employees. The Company had elected the disclosure-only provisions and, accordingly, did not recognize compensation expense for stock option grants prior to 2006.

The provisions of ASC-*Share-Based Payment* are applicable to stock options awarded by the Company beginning in 2006. Under ASC-*Share-Based Payment*, the Company is required to recognize compensation expense for options granted in 2006 and thereafter. The Company used the modified prospective application transition method in adoption of ASC-*Share-Based Payment*. Under this transition method, the Company was also required to recognize compensation expense for the portion of awards granted before 2006 for which the requisite service had not been rendered.

(12) EMPLOYEE STOCK OPTIONS: (Continued)

All awards granted before 2006 were fully vested, therefore, no compensation expense needs to be recognized for awards granted prior to 2006.

The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model that uses the assumptions noted in the following table. Management estimates the expected volatility of its share price using the volatility index for a publicly traded company in the same industry. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield in effect at the time of grant.

Using the Black-Scholes option pricing model, management has determined that the options issued in 2007 have a calculated value of \$11.89 per share. There were no employee stock options issued in 2008, 2009, and 2010. Total compensation cost associated with these options is \$65,395 and was recognized over the two-year service period that began on the grant date. Compensation cost recognized in 2010 and 2009 was \$-0- and \$2,724, respectively.

Assumptions used in Black-Scholes model are as follows:

Expected volatility	38%
Expected term (in years)	10
Risk-free rate	5.13%
Weighted average calculated value of option granted	\$11.89

A summary of option activity under the Plan as of December 31, 2010 and 2009, and changes during the years then ended is presented below:

<u>Options</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Term</u>
Outstanding at January 1, 2009	44,500	\$ 11	8
Granted	-	-	-
Exercised	(11,500)	8	6
Forfeited or expired	-	-	-
Outstanding at January 1, 2010	33,000	12	6
Granted	-	-	-
Exercised	-	-	-
Forfeited or expired	-	-	-
Outstanding at December 31, 2010	<u>33,000</u>	<u>12</u>	<u>5</u>
Exercisable at December 31, 2010	<u>33,000</u>	<u>\$ 12</u>	<u>5</u>

(12) EMPLOYEE STOCK OPTIONS (Continued)

A summary of the status of the Company's non-vested shares as of December 31, 2010, and changes during the years ended December 31, 2010 and 2009, is presented below:

	<u>Shares</u>	<u>Weighted-Average Grant Date Fair Value</u>
Non-vested at January 1, 2009	5,500	\$ 20
Granted	-	-
Vested	5,500	20
Forfeited	<u>-</u>	<u>-</u>
Non-vested at January 1, 2010	-	-
Granted	-	-
Vested	-	-
Forfeited	<u>-</u>	<u>-</u>
Non-vested at December 31, 2010	<u>-</u>	<u>\$ -</u>

(13) NON-EMPLOYEE STOCK OPTIONS:

The Company has an agreement to grant stock options to an unrelated party based on performance against certain targets. The targets have to be met before the options are granted. Option awards are generally granted with an exercise price equal to the fair value of the Company's stock at the date of grant. The stock option awards are exercisable two years after the grant date for a period of five years.

The Company applies ASC, *Accounting for Stock Based Compensation and Accounting for Equity Instruments that are Issued to Other Than Employees* and related interpretations in accounting for its non-employee stock options.

The Company accounts for stock options granted to non-employees using the fair value of the stock options. The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model that uses the assumptions noted in the following table. Management estimates the expected volatility of its share price using the volatility index for a publicly-traded company in the same industry. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield in effect at the time of grant.

Using the Black-Scholes option pricing model, management has determined that the options issued in 2008 have a calculated value of \$15.96 per share. Total commission expense associated with these options is \$319,180 recognized during the year ended December 31, 2008.

**(13) NON-EMPLOYEE STOCK OPTIONS (Continued)**

Assumptions used in Black-Scholes model are as follows:

Expected volatility	47.41%
Expected term (in years)	7
Risk-free rate	1.62%
Weighted average calculated value of option granted	\$15.96

A summary of option activity under the Plan as of December 31, 2010, and changes during the year then ended is presented below:

<u>Options</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Term</u>
Outstanding at January 1, 2009	20,000	\$ 31.84	7
Granted	-	-	-
Exercised	-	-	-
Forfeited or expired	-	-	-
Outstanding at January 1, 2010	<u>20,000</u>	<u>31.84</u>	<u>6</u>
Granted	-	-	-
Exercised	-	-	-
Forfeited or expired	-	-	-
Outstanding at December 31, 2010	<u>20,000</u>	<u>\$ 31.84</u>	<u>5</u>
Exercisable at December 31, 2010	<u>20,000</u>	<u>\$ 31.84</u>	<u>5</u>

All shares outstanding at December 31, 2010 were vested.

**(14) PERFORMANCE BASED STOCK OPTIONS:**

At December 31, 2010 and 2009, the number of common shares which could be granted to employees is 10,000 and 34,500, respectively, based upon each employee meeting certain sales targets between the years 2011 and 2012.