

PAID INC  
Form DEF 14A  
November 09, 2016

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

SCHEDULE 14A  
(Rule 14a-101)

Consent Solicitation Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Consent Solicitation  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Consent Solicitation  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

PAID, INC.  
(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Consent Solicitation Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- |     |   |
|-----|---|
| (1) | Title of each class of securities to which transaction applies:   |
| (2) | Aggregate number of securities to which transaction applies:  |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| (4) | Proposed maximum aggregate value of transaction:  |
| (5) | Total fee paid:   |

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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PAID, INC.  
200 Friberg Parkway, Suite 4004  
Westborough, Massachusetts 01581  
(617) 861-6050

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To the Stockholders of PAID, Inc.

The Board of Directors of PAID, Inc., a Delaware corporation (the “Company”) is soliciting your consent on behalf of the Company to approve the following six proposals (the “Proposals”), which have been approved by our Board of Directors (the “Board”):

1. To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;
2. To approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;
3. To approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;
4. To approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;
5. To approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and
6. To approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

We are soliciting your approval of the Proposals by written consent in lieu of a meeting of stockholders because our Board believes that it is in the best interests of the Company and our stockholders to solicit the approval in the most cost effective manner. A form of written consent is enclosed for your use.

This consent solicitation statement and accompanying form of written consent will be sent or given to our stockholders from whom we are seeking consent on or about November 9, 2016. Our Board has fixed the close of business on November 7, 2016 as the record date (the “Record Date”) for determination of our stockholders that are entitled to give written consents. Only the stockholders of record on the Record Date are entitled to give written consent to the Proposals.

The written consent of stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date is required to approve the Proposals.

Your consent is important regardless of the number of shares of our common stock that you hold. Although our Board has approved the Proposals, the Proposals require the approval by the vote of our stockholders holding a majority of

the voting power of our outstanding common stock as of the Record Date.

Our Board unanimously recommends that you consent to the Proposals. The Proposals will be approved by our stockholders when we have received written consents to the Proposals from stockholders representing a majority of the voting power of our outstanding common stock. If you approve each of the Proposals, please mark the enclosed written consent form to vote "For" each Proposal, and complete, date, sign and return your written consent to us

By Order of the Board of Directors,

/s/ W. Austin Lewis, IV

W. Austin Lewis, IV  
President

Westborough, Massachusetts

November 9, 2016

-1-

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CONSENT SOLICITATION

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SUMMARY TERM SHEET

The following is a summary of the material terms of the proposed amalgamation or merger. This summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in or accompanying this proxy statement. We urge you to review the entire proxy statement and accompanying materials carefully.

- The Proposed Transaction (page 31-38)
  - o The Company proposes to merge, though an “amalgamation”, an Ontario company called emergeIT Inc. which does business under the brand name “Shiptime”, into a recently formed Company subsidiary.
    - o emergeIT is currently owned by 13 shareholders.
  - o The shareholders have agreed to have emergeIT merge into the Company’s subsidiary, and in exchange, emergeIT shareholders will receive “exchangeable shares”, which are a right to receive shares of the Company’s common stock and shares of a new class of preferred stock.
- Vote Required in the Proposed Transaction (page 32)
  - o The Company’s shareholders are not required to approve the merger or amalgamation. However, before the transaction can be completed, the Company’s shareholders are required to authorize a new class of preferred stock and to increase the Company’s authorized shares of common stock.
  - o Separately, the Company decided to propose to reduce the number of overall shares by proposing a reverse/forward split. If the reverse/forward split is not approved, the Company can re-propose the proposals to create the class of preferred stock and the to increase the number authorized common stock to no longer take into effect the reverse/forward split.
  - o The Company also proposes to approve a name change and a classified board of directors, each of which are conditions required by agreement before the amalgamation can occur (unless emergeIT waives these conditions).
- Consideration Paid under the Proposed Transaction (page 31)
  - o If the merger or amalgamation is completed, the former holders of emergeIT will hold rights to the former holders of emergeIT will hold rights to approximately 79.5% of all the issued and outstanding shares of capital stock of the Company, and the current stockholders of the Company will own approximately 20.5% of all the issued and outstanding shares of capital stock of the Company.

- Approval by the Board of Directors of the Company (page 31)
  - o The Company's Board of Directors approved the proposed merger or amalgamation and voted to approve the transaction.
  - o The Company believes that the acquisition of emergeIT into a newly formed subsidiary of the Company will add additional revenue and products for the Company and will allow the Company more significant cash flow for growth.
  - o The Company believes that the existing management of emergeIT will add expertise with respect to the types of products that the Company intends to sell.
  
- Termination (page 32)
  - o The Amalgamation Agreement may be terminated by:
    - § written agreement, or
    - § generally if the amalgamation does not occur on or before November 15, 2016, or
    - § if a law prohibits the transaction, or if holders of 25% or more of emergeIT securities have exercised their dissenters' rights with respect to the transaction.
  
- Company Shareholder Approval (page 32)
  - o The Company's stockholders do not have a right to vote to approve the amalgamation agreement or the issuance of the shares of common stock or preferred stock if there are enough shares authorized and the class of preferred stock is approved.
  - o There are currently not enough shares authorized and there is no current authorization for any preferred stock.
  - o Thus, if the Company's shareholders do not approve Proposal 5 and Proposal 6, described below, the Amalgamation Agreement will be terminated.
  - o After the acquisition and merger, assuming approval of Proposal 2 described below, the Company will change its name to ShipTime Inc. at the time described in the Proposal 2.
  
- Exchange and Call Rights Agreement (page 32 )
  - o The existing holders of emergeIT will be required to exchange their shares in emergeIT into "exchangeable shares" of the amalgamated company, ShipTime Inc.
    - o The holders of ShipTime Inc. will have those rights described in its organizational documents.
    - o ShipTime Inc.'s authorized capital will be composed of preferred shares, and common shares.
  - o The preferred shares are exchangeable into a right to receive approximately 480 shares of the Company's preferred stock and 3,344 shares of the Company's common stock.
    - o Any and all outstanding common shares will be owned by Callco, the Company's direct subsidiary.
    - o As a result, Callco will have the only voting shares of ShipTime Canada Inc.
  - o Holders of ShipTime Inc. shares will have the same dividend and distribution rights as holders of Company shares, and if Company shares are subdivided or in the event of a Company stock dividend, the exchangeable shares will be equally subdivided, as exchangeable shares are intended to be economically the same as shares of common or preferred stock of the Company.
  - o The Company will have a "liquidation call right" in the event of proposed liquidation, dissolution or winding up of ShipTime Canada Inc.
  - o Generally, the Company will redeem the exchangeable shares on the fifth anniversary whereby the Company will redeem the exchangeable shares for shares of the Company's preferred stock and common stock.



- o By agreement, exchangeable shares also may be purchased by ShipTime Canada Inc. for cancellation. The Company also has a right to call the shares in the event of a change in the applicable laws.
- o The holders of exchangeable shares have an “automatic exchange right” in the event any bankruptcy or insolvency or in general, related proceedings, of ShipTime Canada Inc. or the Company.
- o The exchangeable shares would at such time be converted automatically into that number of shares of common stock and preferred stock of the Company at the agreed upon conversion ratio.
  - o Moreover, Callco will have an overriding call right to purchase some or all of the exchangeable shares.
- o This mechanism will be triggered with the automatic exchange right and is necessary to comply with Canadian tax laws.
  - o The exercise of this call right does not alter the outcome of the exchangeable share transaction.

Support Agreement (page 33)

- o The Company will be required to enter into a Support Agreement with the combined entity.
- o The Support Agreement will generally provide that the Company will treat holders of Exchangeable Shares substantially similar, or economically equivalent, to holders of Company stock.
- o Under the Support Agreement, the Company cannot declare or pay any dividend or other distribution on Company stock unless ShipTime Inc. simultaneously declares or pays the dividend or distribution on the Exchangeable Shares and has sufficient money or other assets to meet these requirements.
- o In turn, the ShipTime Inc. would effect a corresponding dividend or distribution of its securities related to the Exchangeable Shares.
- o The Company also undertakes to advise ShipTime Inc. of the declaration of dividend or distribution, among other similar events, and to cooperate with it to effect the dividend or distribution as of the same record and effective date.
- o The Company is also required in this case to segregate funds to pay for the dividend, and to reserve sufficient number of shares to permit the exchange of the Exchangeable Shares into the required number of Company shares of common stock and preferred stock.

Employment Agreement (page 33)

- o After the amalgamation or merger occurs, Allan Pratt will serve as the Company’s President and CEO.
  - o Allan Pratt will enter into an Employment Agreement.
- o The Employment Agreement will be for an initial term through February 2020, with a base salary of \$185,000 and eligibility for a bonus as the Board of Directors determines.
  - o Bonuses may be in the form of cash, equity awards or both.
- o Mr. Pratt will be eligible for employee and fringe benefits consistent with other employees, and equity awards adopted by the Company for its employees generally.
- o Mr. Pratt will also have an automobile allowance of \$600 per month and mileage reimbursement for business travel at IRS rates.
  - o Mr. Pratt may terminate the agreement at any time with 30 days’ notice.
- o The Company may terminate Mr. Pratt for “cause”, which shall include willful, intentional or tortious conduct detrimental to the Company’s operations.
- o The Company may terminate Mr. Pratt without cause upon giving 30 days’ notice, subject to a severance payment.



- o Mr. Pratt also may terminate his employment for “good reason”.

o Good reason is defined as a material diminution in his authority, duties or responsibilities, a change in geographic location from where Mr. Pratt provides services, or any action or inaction by the Company that constitutes a breach of the employment agreement.

o If Mr. Pratt is terminated without cause or by Mr. Pratt for “good reason,” during the initial term, Mr. Pratt shall receive a severance payment which is three times his overall compensation of salary plus bonus, which amount decreases after two years to three times his base salary.

- o Mr. Pratt would be subject to a two year non-compete with respect to on-line package shipping services to small businesses and retail customers in the territory of the United States and Canada.

o In addition, W. Austin Lewis, IV is expected to continue to serve in his capacity as Treasurer and CFO, as well as Director, but will step down as President and CEO.

- o The Company’s board anticipates that Mr. Lewis will also enter into an employment agreement.

- Board of Directors After the Merger/Amalgamation (page 34)

o Once the merger or amalgamation occurs, the Company’s Board of Directors will be increased from three to five.

o The Company expects that the Board of Directors will appoint three individuals to the Board, including Allan Pratt, current President of emergeIT, who will serve as the Chairman of the Board, and W. Austin Lewis, IV, the Company’s current President.

o The Company expects one current Company director will resign from the Board of Directors immediately before the amalgamation occurs.

o The Company also proposes with shareholder approval to have a staggered or classified board of directors, where each director serves a three year term rather than the current one year term.

- Accounting Treatment--Net Operating Losses (page 34)

o The Company anticipates that it will be able to preserve its net operating losses carry forwards for federal income tax purposes after effectiveness of the merger or amalgamation of its new subsidiary with emergeIT.

Question and Answers about this Consent Solicitation

Why am I receiving these materials?

The Board of Directors of the Company is soliciting our stockholders to approve the following six proposals by written consent:

1. To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company's outstanding common stock, exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company's outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company's Certificate of Incorporation ("Proposal 1");
2. To approve an amendment to the Company's Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc. ("Proposal 2");
3. To approve an amendment to the Company's Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors ("Proposal 3");
4. To approve an amendment to the Company's Bylaws to provide for a classified Board of Directors ("Proposal 4");
5. To approve an amendment to the Company's Certificate of Incorporation to increase the Company's authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split) ("Proposal 5"); and
6. To approve an amendment to the Company's Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock ("Proposal 6").

On August 11, 2016, and again on August 26, 2016, our Board of Directors (the "Board") met and approved the Proposals and we are now seeking stockholder approval. Stockholder approval is required to effect the Proposals.

What is included in these materials?

These materials include:

- this consent solicitation statement; and
- the written consent form.

## Important Notice Regarding the Availability of Materials for This Consent Solicitation

The materials listed above are also available at [www.paid-corp.com](http://www.paid-corp.com).

What do I need to do now?

We urge you to carefully read and consider the information contained in this consent solicitation statement. We request that you send your written consent to the Proposals described in this consent solicitation statement.

Who can give the written consents?

Our Board has fixed the close of business on November 7, 2016 as the record date (the “Record Date”) for determination of our stockholders entitled to give written consents. If you were a stockholder of record on the Record Date, you are entitled to give written consent to the Proposals. As of the Record Date, there were 10,989,608 shares of our common stock issued and outstanding.

How many votes do I have?

You have one vote for each share of our common stock that you owned as of the Record Date.

How do I send my written consent?

If your shares are registered directly in your name with our transfer agent, Olde Monmouth Stock Transfer Co., Inc., please complete, date, sign, and return the enclosed written consent form via fax, email or mail to any of the following addresses:

- MAIL: PAID, Inc., 200 Friberg Parkway, Suite 4004, Westborough, MA 01581
- FACSIMILE: (617) 861-6050
- EMAIL: [info@paid-corp.com](mailto:info@paid-corp.com)

If you hold your shares in “street name” and wish to send your written consent, you must follow the instructions given by your broker, bank, or other nominee or contact your broker or bank.

What is the difference between a stockholder of record and a “street name” holder?

If your shares are registered directly in your name with our transfer agent, Olde Monmouth Stock Transfer Co., Inc., then you are a stockholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the broker, bank, or other nominee is the stockholder of record with respect to those shares. However, you still are the beneficial owner of those shares, and your shares are said to be held in “street name.” Street name holders need to follow the instructions located in the consent package you receive from your bank or broker.

What vote is required for the approval of the Proposals?

The Proposals will be approved by our stockholders if we receive written consents from stockholders holding a majority of the voting power as of the Record Date, or written consents representing at least 5,494,804 shares of our common stock.

How are votes counted?

A written consent form that has been signed, dated and delivered to us with the “For” box checked will constitute consent for the Proposals. A written consent form that has been signed, dated and delivered to us with the “Against” or “Abstain” boxes checked or without any of the boxes checked will be counted as a vote against the Proposals. Abstentions and broker non-votes will have the same effect as a vote against the Proposals.

A “broker non-vote” occurs when a broker, bank, or other nominee holding shares for a beneficial owner in street name does not vote on the Proposals because it does not have discretionary voting power with respect to the Proposals and has not received instructions with respect to the Proposals from the beneficial owner of those shares, despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions.

-7-

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When is the approval of the Proposals effective?

The approval of our stockholders of each Proposal is effective when we receive the written consents to each such Proposal from our stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date.

When will the Consent Solicitation be Terminated?

The Company reserves the right to terminate the consent solicitation at any time. It will complete the consent solicitation when it receives a sufficient number of consents to authorize all of the Proposals. Under Delaware law, no written consent shall be effective to approve a Proposal unless, within 60 days of the earliest dated consent has been delivered, written consents for such Proposal have been signed and received by the number of holders to take the action.

How does the Board recommend that I vote?

Our Board recommends that you vote:

“FOR” Proposal 1 to consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for - 3000 , with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300 - for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;

“FOR” Proposal 2 to approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;

“FOR” Proposal 3 to approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;

“FOR” Proposal 4 to approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;

“FOR” Proposal 5 to approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and

“FOR” Proposal 6 to approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

Can I revoke my written consent after sending it?

Yes. A written consent, once dated, signed and delivered to us, will remain effective unless and until revoked by a written notice of revocation dated, signed and delivered to us before the time that we have received written consents to the Proposals from our stockholders representing a majority of the voting power of our outstanding common stock as of the Record Date. Please send your notice of revocation by fax, email or mail via the same address that you would send your written consent, as disclosed elsewhere in this consent solicitation statement.

Do I have rights of appraisal or similar rights of dissenters with respect to the Proposals?

No. Neither Delaware law nor our Certificate of Incorporation or Bylaws provide our stockholders with rights of appraisal or similar rights of dissenters with respect to the Proposals.

Have Shareholders Indicated that they will Execute Consents that Vote in Favor of the Proposals?

No, no shareholder has indicated that he, she or it will execute a consent and no shareholder has been formally solicited to provide consent.

Who pays for the expense of this consent solicitation?

We will be making the solicitation. We will pay for the expense of soliciting the written consents and the cost of preparing, assembling and mailing material in connection therewith. Copies of solicitation materials may be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock beneficially owned by others to forward to the beneficial owners. We may reimburse persons representing beneficial owners of our common stock for their costs of forwarding solicitation materials to the beneficial owners. Original solicitation of written consents by mail may be supplemented by telephone, facsimile, other approved electronic media or personal solicitation by our directors, officers, or regular employees. These individuals will receive no additional compensation for such services.

## Forward-Looking Statements

This consent solicitation statement contains forward-looking statements. These statements relate to future events. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

## OUTSTANDING VOTING STOCK OF THE COMPANY

As of the Record Date, there were 10,989,608 shares of common stock issued and outstanding. The common stock constitutes the only outstanding class of voting securities of the Company. Each share of common stock entitles the holder to one (1) vote on all matters submitted to the stockholders. Stockholders do not have cumulative voting rights or pre-emptive rights for the purchase of additional shares of capital stock. The additional shares of common stock for which authorization is now sought are identical to the shares of common stock now authorized.

## Delivery of Consents

When a consent is properly executed and returned, the shares it represents will be voted as directed. If no specification is indicated, the shares will be voted:

“FOR” Proposal 1 to consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation;

“FOR” Proposal 2 to approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.;

“FOR” Proposal 3 to approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors;

“FOR” Proposal 4 to approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors;

“FOR” Proposal 5 to approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split); and

“FOR” Proposal 6 to approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

Proposal	Vote Required
<p>Proposal 1 - To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, at an exchange ratio ranging between 1-for-500 and 1-for-3000, with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300-for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation.</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>
<p>Proposal 2 - To approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc.</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>
<p>Proposal 3 - To approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors.</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>
<p>Proposal 4 - To approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors.</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>
<p>Proposal 5 - To approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split).</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>
<p>Proposal 6 - To approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.</p>	<p>Consent by a majority of the outstanding shares of common stock.</p>



If your shares are held in street name and you do not instruct your broker on how to vote your shares, your brokerage firm, in its discretion, is permitted to either leave your shares unvoted or vote your shares on matters that are considered routine. None of the Proposals is considered routine. Consequently, without your voting instructions, your brokerage firm will not be able to vote your shares on any of the Proposals. Unvoted shares, called “broker non-votes,” refer to shares held by brokers who have not received voting instructions from their clients and who do not have discretionary authority to vote on non-routine matters. Broker non-votes will have the same effect as a vote “AGAINST” each of the Proposals.

#### Householding of Proxy Materials

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” consent or proxy statements and related materials. This means that only one copy of our consent solicitation statement and related materials may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of these consent solicitation materials to any stockholder upon written or oral request to our Corporate Secretary by mail at 200 Friberg Parkway, Suite 4004, Westborough, MA 01581 or by phone at (617) 861-6050.

Any stockholder who wants to receive separate copies of consent solicitation materials in the future, or any stockholder who is receiving multiple copies and would like to receive only one copy per household, should contact that stockholder’s bank, broker, or other nominee record holder, or that stockholder may contact us at the above address and phone number.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

To the knowledge of the management of the Company the following table sets forth the beneficial ownership of our common stock as of the Record Date of each of our directors and executive officers, and all of our directors and executive officers as a group, and other beneficial owners holding more than five percent of the Company’s issued and outstanding shares. The address of the Company is the address of each holder.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (4)
W. Austin Lewis, IV	2,576,329(1)	22%
Terry Fokas	60,000(2)	1%
Andrew Pilaro	113,374(3)	1%
All directors and executive officers as a group (3 individuals)	2,769,703	24%

(1) Included are options to purchase 300,000 shares of the Company’s common stock and shares held for the following funds for which W. Austin Lewis, IV is the General Partner, 2,276,329 by Lewis Opportunity Fund, L.P.

(2) Included are options to purchase 60,000 shares of the Company’s common stock all of which are vested.

(3) Includes 3,374 shares held indirectly as custodian for Mr. Pilaro’s minor sons and options to purchase 110,000 shares of the Company’s common stock all of which are vested.

(4) Percentages are calculated on the basis of the amount of outstanding securities plus for such person or group, any securities that person or group has the right to acquire within 60 days.



The following shareholders have 5 percent or greater of the issued and outstanding shares.

Name of Beneficial Owner	Shares	Percent of Class
Christopher J. Coghlin	961,844	8.8%
Scott Peters	659,992	6.0%
Jeffery Racenstein	642,279	5.8%
Lotus Investors LLC	600,000	5.5%
James W. Coghlin Jr.	507,439	4.6%
All other shareholders exceeding 5%	3,371,554	30.7%

To the knowledge of the management of the Company, based solely on our review of SEC filings, no other stockholder is the beneficial owner of more than five percent of the Company's common stock.

There are no voting trusts or similar arrangements known to us whereby voting power is held by another party not named herein. We know of no trusts, proxies, power of attorney, pooling arrangements, direct or indirect, or any other contract arrangement or device with the purpose or effect of divesting such person or persons of beneficial ownership of our common shares or preventing the vesting of such beneficial ownership.

#### Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change of control of our Company other than as described below under the heading "Amalgamation Agreement".

#### PROPOSAL 1

TO CONSIDER AND VOTE ON A PROPOSAL GIVING THE BOARD THE AUTHORITY TO EFFECT A REVERSE SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 1-FOR-500 AND 1-FOR-3000, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, IMMEDIATELY FOLLOWED BY A FORWARD SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 50-FOR-1 AND 300-FOR-1, RESPECTIVELY, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, BY FILING AMENDMENTS TO THE COMPANY'S CERTIFICATE OF INCORPORATION

We are asking our shareholders to approve an amendment to the Company's Certificate of Incorporation providing for a reverse stock split of the outstanding common stock (the "Reverse Split"), which the Board of Directors, in its discretion, would be authorized to implement, with an exchange ratio ranging between 1-for-500 and 1-for - 3000 (each the "Reverse Exchange Ratio" and collectively, the "Reverse Exchange Ratios"), and immediately thereafter providing for a forward stock split of the outstanding common stock (the "Forward Split"), which the Board of Directors, in its discretion, would be authorized to implement, with an exchange ratio ranging between 50-for-1 and 300 - for-1, respectively (each the "Forward Exchange Ratio" and collectively, the "Forward Exchange Ratios"). Together the Reverse Split and the Forward Split may be referred to as the "Reverse/Forward Split". The Reverse Exchange Ratio and the Forward Exchange Ratio, when discussed together may be referred to as the "Exchange Ratios".

The Board believes that shareholder approval granting us discretion to set the actual Exchange Ratios within the ranges articulated herein, rather than shareholder approval of a specified exchange ratio, provides us with maximum flexibility to react to then-current market conditions and volatility in the market price of our common stock. If the

Board elects to effect a Reverse/Forward Split utilizing one of the Reverse Exchange Ratios and one of the Forward Exchange Ratios, the Board will be deemed to have abandoned its authorization related to the other Reverse Exchange Ratios or Forward Exchange Ratios.

The determination as to whether the Reverse/Forward Split will be effected and, if so, pursuant to which Exchange Ratio, will be based upon those market or business factors deemed relevant by the Board at that time, including, but not limited to:

- existing and expected marketability and liquidity of our common stock;
- prevailing stock market conditions;
- business developments affecting us;
- our actual or forecasted results of operations; and
- the likely effect on the market price of our common stock.

If the Board elects to implement the Reverse/Forward Split, we intend to issue a press release announcing the terms and effective date of the Reverse/Forward Split before we file the Reverse/Forward Amendment with the Secretary of State of the State of Delaware. We will also file notice with the Financial Industry Regulatory Authority or “FINRA”, pursuant to Rule 10b-17 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

If approved, the Reverse/Forward Split is expected to take place at the discretion of the Board of Directors, but in any event prior to effectiveness of Proposal 5 and Proposal 6, which increases the authorized shares of common stock and creates a new class of preferred stock, and without any additional action on the part of the holders of the Common Stock. The proposed amendments to the Company’s Certificate of Incorporation necessary to effect the Reverse/Forward Split are attached to this proxy statement as Appendix A. A summary overview of the Reverse/Forward Split follows.

## Summary

The Board of Directors has authorized, and recommends for your approval, a reverse stock split in a range of 1-for-500 to 1-for - 3000 followed immediately by a forward stock split in the range of 50-for-1 to 300 - for-1 of each share of our common stock. As permitted under Delaware state law, stockholders whose shares of stock are converted into less than 1 share in the reverse split will be converted into the right to receive a cash payment. We believe that the Reverse/Forward Split will result in significantly reduced stockholder record keeping and mailing expenses to the Company, and provide smaller stockholders with a way to cash out their investments at no cost to them.

## Effect on Stockholders

If consent is received, the Reverse/Forward Split will have the following effects on the Company's stockholders, assuming that the Reverse Exchange Ratio is set by our Board at 3000-to-1 and the Forward Exchange Ratio is set by our Board at 1-to-300:

Stockholder before completion of the Reverse/Forward Split	Net Effect After Completion of the Reverse/Forward Split
Registered stockholders holding 3000 or more shares	Will have at least 300 shares based on the number of shares held.
Registered stockholders holding fewer than 3000 shares	Shares will be converted into the right to receive cash at a price based on the average daily closing price of the five days prior to and including the effective date of the Reverse/Forward Split (see "Determination of Cash-Out Price" below). Holders of these shares will not have any continuing equity interest in the Company.
Stockholders holding shares in street name through a nominee, such as bank or broker	The Company intends for the Reverse/Forward Split to treat stockholders holding in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures, and the Company stockholders holding shares in street name should contact their nominees.

## Reasons for the Reverse/Forward Split

The Board recommends that the stockholders approve the Reverse/Forward Split for the following reasons. These, and other reasons, are described in detail under "Background and Purpose of the Reverse/Forward Split" below and in this "Reasons for the Reverse/Forward Split" section.

The Reverse/Forward Split is intended to decrease the number of smaller shareholders. In many cases it is expensive for small stockholders to sell their shares on the open market. The Reverse/Forward Split allows stockholders with

small accounts to cash out their positions without transaction costs, such as brokerage fees. However, if these stockholders do not want to cash out their holdings of common stock, they will have the opportunity to purchase additional shares on the open market to increase their account to at least 500 to 3,000 shares (depending on the exchange ratio), or, if applicable, consolidate/transfer their accounts into an account with at least 500 to 3,000 shares (depending on the exchange ratio). These actions would need to be taken far enough in advance so that the consolidation or the purchase is complete and settled by the close of business on the Effective Date of the Reverse/Forward Split. When our Board decides to effect the Reverse/Forward Split, we intend to file a Certificate of Amendment (in the form of Appendix A attached hereto) with the Delaware Secretary of State effecting the Reverse/Forward Split as soon as practicable after we provide timely information on the Reverse/Forward Split in accordance with 10-day advance notice of the Reverse Stock Split to FINRA pursuant to Rule 10b-17 of the Exchange Act.

Reducing the number of outstanding shares of our common stock through the Reverse/Forward Split is intended, absent other factors, to increase the per share market price of our common stock. However, other factors, such as our financial results, market conditions and the market perception of our business (including the market's perception of and reaction to a proposal for or the implementation of a reverse stock split) may adversely affect the market price of our common stock. As a result, there can be no assurance that the Reverse/Forward Split, if completed at a net ratio that will reduce the number of shares outstanding, will result in the intended benefits described above, that the market price of our common stock will increase following the Reverse/Forward Split or that the market price of our common stock will not decrease in the future.

## Structure of the Reverse/Forward Split

The Reverse/Forward Split includes both a reverse stock split and a forward stock split of shares of the Company's common stock. If the Reverse/Forward Split is approved and occurs, the Reverse/Forward Split of the Company's Common Stock will become effective at the discretion of the Board of Directors on any date designated by the Board of Directors (the "Effective Date") prior to effectiveness of Proposal 5 and Proposal 6, which increase the authorized shares of common stock and creates a new class of preferred stock, and therefore Proposal 1 must be approved before Proposals 5 and 6 are approved. All stockholders on the Effective Date will receive 1 share of the Company common stock for every 3000 shares of common stock held in their accounts at that time, assuming that the Board establishes the ratio at the maximum range of the Reverse Split. Transactions involving the purchase or sale of the Company's common stock not settled by 6:00 p.m. on the Effective Date will be ignored for purposes of the Reverse/Forward Split. Assuming a ratio of 3000 : 1 for the Reverse Split, if a registered holder has 3000 or more common shares, any fractional share in such account will not be cashed out after the reverse split. Any registered stockholder who holds fewer than 3000 shares of common stock, at the time of the reverse stock split also referred to as a "Cashed-Out Stockholder", will receive a cash payment instead of fractional shares. This cash payment will be determined and paid as described below under "Determination of Cash-Out Price" at below.

Proposal 5, which proposes to increase the number of shares of common stock after the Reverse/Forward Split, and Proposal 6, which proposes to authorize blank check preferred shares, were proposed using share totals under the assumption that Proposal 1 will be authorized. While Proposal 1 is not directly required in order to approve the amalgamation described below, if Proposal 1 is not authorized, the Company would have to re-propose Proposal 5 and Proposal 6 to adjust the number of shares to no longer take into effect the Reverse/Forward Split. In light of Proposal 1, the additional shares of common stock and new shares of preferred stock are significantly lower than what would have been proposed if Proposal 1 were not authorized.

Immediately following the Reverse Split, all stockholders who are not Cashed-Out Stockholders will receive up to 300 shares of common stock for every 1 share of stock they held following the reverse stock split. We intend for the Reverse/Forward Split to treat stockholders holding shares in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names and nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. Accordingly, we also refer to those street name holders who receive a cash payment instead of fractional shares as "Cashed-Out Stockholders." However, nominees may have different procedures, and the Company's stockholders holding shares in street name should contact their nominees.

In general, the Reverse/Forward Split can be illustrated by the following examples, assuming that the Reverse Exchange Ratio is set by our Board at 3000-to-1 and the Forward Exchange Ratio is set by our Board at 1-to-300 and a per share Cash-Out Price of \$3.10:

### Hypothetical Scenario

Mr. Smith is a registered stockholder who holds 2160 shares in his account immediately prior to the Reverse/Forward Split.

### Result

Instead of receiving a fractional share (2160 / 3000 ) of a share) of common stock after the reverse split, Mr. Smith's 2160 shares will be converted into the right to receive cash. If the procedure described under "Determination of Cash-Out Price" would result in a per share price of \$930 per share, Mr. Smith would receive \$669.60 (  $\$0.31 \times 2160$  shares).

Note: If Mr. Smith wants to continue his investment in the Company, he can buy at least 840 more shares of the Company common stock and hold them in his

account. Mr. Smith would have to act far enough in advance of the Reverse/Forward Split so that the purchase is complete and settled by the close of business on the Effective Date for the Reverse/Forward Split.

Ms. Jones has 2 separate record accounts. As of the Effective Date of the Reverse/Forward Split, she holds 750 shares in one account and 1350 shares in the other. All of her shares are registered in her name only.

Ms. Jones will receive cash payments equal to the Cash-Out Price of her shares in each record account instead of receiving fractional shares (750/3000 share and 1350/3000 share). Assuming a hypothetical Cash-Out Price of \$930 per share, Ms. Jones would receive two checks totaling \$637.50 ( $750 \times \$0.31 = \$232.50$ ;  $1350 \times \$0.31 = \$418.50$ ;  $\$232.50 + \$418.50 = \$637.50$ ).

Note: If Ms. Jones wants to continue her investment in the Company, she can consolidate/transfer her two record accounts prior to the Effective Date of the Reverse/Forward Split and purchase an additional 900 shares for the consolidated account. Alternatively, Ms. Jones could buy at least 2250 more shares for her first account and at least 1650 shares for her second account. In either case, her holdings will not be cashed out in connection with the Reverse/Forward Split because she will hold at least 3000 shares in each record account. She would have to act far enough in advance so that the consolidation or the purchase is complete by the close of business on the Effective Date of the Reverse/Forward Split.



Mr. Blue holds 3000 shares in his record account as of the Effective Date of the Reverse/Forward Split.

After the Reverse/Forward Split, Mr. Blue will continue to hold shares of the Company common stock based on the ratios established by the Board for the Reverse/Forward Split.

Ms. Frank holds 2730 shares in a brokerage account as of the Effective Date of the Reverse/Forward Split.

Ms. Frank will receive cash payments equal to the Cash-Out Price of her shares in her brokerage account instead of receiving fractional shares. Assuming a hypothetical Cash-Out Price of \$930 per share, Ms. Frank would receive a check totaling \$846.30 ( $\$0.31 \times 2730$  shares).

The Company intends for the Reverse/Forward Split to treat stockholders holding its shares in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures and stockholders holding shares in street name should contact their nominees.

Note: If Ms. Frank wants to continue her investment in the Company, she could buy at least 270 more shares for her account. In such case, her holdings will not be cashed out in connection with the Reverse/Forward Split because she will hold at least 3000 shares in her nominee account. She would have to act far enough in advance so that the purchase is complete by the close of business on the Effective Date of the Reverse/Forward Split.

#### Background and Purpose of the Reverse/Forward Split

As of the Record Date, the Company had approximately 4,570 shareholders, comprised of approximately 1,542 holders of record and approximately 3,028 beneficial holders. Assuming all record and beneficial holders of our stock were cashed out at the time of the Reverse Split at 1 : 3000 and before the Forward Split at 300 : 1 we would be left with an excess of 300 shareholders after the Reverse/Forward Split, this exceeds the threshold that would enable the Company to be eligible to terminate its reporting obligations under Section 12(g) or Section 15(d) of the Exchange Act.

The Reverse/Forward Split will provide small stockholders (those who before the Effective Date own fewer than 3000 shares) with a cost-effective way to cash out their investments because the Company will pay all transaction costs such as brokerage or service fees in connection with the Reverse/Forward Split. In most other cases, small stockholders would likely incur brokerage fees disproportionately high relative to the market value of their shares if they wanted to sell their stock. In addition, some small stockholders might even have difficulty finding a broker willing to handle such small transactions. The Reverse/Forward Split, however, eliminates these problems for most small stockholders.

Moreover, the Company will benefit from substantial cost savings as a result of the Reverse/Forward Split. The costs of administering each registered stockholder's account are the same regardless of the number of shares held in each account. Therefore, the Company's costs to maintain these small accounts (which account for approximately 93% of all stockholders) are disproportionately high when compared to the total number of shares involved. These costs include printing and postage costs to mail the proxy materials and annual report, and similar costs associated with required mailings to stockholders holding shares in street name through a nominee (i.e., a bank or broker). We expect that these costs will only increase over time.

In light of these disproportionate costs, the Board believes that it is in the best interests of the Company and its stockholders as a whole to eliminate the administrative burden and costs associated with smaller stockholders, resulting in a potential annual savings to the Company. Although the ultimate Exchange Ratios implemented by the Board will likely leave some small stockholders, we believe that a meaningful reduction of the administrative burden is in the Company's best interests. The Board also believes that forward splitting the stock immediately after the reverse in some proportion less than the reverse split will provide additional liquidity by adding shares into the public float. The Company believes that as a result of its plan to acquire emergeIT Inc. (and the ShipTime brand) coupled with this recapitalization will make its stock attractive to new investors. While the reverse split process will assist in eliminating smaller shareholders and the aforementioned administrative costs and burden, the forward split will result in more shares being available and at a price per share that will ideally encourage such new investors into our stock. The Board believes that a simple reverse split, by itself, will result in too few shares being available to new investors and may result in a price per share of common stock that such potential investors will view as being too high relative to technical and fundamental factors. The Board believes that having the flexibility to forward split the stock as well as to effect a reverse split will enable it better to manage or balance these competing priorities. For these reasons, the Board is recommending that the shareholders approve the amendment to the Certificate of Incorporation as a forward split immediately after effecting the reverse split.

#### Street Name Holders of the Company Common Stock

The Company intends for the Reverse/Forward Split to treat stockholders holding the Company common stock in street name through a nominee (such as a bank or broker) identically as stockholders whose shares are registered in their names. Nominees will be instructed to effect the Reverse/Forward Split for their beneficial holders. However, nominees may have different procedures and stockholders holding the Company's common stock in street name should contact their nominees.

#### Determination of Cash-Out Price

To avoid the expense and inconvenience of issuing fractional shares to stockholders who hold less than one share after the reverse split, under Delaware state law the Company will pay cash for their fair value. If stockholders consent to this Proposal and the Reverse/Forward Split is completed, the Board of Directors has indicated that the Company will pay cash for the fractional shares. The price paid to stockholders will be determined based on the average daily closing price per share of the common stock on the OTCQB for the five trading days immediately before and including the effective date of the Reverse/Forward Split, without interest (the "Cash-Out Price"). The Company may elect to Cash Out some or all of the fractional shareholders by aggregating and selling fractional shares as authorized under Delaware law. All Cashed-Out Stockholders will receive the same Cash-Out Price.

### Effect of the Reverse/Forward Split on the Company

The Reverse/Forward Split will not affect the public registration of the Company's common stock with the SEC under the Securities Exchange Act of 1934, as amended. This Reverse/Forward Split is not a first step in a going-private transaction. On the contrary, our goal is to make our common stock more attractive. By reducing the number of shareholders while ideally increasing the price of our common stock, we believe that the Reverse/Forward Split will encourage a broader range of institutional investors, professional investors and other members of the investing public, to take a position in our common stock. As noted above, assuming a Reverse Split of 1 : 3000 and a Forward Split of 300 : 1, we will be left with a number of shareholders in excess of the 300 shareholder threshold that would qualify the Company to be able to terminate its reporting obligations under Section 12(g) or Section 15(d) of the Exchange Act. Thus, based on our current expectation, we do not believe it is possible that the Reverse/Forward Split will make the Company eligible to terminate the registration of the Company's common stock under Section 12(b) of the Exchange Act.

The number of shares of authorized common stock will not change as a result of the Reverse/Forward Split. As of the Record Date, there are 10,989,608 shares of the Company's common stock issued and outstanding. Following the Reverse/Forward Split, assuming a Reverse Split of 1 : 3000 and a Forward Split of 300 : 1, the total number of issued and outstanding shares of common stock will be reduced substantially in addition to the aggregate number of fractional shares of the Cashed-Out Stockholders that the Company purchases from the Cashed-Out Stockholders. The par value of the Company's common stock will remain at \$.001 per share after the Reverse/Forward Split.

The total number of shares that will be repurchased or aggregated for sale by the Company is unknown. Also, we do not know what the Cash-Out Price will be or, if applicable, what the net proceeds of the sale of the aggregate fractional shares by the transfer agent will be. However, if the Reverse/Forward Split had been completed as of the Record Date, when the average daily closing price per share of the Company common stock on the OTCQB for the five trading days immediately preceding and including such date was \$0.309 and assuming a reverse split Exchange Ratio of 3000-to-1, then the cash payments that would have been issued to Cashed-Out Stockholders, including both registered and street name holders, instead of fractional shares would have been approximately \$359,830, with approximately 1,160,742 shares of common stock purchased, or, if permitted, aggregated for sale, by the Company. The actual amounts will depend on the number of Cashed-Out Stockholders on the date we affect the Reverse/Forward Split and the Cash-Out Price of the shares, each of which will vary from the number of such stockholders and price for the five trading days immediately preceding and including the Record Date.

### Effect on Par Value

The proposed Reverse/Forward Split will not affect the par value of our common stock, which will remain at \$0.001.

### Certain Federal Income Tax Consequences

We have summarized below the material federal income tax consequences to the Company and stockholders resulting from the Reverse/Forward Split. This summary is based on existing U.S. federal income tax law, which may change, possibly retroactively. This summary does not discuss all aspects of federal income taxation which may be important to you in light of your individual circumstances. Many stockholders (such as financial institutions, insurance companies, broker-dealers, tax-exempt organizations, and foreign persons) may be subject to special tax rules. Other stockholders may also be subject to special tax rules, including but not limited to: stockholders who received the Company stock as compensation for services or pursuant to the exercise of an employee stock option, or stockholders who have held, or will hold, stock as part of a straddle, hedging, or conversion transaction for federal income tax purposes. In addition, this summary does not discuss any state, local, foreign, or other tax considerations. This summary assumes that you are a U.S. citizen and have held, and will hold, your shares as capital assets for investment

purposes under the Internal Revenue Code of 1986, as amended (the “Code”). You should consult your tax advisor as to the particular federal, state, local, foreign, and other tax consequences, in light of your specific circumstances.

We believe that the Reverse/Forward Split will be treated as a tax-free “recapitalization” for federal income tax purposes. This will result in no material federal income tax consequences to the Company.

The federal income tax consequences to stockholders will depend in part on whether the Board purchase these fractional shares directly or chooses to arrange for the sale of the Cashed-Out Stockholders’ fractional shares on the open market, which as indicated above, the Board has no current plans to do. See “Determination of Cash-Out Price” above. The tax consequences of the various alternative outcomes following the Reverse/Forward Split are discussed below.

#### Federal Income Tax Consequences to Stockholders Who Are Not Cashed Out by the Reverse/Forward Split

If you (1) continue to hold Company common stock immediately after the Reverse/Forward Split, and (2) you receive no cash as a result of the Reverse/Forward Split, you will not recognize any gain or loss in the Reverse/Forward Split and you will have the same adjusted tax basis and holding period in your Company common stock, as the case may be, as you had in such stock immediately prior to the Reverse/Forward Split.

#### Federal Income Tax Consequences to Cashed-Out Stockholders:

If you receive cash as a result of the Reverse/Forward Split, your tax consequences will depend on whether, in addition to receiving cash, you or a person or entity related to you continues to hold Company common stock immediately after the Reverse/Forward Split, as explained below.

### Stockholders Who Exchange All of Their Company Common Stock for Cash as a Result of the Reverse/Forward Split

If you (1) receive cash in exchange for a fractional share as a result of the Reverse/Forward Split, (2) you do not continue to hold any Company stock immediately after the Reverse/Forward Split, and (3) you are not related to any person or entity that holds Company common stock immediately after the Reverse/Forward Split, you will recognize capital gain or loss. The amount of capital gain or loss you recognize will equal the difference between the cash you receive for your cashed-out stock and your aggregate adjusted tax basis in such stock.

If you are related to a person or entity who continues to hold Company common stock immediately after the Reverse/Forward Split, you will recognize gain in the same manner as set forth in the previous paragraph, provided that your receipt of cash either (1) is “not essentially equivalent to a dividend,” or (2) is a “substantially disproportionate redemption of stock,” as described below.

- “Not Essentially Equivalent to a Dividend.” You will satisfy the “not essentially equivalent to a dividend” test if the reduction in your proportionate interest in Company resulting from the Reverse/Forward Split is considered a “meaningful reduction” given your particular facts and circumstances.
- “Substantially Disproportionate Redemption of Stock.” The receipt of cash in the Reverse/Forward Split will be a “substantially disproportionate redemption of stock” for you if the percentage of the outstanding shares of Company common stock owned by you immediately after the Reverse/Forward Split is less than 80% of the percentage of shares of Company common stock owned by you immediately before the Reverse/Forward Split and you own less than 50% of the outstanding shares of Company common stock after the Reverse/Forward Split.

In applying these tests, you will be treated as owning shares actually or constructively owned by certain individuals and entities related to you. If the redemption of shares of Company common stock is not treated as capital gain under any of the tests, then the entire amount of the payment you receive for your shares will be treated first as ordinary dividend income to the extent of your ratable share of Company’s undistributed earnings and profits, then as a tax-free return of capital to the extent of your aggregate adjusted tax basis in your shares, and any remaining gain will be treated as capital gain.

### Stockholders Who Both Receive Cash and Continue to Hold Company Common Stock Immediately After the Reverse/Forward Split

If you receive cash as a result of the Reverse/Forward Split and continue to hold Company common stock immediately after the Reverse/Forward Split, you generally will be subject to the same rules for determining tax treatment as described above, the same as if you constructively continue to hold shares of Company common stock. If you meet either the “not essentially equivalent to a dividend” test or the “substantially disproportionate redemption of stock” test, then you will recognize gain, but not loss, in an amount equal to the lesser of (1) the excess of the sum of aggregate fair market value of your shares of Company common stock plus the cash received over your adjusted tax basis in the shares, or (2) the amount of cash received in the Reverse/Forward Split. In determining whether you meet either test, you must take into account as shares you own both shares of Company common stock that you actually own and constructively own ( i.e., shares owned by certain individuals or entities related to you) before and after the Reverse/Forward Split. Your aggregate adjusted tax basis in your shares of Company common stock held immediately after the Reverse/Forward Split will be equal to your aggregate adjusted tax basis in your shares of Company common stock held immediately prior to the Reverse/Forward Split, increased by any gain recognized in the Reverse/Forward Split, and decreased by the amount of cash received in the Reverse/Forward Split.

Any gain or loss recognized in the Reverse/Forward Split will be treated, for federal income tax purposes, as long-term capital gain or loss (assuming that your receipt of cash either (1) is “not essentially equivalent to a dividend” with respect to you, or (2) is a “substantially disproportionate redemption of stock” with respect to you) provided that you have held your shares for more than one (1) year. If you acquired shares redeemed in the Reverse/Forward Split at different times, you will be required to compute such gain or loss and determine whether such gain or loss is long-term or not, separately with respect to each such acquisition of shares. In applying these tests, you may be able to take into account sales of shares of Company common stock that occur substantially contemporaneously with the Reverse/Forward Split. If your gain is not treated as capital gain under any of these tests, the gain will be treated as ordinary dividend income to you to the extent of your ratable share of Company’s undistributed earnings and profits, then as a tax-free return of capital to the extent of your aggregate adjusted tax basis in your shares, and any remaining gain will be treated as a capital gain. Currently, long-term capital gain and dividend income are both subject to a maximum income tax rate of 20% (or higher in certain circumstances) for federal income tax purposes.

**YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF THE REVERSE/FORWARD SPLIT, IN LIGHT OF YOUR SPECIFIC CIRCUMSTANCES.**

#### Appraisal Rights

Dissenting stockholders do not have appraisal rights under Delaware state law or under Company’s Certificate of Incorporation or Bylaws in connection with the Reverse/Forward Split.

#### Reservation of Rights

We reserve the right to abandon the Reverse/Forward Split without further action by our stockholders at any time before the filing of the amendments to the Certificate of Incorporation with the Delaware Secretary of State, even if the Reverse/Forward Split has been authorized by our stockholders at the Annual Meeting, and by voting in favor of the Reverse/Forward Split you are expressly also authorizing us to determine not to proceed with the Reverse/Forward Split if we should so decide.

### Certain Risks Associated with the Reverse/Forward Split

- If the Reverse/Forward Split is made effective and the market price of the common stock declines, the percentage decline may be greater than would occur in the absence of a reverse stock split. The market price of the common stock will, however, also be based on performance and other factors, which are unrelated to the number of shares outstanding.
- There can be no assurance that the Reverse/Forward Split will result in any particular price for the common stock. As a result, the trading liquidity of the common stock may not necessarily improve.
- There can be no assurance that the market price per share of the common stock after the Reverse/Forward Split will increase in proportion to the reduction in the number of shares of the common stock outstanding before the Reverse/Forward Split. For example, based on the closing price of the common stock on the Record Date of \$0.31 per share, if the Reverse/Forward Split were implemented and approved for a reverse stock split ratio of 1 : 3000 and a forward split of 300 : 1, there can be no assurance that the post-split market price of the common stock would be \$3.10 or greater. Accordingly, the total market capitalization of the common stock after the Reverse/Forward Split may be lower than the total market capitalization before the Reverse/Forward Split. Moreover, in the future, the market price of the common stock following the Reverse/Forward Split may not exceed or remain higher than the market price prior to the Reverse/Forward Split.
- There are certain agreements, plans and proposals that may have material anti-takeover consequences. The proportion of unissued authorized shares to issued shares could, under certain circumstances, have an anti-takeover effect. For example, the issuance of a large block of common stock could dilute the stock ownership of a person seeking to make effective a change in the composition of the Board or contemplating a tender offer or other transaction for the combination of the Company with another company.
- The Reverse/Forward Split may result in some stockholders owning “odd lots” of less than 100 shares of common stock. Odd lot shares may be more difficult to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in “round lots” of even multiples of 100 shares.

The Board intends to make effective the Reverse/Forward Split only if it believes that a decrease in the number of shares is likely to improve the trading price of the common stock and if the implementation of the Reverse/Forward Split is determined by the Board to be in the best interests of the Company and its stockholders.

### No Appraisal Rights

Under the Delaware General Corporation Law, stockholders are not entitled to appraisal rights with respect to the Reverse/Forward Split, and the Company will not independently provide stockholders with any such right.

### Required Vote

Approval of the Reverse/Forward Split requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

RECOMMENDATION OF THE BOARD FOR PROPOSAL 1:

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE TO EFFECT A REVERSE SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 1- FOR -500 AND 1- FOR- 3000 , WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, IMMEDIATELY FOLLOWED BY A FORWARD SPLIT OF THE COMPANY'S OUTSTANDING COMMON STOCK, AT AN EXCHANGE RATIO RANGING BETWEEN 50- FOR -1 AND 300 -FOR -1, RESPECTIVELY, WITH THE EXACT EXCHANGE RATIO TO BE DETERMINED BY THE BOARD IN ITS SOLE DISCRETION, BY FILING AMENDMENTS TO THE COMPANY'S CERTIFICATE OF INCORPORATION .



PROPOSAL 2

TO APPROVE AN AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY FROM PAID, INC. TO SHIPTIME INC.

The Company proposes to amend the Company's Certificate of Incorporation to change the name of the Company from Paid, Inc. to ShipTime Inc. The Board of Directors considers the proposed change of the Company's name to be in the best interests of the Company and its stockholders. The Board of Directors has entered into an Amalgamation Agreement with emergeIT Inc., an Ontario corporation ("emergeIT"), whereby emergeIT will merge with a newly formed Canadian subsidiary of the Company. See the description of the amalgamation under the heading, "Amalgamation Agreement," below.

After the subsidiary merger, the Company will expand its current platform to provide customers the ability to quote, process, track and dispatch shipments while getting preferred rates on packages and skidded (LTL) freight shipments throughout North America and around the world. Currently, emergeIT Inc., under the brand name "ShipTime" is a leading provider of cloud based shipping technologies providing a platform bringing small and medium sized businesses together with many of the world's leading carriers.

We believe that the name change will result in a more recognizable corporate identity, better reflecting the Company's future plans. The Company will endeavor to "co-brand" the name with its stock symbol and website. The Board also believes that the name change will enhance marketing capabilities and will reflect the Company's expanded direction. If approved, the new name will become effective upon the Company's filing of the Certificate of Amendment with the Secretary of State of the State of Delaware. The change in corporate name will be accomplished by amending the first paragraph of the Company's Certificate of Incorporation to read:

"FIRST: The name of the corporation is ShipTime Inc."

The Board of Directors has unanimously approved the proposed charter amendment. The Board of Directors reserves the right, notwithstanding stockholder approval and without further action by the stockholders, not to proceed with the change in name of the Company if, at any time prior to filing the amendment with the Secretary of State of Delaware, the Board of Directors, in its sole discretion, determines that the change in name of the Company is no longer in the best interests of the Company and its stockholders, such as if the amalgamation under the Amalgamation Agreement is not consummated. The Board of Directors also may delay the name change until such time that the stock symbol, website, and other related changes are made.

Approval to amend the Certificate of Incorporation to change the Company's name under the DGCL requires the affirmative vote of the holders of a majority of the outstanding shares of voting stock of the Company. The Company has no class of voting stock outstanding other than the common stock.

Under the applicable provisions of the DGCL, the proposed charter amendment is authorized when written consents from holders of record of a majority of the outstanding shares of voting stock on the Record Date are signed and delivered to the Company. Withholding of consents, abstentions, and broker non-votes all have the effect of a vote against the proposed charter amendment.

The charter amendment will become effective upon its filing with the Secretary of State of Delaware. The proposed form to amend the Company's Certificate of Incorporation to change the Company's name is attached as Appendix B and is incorporated by reference in this Consent Solicitation, which form is, however, subject to change as may be necessary or required by the Delaware Secretary of State.

Under DGCL Section 262, stockholders are not entitled to appraisal rights, whether or not stockholders consent to the proposed charter amendment. There may exist other rights or actions under state law for stockholders.

Required Vote

Approval of the Common Shares Increase Amendment requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

RECOMMENDATION OF THE BOARD FOR PROPOSAL 2:

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF AN AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY FROM PAID, INC. TO SHIPTIME INC.

### PROPOSAL 3

TO APPROVE AN AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO PERMIT THE CHAIRMAN OF THE BOARD OF DIRECTORS TO HAVE A DECIDING VOTE IN THE EVENT OF A TIE VOTE ON THE BOARD OF DIRECTORS.

After consummation of the amalgamation pursuant to the Amalgamation Agreement described under the heading "Amalgamation Agreement" below, the Company intends to have a five-member Board of Directors, with Allan Pratt, current President of emergeIT, to serve as Chairman. One reason to have an odd number of Directors on the Board is to avoid deadlocked votes, which can occur when there is an even number of Directors. This possibility could arise, for an example, if one of the five Directors was unable to serve at a future time and resigned from the Board. In that event there would be four directors and it is possible that Board voting could be tied. For this reason, the Board is proposing to address the possibility that at a future time there could be an even number of members of the Board of Directors which could lead to deadlock on important matters coming before the Board. Rather than have the possibility of a deadlocked Board, the Board is recommending that the Company's Certificate of Incorporation be amended to include a provision that would authorize the then Chairman of the Board to cast the deciding vote.

The amendment would be made by amending the Sixth Article of the Certificate of Incorporation to add the following sentence to the end of such Article as set forth further in Appendix C:

With respect to any matter coming before the board of directors where there is an even number of members on the board of directors and a vote has been taken that results in a deadlock because the vote is tied, the matter shall be reintroduced for a vote by the board of directors and the Chairman of the board of directors shall cast the deciding vote.

#### Required Vote

Approval of Proposal 3 requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

#### RECOMMENDATION OF THE BOARD FOR PROPOSAL 3:

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE AMENDMENT TO THE COMPANY'S BYLAWS TO PROVIDE FOR A CLASSIFIED BOARD OF DIRECTORS.

### PROPOSAL 4

TO APPROVE AN AMENDMENT TO THE COMPANY'S BYLAWS TO PROVIDE FOR A CLASSIFIED BOARD OF DIRECTORS

The Board of Directors has approved and recommends that the shareholders approve an amendment to the Company's Bylaws which consists of a proposal to adopt an amendment to the Company's Bylaws for the Company in the form attached to this Consent Solicitation Statement as Appendix D (the "Amended Bylaws"). The description set forth below of the Amended Bylaws is qualified in its entirety by reference to the text of Appendix D which is incorporated herein by this reference. As discussed below, the Amended Bylaws would amend the existing bylaws by expanding the Board of Directors from three positions to five positions, which is already in the Board's discretion, and by creating a classified or staggered Board of Directors to serve three year terms.



## Classified Board of Directors

Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, directors are elected for one year terms at the annual meeting of shareholders. The Amended Bylaws would provide for the Board to be divided into three classes of directors serving staggered three-year terms. As a result, approximately one-third of the Board will be elected each year. Initially, five directors will serve between one to three year terms. The directors placed in a Class I position will serve for approximately one year. The directors placed in a Class II position will serve for approximately two years. The directors placed in a Class III position will serve approximately three years. After this transitional arrangement, the Directors will serve for three year terms, with one class being elected each year.

Pursuant to the Amalgamation Agreement, the Board of Directors intends to expand the number of directors from three to five, to accept the resignation of Andrew Pilaro, and to fill the vacancies with three new directors. Upon effectiveness of the Amended Bylaws, it is expected that W. Austin Lewis and Allan Pratt will serve a Class I Director for an initial one year term, Terry Fokas will serve as Class II Director for an initial two year term, and two additional new directors will be appointed to fill the vacancy to serve as Class III Director for an initial three year term.

The Amended Bylaws give the Board a greater likelihood of continuity and experience since at any one time approximately one-third of the Board will be in its first year of service and approximately two-thirds will be in its second or third year of service. Members elected within the most recent year will comprise approximately one-third of the membership of the Board. Although the Board is not aware of any problems experienced by the Company in the past with respect to continuity and stability of leadership and policy, the Board believes that a classified Board will decrease the likelihood of problems of continuity and stability arising in the future. The Amended Bylaws provides that in the event that an annual meeting is not held by each April 15, the term of the expiring class of directors shall automatically be renewed for another three year term.

A classified Board with staggered three-year terms will make the Company less attractive to tender offers and proxy contest since, if the Board were comprised of three members as it is at present, a majority shareholder will, under the Amended Bylaws, probably need at least two annual meetings to obtain control of the Board, as opposed to one meeting. The Board believes that this provision of the Amended Bylaws will lead a well-financed bidder into direct negotiation with the Board and therefore discourages potential hostile takeovers of the Company.

If the amendment is not approved, the Company is more susceptible to tender offers and proxy contests, as well as potential hostile takeovers.

## Required Vote

Approval of the Amended Bylaws requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

## RECOMMENDATION OF THE BOARD FOR PROPOSAL 4:

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE AMENDMENT TO THE COMPANY'S BYLAWS TO PROVIDE FOR A CLASSIFIED BOARD OF DIRECTORS**

## PROPOSAL 5

### TO INCREASE THE COMPANY'S AUTHORIZED SHARES OF COMMON STOCK FROM 11,000,000 (PRE-REVERSE/FORWARD SPLIT) TO 25,000,000 (POST-REVERSE/FORWARD SPLIT)

Our Board of Directors has approved, subject to stockholder approval, an amendment to our Certificate of Incorporation (the "Common Shares Increase Amendment") to increase the number of authorized shares of the Company's common stock from 11,000,000 to 25,000,000. The Company expects to increase the authorized shares after it effectuates the Reverse/Forward Split proposed in Proposal 1.

If the Common Shares Increase Amendment is approved by our stockholders, we intend to file the Common Shares Increase Amendment with the Secretary of State of Delaware, substantially in the form of Appendix E hereto (and if approved by stockholders by consent, we may file a single amendment for both actions) with the Secretary of State of Delaware as soon as practicable following receipt of majority consent. The increase in authorized shares of common stock under the Common Shares Increase Amendment will be effective upon filing with the Secretary of State of Delaware.

#### Outstanding Shares and Purpose of the Proposal

Our Certificate of Incorporation currently authorizes us to issue a maximum of 11,000,000 shares of common stock, par value \$0.001 per share. Our issued and outstanding securities, as of the Record Date on a fully diluted basis, are as follows:

- 10,989,608 shares of common stock; and
- Stock options convertible into 585,000 shares of common stock at an average exercise price of \$0.59 per share.

The Board believes that the increase in authorized shares of common stock will provide the Company greater flexibility with respect to the Company's capital structure for purposes including additional equity financings and stock based acquisitions. The Common Shares Increase Amendment is also required for the Company to carry out its obligations under the Amalgamation Agreement, described below under the header "Amalgamation Agreement". If the Amalgamation Agreement is consummated, with respect to a reverse/forward split of any proposed amount (and assuming approval of proposal 6), the number of shares that emergeIT holder will receive will be the same. After the Reverse/Forward Split, the Company expects to authorize the issuance of 550,000 shares of common stock, and the Company will reserve for issuance 3,825,000 shares of preferred stock, so that upon completion of the amalgamation or merger, the former holders of emergeIT will hold rights to approximately 79.5% of all the issued and outstanding shares of capital stock of the Company, and the current stockholders of the Company will own approximately 20.5% of all the issued and outstanding shares of capital stock of the Company.

#### Effects of the Increase in Authorized Common Stock

The additional shares of common stock will have the same rights as the presently authorized shares, including the right to cast one vote per share of common stock. Although the authorization of additional shares will not, in itself, have any effect on the rights of any holder of our common stock, the future issuance of additional shares of common stock (other than by way of a stock split or dividend) would have the effect of diluting the voting rights and could have the effect of diluting earnings per share and book value per share of existing stockholders.

The Board has plans to issue common stock and preferred stock, once authorized, pursuant to an Amalgamation Agreement, which is described below under the header “Amalgamation Agreement.” Other than with respect to the Amalgamation Agreement, the Board of Directors has no present plans to issue the additional shares of common stock to be authorized by the Common Shares Increase Amendment. However, it is possible that some of these additional shares could be used in the future for various other purposes without further stockholder approval, except as such approval may be required in particular cases by our charter documents, applicable law or the rules of any stock exchange or other market on which our securities may then be listed. These purposes may include: raising capital, providing equity incentives to employees, officers or directors, establishing strategic relationships with other companies, and expanding the Company’s business or product lines through the acquisition of other businesses or products.

We could also use the additional shares of common stock that will become available pursuant to the Common Shares Increase Amendment to oppose a hostile takeover attempt or to delay or prevent changes in control or management of the Company. Although the proposal to increase the authorized common stock has not been prompted by the threat of any hostile takeover attempt (nor is the Board currently aware of any such attempts directed at the Company), nevertheless, stockholders should be aware that the Common Shares Increase Amendment could facilitate future efforts by us to deter or prevent changes in control of the Company, including transactions in which stockholders of the Company might otherwise receive a premium for their shares over then current market prices. However, the Board of Directors has a fiduciary duty to act in the best interests of the Company’s stockholders at all times.

#### Required Vote

Approval of the Common Shares Increase Amendment requires the receipt of the affirmative vote of a majority of the shares of the Company’s common stock issued and outstanding as of the Record Date.

#### RECOMMENDATION OF THE BOARD FOR PROPOSAL 5:

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE THE AMENDMENT TO THE COMPANY’S CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF THE COMPANY’S COMMON STOCK FROM 11,000,000 TO 25,000,000.

#### PROPOSAL 6

TO APPROVE OF AMENDMENT TO THE COMPANY’S CERTIFICATE OF INCORPORATION TO AUTHORIZE THE ISSUANCE OF UP TO 20,000,000 SHARES OF BLANK CHECK PREFERRED STOCK

Our Board of Directors has approved, subject to stockholder approval, an amendment to our Certificate of Incorporation (the “Blank Check Preferred Amendment”) to authorize the issuance of up to 20,000,000 shares of blank check preferred stock.

If the Blank Check Preferred Amendment is approved by our stockholders, we intend to file the Blank Check Preferred Amendment with the Secretary of State of Delaware, substantially in the form of Appendix F hereto (provided that, if both the Common Shares Increase Amendment and the Blank Check Preferred Amendment are approved by stockholders, we may file a single amendment for both actions) with the Secretary of State of Delaware as soon as practicable following the approval.



### Outstanding Shares and Purpose of the Proposal

Our Certificate of Incorporation currently authorizes us to issue a maximum of 20,000,000 shares of common stock, par value \$0.001 per share. Our issued and outstanding securities, as of the Record Date on a fully diluted basis, are as follows:

- 10,989,608 shares of common stock; and
- Stock options convertible into 585,000 shares of common stock at an average exercise price of \$0.59 per share.

Upon filing with the Delaware Secretary of State, the Blank Check Preferred Amendment will authorize the issuance of up to 20,000,000 shares of preferred stock, \$0.001 par value. The Board of Directors will be authorized to fix the designations, rights, preferences, powers and limitations of each series of the preferred stock.

The term “blank check” preferred stock refers to stock which gives the Board of Directors of a corporation the flexibility to create one or more series of preferred stock, from time to time, and to determine the relative rights, preferences, powers and limitations of each series, including, without limitation: (i) the number of shares in each series, (ii) whether a series will bear dividends and whether dividends will be cumulative, (iii) the dividend rate and the dates of dividend payments, (iv) liquidation preferences and prices, (v) terms of redemption, including timing, rates and prices, (vi) conversion rights, (vii) any sinking fund requirements, (viii) any restrictions on the issuance of additional shares of any class or series, (ix) any voting rights and (x) any other relative, participating, optional or other special rights, preferences, powers, qualifications, limitations or restrictions. Any issuances of preferred stock by the Company will need to be approved the Board of Directors.

The Board of Directors believes that the authorization of shares of preferred stock is desirable because it will provide the Company with increased flexibility of action to meet future working capital and capital expenditure requirements through equity financings without the delay and expense ordinarily attendant on obtaining further stockholder approvals. The Board of Directors believes that the authorization of blank check preferred stock will improve the Company’s ability to attract needed investment capital, as various series of the preferred stock may be customized to meet the needs of any particular transaction or market conditions.

### Effects of Blank Check Preferred Amendment on Current Stockholders

The shares of preferred stock to be authorized pursuant to the Blank Check Preferred Amendment could be issued, at the discretion of the Board, for any proper corporate purpose, without further action by the stockholders other than as may be required by applicable law. The Company does not currently have any plan or proposal to issue any shares of preferred stock except pursuant to the Amalgamation Agreement described below under the header “Amalgamation Agreement”. Existing stockholders do not have preemptive rights with respect to future issuance of preferred stock by the Company and their interest in the Company could be diluted by such issuance with respect to earnings per share, voting, liquidation rights and book and market value.

The Board of Directors will have the power to issue the shares of preferred stock in one or more classes or series with such preferences and voting rights as the Board of Directors may fix in the resolution providing for the issuance of such shares. The issuance of shares of preferred stock could affect the relative rights of the Company's shares of common stock. Depending upon the exact terms, limitations and relative rights and preferences, if any, of the shares of preferred stock as determined by the Board of Directors at the time of issuance, the holders of shares of preferred stock may be entitled to a higher dividend rate than that paid on the common stock, a prior claim on funds available for the payment of dividends, a fixed preferential payment in the event of liquidation and dissolution of the Company, redemption rights, rights to convert their shares of preferred stock into shares of common stock, and voting rights which would tend to dilute the voting control of the Company by the holders of shares of common stock. Depending on the particular terms of any series of the preferred stock, holders thereof may have significant voting rights and the right to representation on the Company's Board of Directors. In addition, the approval of the holders of shares of preferred stock, voting as a class or as a series, may be required for the taking of certain corporate actions, such as mergers.

The issuance of shares of preferred stock may have the effect of discouraging or thwarting persons seeking to take control of the Company through a tender offer, proxy fight or otherwise or seeking to bring about removal of incumbent management or a corporate transaction such as a merger. For example, the issuance of shares of preferred stock in a public or private sale, merger or in a similar transaction may, depending on the terms of the series of preferred stock dilute the interest of a party seeking to take over the Company. Further, the authorized preferred stock could be used by the Board of Directors for adoption of a stockholder rights plan or "poison pill."

The Blank Check Preferred Amendment was not proposed in response to, or for the purpose of deterring, any current effort by a hostile bidder to obtain control of the Company or as an anti-takeover measure. It should be noted that any action taken by the Company to discourage an attempt to acquire control of the Company might result in stockholders not being able to participate in any possible premiums which might be obtained in the absence of anti-takeover provisions. Any transaction which may be so discouraged or avoided could be a transaction that the Company's stockholders might consider to be in their best interests. However, the Board of Directors has a fiduciary duty to act in the best interests of the Company's stockholders at all times.

#### Immediate Designation of Certain Preferred Shares

Pursuant to the Amalgamation Agreement, the Company intends to file a Certificate of Designations in the form of Appendix G which will set aside up to 4,500,000 shares of Preferred Stock as Series A Preferred Stock. The Series A Preferred Stock will have no voting rights and will carry a liquidation value of approximately \$9,875,513 in the aggregate. The Preferred Stock will also carry a coupon payment obligation of 1.5% per year calculated by taking the 30-day average closing price for an equal number of shares of common stock for the month immediately preceding the coupon payment date, which is made annually. Payout of the coupon may be made out of existing cash or in shares of Series A Preferred stock of the Company. The Series A Preferred Stock have no voting or conversion rights. If purchased, redeemed, or otherwise acquired (other than conversion), the preferred stock may be reissued.

If the Amalgamation Agreement is consummated, with respect to a reverse/forward split of any proposed amount (and assuming approval of proposal 5), the number of shares that emergeIT holder will receive will be the same. After the Reverse/Forward Split, the Company expects to authorize the issuance of 550,000 shares of common stock, and the Company will reserve for issuance 3,825,000 shares of preferred stock, so that upon completion of the amalgamation or merger, the former holders of emergeIT will hold rights to approximately 79.5% of all the issued and outstanding shares of capital stock of the Company, and the current stockholders of the Company will own approximately 20.5% of all the issued and outstanding shares of capital stock of the Company.



Required Vote

Approval of the Blank Check Preferred Amendment requires the receipt of the affirmative vote of a majority of the shares of the Company's common stock issued and outstanding as of the Record Date.

RECOMMENDATION OF THE BOARD FOR PROPOSAL 6:

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE THE AMENDMENT TO THE COMPANY'S CERTIFICATE OF INCORPORATION TO AUTHORIZE THE ISSUANCE OF UP TO 20,000,000 SHARES OF BLANK CHECK PREFERRED STOCK.

-25-

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## AMALGAMATION AGREEMENT

On September 1, 2016, the Company entered into an Amalgamation Agreement with emergeIT Inc., an Ontario corporation to acquire emergeIT. emergeIT (which does business as “ShipTime”) is a leading cloud based shipping platform bringing individuals small and medium sized businesses together with many of the world’s leading carriers to save time and money. A copy of the Amalgamation Agreement is set forth as Appendix H.

### Description of Business

emergeIT’s platform provides its members with the ability to quote, process, track and dispatch shipments while getting preferred rates on packages and skidded (LTL) freight shipments throughout North America and around the world. In addition to these features, ShipTime also provides what it refers to as “Heroic Multilingual Customer Support.” In this capacity, ShipTime acts as an advocate on behalf of its clients in resolving matters concerning orders and shipping. With an increasing focus and service offering for e-commerce merchants; which includes online shopping carts, inventory management, payment services, client prospecting and retention software, emergeIT can help merchants worldwide grow and scale their businesses. emergeIT generates monthly recurring revenue through transactions and “software as a service” (SAAS) offerings. It currently serves in excess of 30,000 members in North America. emergeIT has plans to expand its services into Europe and then worldwide.

A description of the business of the Company is described below under the heading, “Additional Information about the Company—Business Description”.

### Reasons for the Transaction

The Company believes that the acquisition of emergeIT into a newly formed subsidiary of the Company will add additional revenue and products for the Company and will allow the Company more significant cash flow for growth. The Company believes that the existing management of emergeIT will add expertise with respect to the types of products that the Company intends to sell.

### Contact Information

Allan Pratt, President of emergeIT, can be reached by email at [apratt@emergeit.com](mailto:apratt@emergeit.com) or by phone at 877-784-5744. emergeIT is located at 3350 Fairview St., Suite 3-232, Burlington, Ontario, Canada L7N3L5.

W. Austin Lewis, President of the Company, can be reached by email at [alewis@paid-corp.com](mailto:alewis@paid-corp.com) or by phone at (617) 861-6050. The Company is located at 200 Friberg Parkway, Suite 4004 Westborough, Massachusetts 01581.

Below is Selected Financial Data for emergeIT for the nine month period ended December 31, 2015, and the year ended March 31, 2015. All dollar amounts are in Canadian dollars.

## Management's Discussion and Analysis of Financial Condition and Results of Operations.

## Overview

emergeIT, Inc. has developed a SaaS based application called ShipTime, which focuses on the small business to medium business segment. The ShipTime offering allows members to quote, process, generate labels, dispatch and track courier and LTL shipments all from a single interface. The application provides customers with a choice of today's leading couriers and freight carriers all with discounted pricing allowing members to save on every shipment. ShipTime can also be integrated into on-line shopping carts to facilitate sales via ecommerce. emergeIT actively sells directly to small businesses and through long standing partnerships with selected associations throughout Canada.

## Significant Accounting Policies

emergeIT's significant accounting policies are more fully described in Note 1 to its financial statements, as updated and amended in Note 1 of the Notes to Financial Statements included herein. However, certain of emergeIT's accounting policies, most notably with respect to revenue recognition, are particularly important to the portrayal of emergeIT's financial position and results of operations and require the application of significant judgment by emergeIT's management; as a result, they are subject to an inherent degree of uncertainty. In applying these policies, emergeIT's management makes estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Those estimates and judgments are based upon emergeIT's historical experience, the terms of existing contracts, emergeIT's observance of trends in the industry, information that we obtain from emergeIT's customers and outside sources, and on various other assumptions that we believe to be reasonable and appropriate under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

## Results of Operations

Comparison of the 12 months ended December 31, 2014 and 2015.

The following discussion compares emergeIT's annualized results of operations for the 12 months ended December 31, 2015 with those for the 12 months ended December 31, 2014. emergeIT's financial statements and notes contain detailed information that should be referred to in conjunction with the following discussion.

## Revenues

The following table compares total revenue for the periods indicated.

	12 months Ended December 31,			
	2015	2014	% Change	
Shipping services	\$ 5,417,758	\$ 4,570,350	19	%
Total revenues	\$ 5,417,758	\$ 4,570,350	19	%

Revenues increased 19% in the second year primarily from the marketing efforts with emergeIT's key channel partners and emergeIT's ability to bring increased value to emergeIT's members via improved discounts from emergeIT's suppliers being passed to emergeIT's member base.

#### Gross Profit

Gross profit increased \$533,023 or 66% in the year of 2015 to \$1,338,602 compared to \$805,578 in 2014. Gross margin increased 7 percentage points to 25% from 18% in the year of 2015. The increase in gross margin was mainly due to increased discounts from key suppliers due to emergeIT's increased volumes throughout the year.

#### Operating Expenses

Total operating expenses in the year 2015 were \$1,355,273 compared to \$1,492,238 in the year 2014, a decrease of \$136,965 or 9%. The decrease is partly due to decreased expensed associated with the transaction fees, improved financial controls and alternative marketing expenses.

#### Other Income (Expense), net

Net other income (expense) in the year of 2015 was \$28,806 compared to \$12,547 in the same period of 2014, an increase of \$16,259 or 130%. This is primarily attributable to the unrealized gain on the exchange of US currency.

#### Net Loss

emergeIT realized a net loss in the year of 2015 of (\$227,420) compared to a net loss of (\$859,298) for the same period in 2014. A decrease of 74% due to the increase in sales, the decrease of the carriers discounts and the optimization of the operating expenses.

#### Working Capital and Liquidity

emergeIT had cash and cash equivalents of \$50,870 at December 31, 2015, compared to (\$8,013) at December 31, 2014. emergeIT had a negative working capital of (\$1,303,924) at December 31, 2015, a decrease of \$277,515 compared to (\$1,581,439) at December 31, 2014. The increase in working capital is attributable to the reserve for rebates offered by one of emergeIT's associations.

emergeIT may need an infusion of additional capital to fund anticipated marketing and development costs over the next 12 months. Although there is little doubt about emergeIT's ability to continue as a going concern due to continued improvements in cash flow, margin and profitability; management believes that emergeIT has adequate cash resources to fund operations during the next 12 months.

It should be noted; there can be no assurances that anticipated growth in new marketing initiatives and service offerings will be successful and monetization will meet management's expectations.

Management continues to be open to new sources of capital to support its growth opportunities.

Comparison of the six months ended June 30, 2016 and June 30, 2015.

The following discussion compares emergeIT's results of operations for the six months ended June 30, 2016 with those for the same period ended 2015. emergeIT's financial statements and notes contain detailed information that should be referred to in conjunction with the following discussion.

#### Revenues

The following table compares total revenue for the periods indicated.

	Six months Ended June 30,		% Change	
	2016	2015		
Shipping services	\$ 3,530,043	\$ 2,525,450	40	%
Total revenues	\$ 3,530,043	\$ 2,252,450	40	%

Revenues increased 40% in the second quarter of 2016 compared to the second quarter of 2015 primarily from the marketing efforts with emergeIT's key channel partners and emergeIT's continuous discounted product offerings passed to emergeIT's member base.

#### Gross Profit

Gross profit increased \$568,221 or 107% in the six months ended June 30, 2016 to \$1,098,432 compared to \$530,211 in 2015. Gross margin increased 10 percentage points to 31% from 21% during the six months end June 30, 2016. The increase in gross margin was mainly due to increased discounts from key suppliers due to emergeIT's increased volumes throughout the year.

#### Operating Expenses

Total operating expenses in the first and second quarter of 2016 were \$1,024,517 compared to \$585,985 in 2015, an increase of \$438,535 or 75%. The increase is largely due to the additional salaries required to support the growth of emergeIT.

#### Other Income (Expense), net

Net other income (expense) in the second quarter decreased to \$0 compared to (\$26,655) in the same period of 2015. This is primarily attributable to the year-end adjustments made during the first six months of 2015.



#### Net Loss

emergeIT realized a net income in the first two quarters of 2016 of \$73,915 compared to a net loss of (\$82,426) for the same period in 2015. This increase in net income is a result of the increased volume and increased carrier discounts offered to emergeIT's clients.

#### Working Capital and Liquidity

emergeIT had cash and cash equivalents of \$338,076 on June 30, 2016, compared to \$1,372 on June 30, 2015. emergeIT had a negative working capital of (\$1,144,763) at June 30, 2016, a decrease of \$459,393 compared to (\$1,604,157) at June 30, 2015. The increase in working capital is attributable to increase revenue and profit margins recognized in 2016.

emergeIT may need an infusion of additional capital to fund anticipated marketing and development costs over the next 12 months. Although there is little doubt about emergeIT's ability to continue as a going concern due to continued improvements in cash flow, margin and profitability; management believes that emergeIT has adequate cash resources to fund operations during the next 12 months.

It should be noted; there can be no assurances that anticipated growth in new marketing initiatives and service offerings will be successful and monetization will meet management's expectations.

Management continues to be open to new sources of capital to support its growth opportunities.

#### Market Information

emergeIT has very few shareholders and shares are not traded on any market.

#### Dividends

emergeIT does not have a dividend policy or a history of paying cash dividends on its shares.

#### Changes or Disagreements with Accountants

emergeIT engaged BDO Canada LLP in 2015 to audit its most recent financial statements for the nine months ended December 31, 2015, and for the year ended March 31, 2015. emergeIT did not engage a company to audit its financial statements prior to the BDO Canada engagement, and has had no changes or disagreements with any independent registered representative.

Terms of the Transaction; Consideration to emergeIT Shareholders

The Amalgamation Agreement provides that the Company form a new subsidiary under Canadian law (“Callco”). The new subsidiary formed its own second Canadian subsidiary (“Exchangeco”), and Callco will be the sole shareholder of Exchangeco. Both Callco and Exchangeco were incorporated in Ontario under the province’s Business Corporations Act. Exchangeco will merge (amalgamate) with emergeIT so that after the merger, the Company will own, indirectly through Callco, all of the issued and outstanding shares of common stock of emergeIT. At that time, the amalgamated entity will be renamed “ShipTime Canada Inc.” and will be the operating company with respect to emergeIT assets.

emergeIT is privately held by 13 holders, nearly of whom reside in Canada. emergeIT holders own “Class A” and “Class B” common shares, which will convert into “exchangeable shares” of ShipTime Canada Inc. in the merger. Exchangeable shares are rights to the Company’s common stock and preferred stock. These rights can be exercised by the conversion of the exchangeable shares into shares of common and preferred stock of the Company, in accordance with an Exchange and Call Rights Agreement, described below. The conversion ratios will be subject to adjustment based upon a working capital adjustment formula set forth in the Amalgamation Agreement. The exchangeable shares are not tradeable or assignable within 6 months, and will be held by a small number of shareholders, nearly all of whom live in Canada. Thus, the Company is relying on the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended

emergeIT Class A common shares and Class B common shares will be converted into exchangeable shares with rights to receive 480 shares of the Company’s common stock and 3,344 shares of the Company’s preferred stock. Outstanding emergeIT options and warrants will be replaced by replacement options and warrants of ShipTime Inc. immediately following the amalgamation, which may then be exercised, and converted into exchangeable shares in the same manner as emergeIT’s Class A and Class B common shares.

Upon completion of the amalgamation or merger, the former holders of emergeIT will hold rights to approximately 79.5 % of all the issued and outstanding shares of capital stock of the Company, and the current stockholders of the Company will own approximately 20.5 % of all the issued and outstanding shares of capital stock of the Company.

The Amalgamation Agreement includes representations and warranties and other covenants by both the Company and emergeIT. In the event that either party is in breach, the non-breaching party may have an indemnification claim. The Company will hold back up to 11 million shares of its common stock (or 5.5 million shares per party) to satisfy any claims of the other party. If the shares are issued to emergeIT shareholders, the current Company stockholders percentage ownership would be diluted. Generally claims for indemnification must be made within 12 months after the amalgamation or merger.

#### Termination; Company Shareholder Approval

The Amalgamation Agreement may be terminated by written agreement, or generally if the amalgamation does not occur on or before November 15, 2016, or if a law prohibits the transaction, or if holders of 25% or more of emergeIT securities have exercised their dissenters' rights with respect to the transaction.

The Company's stockholders do not have a right to vote to approve the Amalgamation Agreement or the issuance of the shares of common stock or preferred stock if there are enough shares authorized and the class of preferred stock is approved. There are currently not enough shares authorized and there is no current authorization for any preferred stock. Thus, if the Company's shareholders do not approve Proposal 5 and Proposal 6, the Amalgamation Agreement will be terminated.

After the acquisition and merger, assuming approval of Proposal 2 above, the Company will change its name to ShipTime Inc. at the time described in the Proposal.

#### Exchange and Call Rights Agreement

Pursuant to the Amalgamation Agreement, the existing holders of emergeIT will be required to exchange their shares in emergeIT into "exchangeable shares" of the amalgamated company, ShipTime Inc. The holders of ShipTime Inc. will have those rights described in its organizational documents. ShipTime Inc.'s authorized capital will be composed of preferred shares, and common shares. The preferred shares are exchangeable into a right to receive approximately 480 shares of the Company's preferred stock and 3,344 shares of the Company's common stock. Any and all outstanding common shares will be owned by Callco, the Company's direct subsidiary. As a result, Callco will have the only voting shares of ShipTime Canada Inc.

Holders of ShipTime Inc. shares will have the same dividend and distribution rights as holders of Company shares, and if Company shares are subdivided or in the event of a Company stock dividend, the exchangeable shares will be equally subdivided, as exchangeable shares are intended to be economically the same as shares of common or preferred stock of the Company. The Company will have a "liquidation call right" in the event of proposed liquidation, dissolution or winding up of ShipTime Canada Inc. Absent prior events, the Company will redeem the exchangeable shares on the fifth anniversary whereby the Company will redeem the exchangeable shares for shares of the Company's preferred stock and common stock. By agreement, exchangeable shares also may be purchased by ShipTime Canada Inc. for cancellation. The Company also has a right to call the shares in the event of a change in the applicable laws.

The holders of exchangeable shares have an "automatic exchange right" in the event any bankruptcy or insolvency or in general, related proceedings, of ShipTime Canada Inc. or the Company. The exchangeable shares would at such time be converted automatically into that number of shares of common stock and preferred stock of the Company at the agreed upon conversion ratio. Moreover, Callco will have an overriding call right to purchase some or all of the exchangeable shares. This mechanism will be triggered with the automatic exchange right and is necessary to comply with Canadian tax laws. The exercise of this call right does not alter the outcome of the exchangeable share transaction.

A copy of the form of Exchange and Call Rights Agreement is set forth as Appendix I. A form of description of the rights of ShipTime Canada Inc. shareholders is set for as Appendix J.

## Support Agreement

Pursuant to the Amalgamation Agreement, the Company will be required to enter into a Support Agreement with the combined entity. The Support Agreement will generally provide that the Company will treat holders of Exchangeable Shares substantially similar, or economically equivalent, to holders of Company stock.

As such, under the Support Agreement, the Company cannot declare or pay any dividend or other distribution on Company stock unless ShipTime Inc. simultaneously declares or pays the dividend or distribution on the Exchangeable Shares and has sufficient money or other assets to meet these requirements. In turn, the ShipTime Inc. would effect a corresponding dividend or distribution of its securities related to the Exchangeable Shares. The Company also undertakes to advise ShipTime Inc. of the declaration of dividend or distribution, among other similar events, and to cooperate with it to effect the dividend or distribution as of the same record and effective date.

The Company is also required in this case to segregate funds to pay for the dividend, and to reserve sufficient number of shares to permit the exchange of the Exchangeable Shares into the required number of Company shares of common stock and preferred stock.

The Support Agreement is also binding on any successor to the Company and with respect to any successor transaction. A copy of the form of Support Agreement is set forth as Appendix K.

## Employment Agreement; Officer

After the amalgamation and merger is effective, it is expected that Allan Pratt will enter into an employment agreement with the Company to serve as the Company's President and CEO. The Employment Agreement provides that Mr. Pratt will join the Company as its President and CEO. The Employment Agreement will be for an initial term through February, 2020, with a base salary of \$185,000 and eligibility for a bonus as the Board of Directors determines. Bonuses may be in the form of cash, equity awards or both. Mr. Pratt will be eligible for employee and fringe benefits consistent with other employees, and equity awards adopted by the Company for its employees generally. Mr. Pratt will also have an automobile allowance of \$600 per month and mileage reimbursement for business travel at IRS rates.

Mr. Pratt may terminate the agreement at any time with 30 days' notice. The Company may terminate Mr. Pratt for "cause", which shall include willful, intentional or tortious conduct detrimental to the Company's operations. The Company may terminate Mr. Pratt without cause upon giving 30 days' notice, subject to a severance payment. Mr. Pratt also may terminate his employment for "good reason", which means a material diminution in his authority, duties or responsibilities, a change in geographic location from where Mr. Pratt provides services, or any action or inaction by the Company that constitutes a breach of the employment agreement. If Mr. Pratt is terminated without cause or by Mr. Pratt for "good reason," during the initial term, Mr. Pratt shall receive a severance payment which is three times his overall compensation of salary plus bonus, which amount decreases after two years to three times his base salary.

Mr. Pratt would be subject to a two year non-compete with respect to on-line package shipping services to small businesses and retail customers in the territory of the United States and Canada. A copy of the form of Employment Agreement is set forth as Appendix L.

In addition, W. Austin Lewis, IV is expected to continue to serve in his capacity as Treasurer and CFO, as well as Director, but will step down as President and CEO. The Company's board anticipates that Mr. Lewis will also enter into an employment agreement.



#### Board of Directors of Combined Company

According to the Amalgamation Agreement, the Board of Directors will be increased from three to five, and the three individuals are expected to be appointed by the Company's current Board of Directors, including Allan Pratt, who will serve as the Chairman of the Board, and W. Austin Lewis, IV. It is expected that one current Company director will resign from the Board of Directors immediately before effectiveness of the amalgamation.

#### Regulatory Approvals

The Company is not aware of any regulatory approval requirements to consummate the transaction.

#### Reports, Opinion, Appraisals

The Company's Board of Directors has not relied upon any report, opinion or appraisal materially relating to the merger or amalgamation which has been received from an outside party.

#### Accounting Treatment--Net Operating Losses

The Company anticipates that it will be able to preserve its net operating losses carry forwards for federal income tax purposes after effectiveness of the amalgamation of its new subsidiary with emergeIT.

#### Proforma Financial Information

The Company has prepared audited proforma financial information with respect to the proposed amalgamated company. A copy of the form of Unaudited Proforma Financial Information is set forth as Appendix O.

#### Other Financial Information

emergeIT Audited Financial Statements for the nine months period ended December 31, 2015 and the year ended March 31, 2015 is attached as Appendix P.

emergeIT Unaudited Financial Statements for the six months ended June 30, 2016 is attached as Appendix Q.

Pursuant to this amalgamation agreement, emergeIT has a new fiscal year end of December 31, 2015.

#### Appendices

The foregoing description of the Amalgamation Agreement and related agreement does not purport to be complete and is qualified in its entirety by reference to the actual agreements and documents attached as Appendices. For amendments to the Company's Certificate of Incorporation, the Company reserves the right to file a single amendment document which combines one or more of the approved Proposals. The Company may make ministerial, immaterial or other procedural revisions to the form of amendments which are appended to this Consent Solicitation Statement based on DTC or FINRA requirements, transfer agent procedures, or Delaware law filing requirements, and consent to the Proposals includes the authority of the Company to make such changes.

#### No Special Provisions for Unaffiliated Security Holders

The Company has not made any provisions in connection with the merger to grant unaffiliated security holders access to the corporate files of the Company or appraisal serves at the expense of the Company.

#### Past Company Contacts, Transactions or Negotiations

The Company has not had any contacts or dealings with emergeIT other than investment made in emergeIT by the Company's President as described under the heading, "Interest of Certain Persons in or in Opposition to Matters to be Acted Upon."

#### Recommendation of the Company's Board of Directors

For the reasons described in more detail below, after careful consideration, the Board of Directors on August 26, 2016 unanimously (a) determined that the Amalgamation Agreement and the transactions contemplated thereby, is advisable to, and in the best interests of, the holders of the Company's common stock; (b) approved and declared advisable the Amalgamation Agreement and the transactions contemplated thereby, and the other transaction documents; (c) recommended, so as to carry out the conditions of the Amalgamation Agreement, that the holders of Company's common stock amend the charter and bylaws in the manner required by the amalgamation agreement; and (d) adopted certain other resolutions necessary and appropriate to effect such transaction.

In reaching the conclusions and in making the recommendation described above, the Board consulted with the Company's management, as well as the Company's financial and legal advisors, and took into account a number of reasons, described under "Background to the Offer; Reasons for the Recommendation of the Board" below.

#### Background of the Offer

The parties first engaged in discussions regarding the possible acquisition of emergeIT on or around August 2015. The Company's President, W. Austin Lewis, met with a representative of High Line, who knew of emergeIT and thought that the two companies would have good synergies since they shared similar market space in online shipping.

Throughout September 2015, W. Austin Lewis and the Allan Pratt had discussions by phone about the two companies and their products and whether an acquisition of emergeIT would be beneficial to both companies.

On October 14 and 15, 2015, Mr. Lewis visited the offices of emergeIT in Toronto, Canada to discuss further these discussions, and met with Mr. Pratt regarding emergeIT's operations.

On November 3 and 4, 2015, Allan Pratt and two associates visited the offices of the Company to learn more about the Company and its operations.

During December and January 2016 continued communications by phone to discuss mutual interests in a combination.

On January 21, 2016, the Board of Directors of the Company met and discussed the proposed terms of a letter of intent with emergeIT. The Board discussed proposed products and services and analyzed five year projections, the effect on net operating losses, and the synergies of the combined companies. The Board unanimously authorized Mr. Lewis to enter into the letter of intent.

On January 25, 2016, the Company and emergeIT entered into a letter of intent which provided for the proposed acquisition of emergeIT by the Company.

On January 27, 2016, Mr. Pratt returned to the Company to discuss more specifics regarding the two companies, including employees, value, products, product development, financial statements, and operations.

On March 8, 2016, and again on March 29, 2016, the Board of Directors of the Company met. Mr. Lewis briefly updated the Board regarding the status of emergeIT acquisition.

During Spring of 2016, emergeIT finalized audited financials and the Company and emergeIT had numerous phone conversations to develop a reorganization plan.

On May 12, the Board of Directors of the Company met and briefly discussed the status of the acquisition of emergeIT.

On February 8 - 12, 2016, the Company's software developer met with emergeIT associates in Toronto, Canada to discuss software development matters

On February 22 - 23, 2016, Tracey Navaroli, on behalf of the Company, met with Mr. Pratt in Toronto, Canada to discuss legal diligence and accounting matters.

Just before April 8, 2016, Mr. Lewis and Mr. Pratt considered another shipping company to combine with them and reached out to that third company to possibly amalgamate. Mr. Lewis and Mr. Pratt met with that third company in Canada around April 8, 2016, but discussions did not progress.

On May 20, 2016, Mr. Lewis returned to emergeIT offices on May 20, 2016 to discuss the details of the amalgamation, including net operating loss issues as it relates to structure of the transaction.

On June 7, 2016, two associates from EmergeIT visited Westborough to discuss technology development issues.

On August 4, 2016, Mr. Lewis visited the Toronto, Canada offices with Mr. Pratt to attend emergeIT Shareholder Meeting for emergeIT, which approved the transaction.

On August 11, 2016, the Board of Directors of the Company met and discussed shareholder approval requirements to amend the charter and bylaws, as applicable, to provide for a name change, a classified board of directors and to increase the authorized shares of common stock, and to create and authorize a class of blank check preferred stock. The Board approved the process and set a record date.

Throughout the Spring and Summer of 2016, the various agreements related to the amalgamation were negotiated. The Amalgamation Agreement was agreed finalized and executed on September 1, 2016.



On August 26, 2016, the Board of Directors of the Company met and unanimously approved the proposed amalgamation and charter amendments. As part of its approval process, Mr. Lewis discussed his discussion with two other potential partners which were not pursued after initial inquiry. Mr. Lewis presented a financial analysis as to the value of emergeIT versus the Company. The Board, with counsel, discussed various due diligence issues. Regarding valuation, Mr. Lewis provided details related to Stamps.com, which is in a similar market space.

On August 29, 2016, the Company's software developer again met with emergeIT associates in Toronto, Canada to discuss software development matters.

On September 21, 2016, Mr. Lewis visited Toronto, Canada offices with Mr. Pratt to introduce Mr. Pratt to Spindle, a new company that facilitates the processing of credit card payments.

#### Reasons for the Recommendation of the Board

The Company's Board of Directors considered a number of factors as to whether to pursue the transaction, including the valuation, the future of the Company without the acquisition, the inability to find other merger partners in the same market, the current market price and liquidity of the Company's shares, the potential for future acquisitions, the potential for improved cash flow. The Board discussed the benefits of having Mr. Pratt as the Company's president.

The Company's Board of Directors also considered the risk of not doing the transaction and discussed projections and cash flow of the Company without emergeIT and without another prospective alternative. The Board discussed the difficulty in obtaining traditional bank financing or new investors based on the current Company conditions.

The foregoing discussion of the Board's reasons for its recommendation to adopt and approve the Amalgamation Agreement is not meant to be exhaustive, but addresses the material information and factors considered by them in their consideration of its recommendation. In view of the wide variety of factors considered by the Company in connection with the evaluation of the amalgamation and the complexity of these matters, the Board did not find it practicable to, and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation.

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

Market Information

The following table sets forth the high and low bid information for our common stock as reported by OTCQB for the eight quarters ended December 31, 2015 (retroactively to reflect the prior reverse stock split) and for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016. The quotations from the OTCQB reflect inter-dealer prices without retail mark-up, mark-down, or commission and may not represent actual transactions.

2014	High	Low
Quarter ended March 31, 2014	\$ 13.00	\$ 7.50
Quarter ended June 30, 2014	\$ 8.00	\$ 4.00
Quarter ended September 30, 2014	\$ 5.00	\$ 3.50
Quarter ended December 31, 2014	\$ 3.50	\$ 2.00
2015	High	Low
Quarter ended March 31, 2015	\$ 4.15	\$ 2.50
Quarter ended June 30, 2015	\$ 3.05	\$ 2.40
Quarter ended September 30, 2015	\$ 2.60	\$ 0.20
Quarter ended December 31, 2015	\$ 0.28	\$ 0.12
2016	High	Low
Quarter ended March 31, 2016	\$ 0.85	\$ 0.15
Quarter ended June 30, 2016	\$ 0.61	\$ 0.36
Quarter ended September 30, 2016	\$ 0.40	\$ 0.30

As of the Record Date, there were approximately 4,570 holders, including 1,542 holders of record, of our common stock. Because many of the shares are held by brokers and other institutions on behalf of stockholders, the Company is unable to estimate the total number of individual stockholders represented by these holders of record.

Trading in our common stock has been sporadic and the quotations set forth above are not necessarily indicative of actual market conditions. All prices reflect inter-dealer prices without retail mark-up, mark-down, or commission and may not necessarily reflect actual transactions.

Dividends

The Company has not paid any cash dividends on its stock.

INTEREST OF CERTAIN PERSONS IN OR IN OPPOSITION TO  
MATTERS TO BE ACTED UPON

Other than as described below, no director, executive officer, associate of any director or executive officer, or any other person has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the proposals that is not shared by all other stockholders.

W. Austin Lewis, IV, as President of the Company, is the owner and President of Lewis Asset Management. Lewis Asset Management, Inc. invested approximately \$845,000 in the form of convertible notes, which amount can be converted into 13.6% of the issued and outstanding shares of emergeIT. In addition, if Lewis Asset Management has warrants to receive an additional 5.5% of shares upon an investment of an additional \$400,000.

Upon consummation of the amalgamation under the Amalgamation Agreement, Lewis Asset Management will own approximately 1,675 exchangeable shares, which will be exchangeable into approximately 751,918 shares of Company common stock and 5,195,070 shares of Company Series A Preferred Stock, and warrants for approximately 21600 exchangeable shares which, if exercised, would be convertible into approximately 323,213 shares of Company common stock and 2,233,105 shares of Series A Preferred Stock.

## ADDITIONAL INFORMATION ABOUT THE COMPANY

### Business Description

#### Overview

The Company was incorporated in Delaware on August 9, 1995. The Company's main web address is located at [www.paid-corp.com](http://www.paid-corp.com), which offers updated information on various aspects of our operations. Information contained in the Company's website shall not be deemed to be a part of this consent solicitation statement. The Company's principal executive offices are located at 200 Friberg Parkway, Westborough, Massachusetts 01581, and the Company's telephone number is (617) 861-6050.

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the Securities and Exchange Commission (the "SEC"). These reports, any amendments to these reports, proxy and information statements and certain other documents we file with the SEC are available through the SEC's website at [www.sec.gov](http://www.sec.gov) or free of charge on our website as soon as reasonably practicable after we file the documents with the SEC. The public may also read and copy these reports and any other materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

#### Our Business

**AuctionInc Software.** AuctionInc is a suite of online shipping and tax management tools assisting businesses with e-commerce storefronts, shipping solutions, tax calculation, inventory management, and auction processing. The application was designed originally to reduce overhead costs for auction sales, but over time the functionality and core business is strictly focused on real-time carrier calculated shipping rates and tax calculations. The product does have tools to assist with other aspects of the fulfillment process, but the main purpose of the product is to provide accurate shipping and tax calculations and packaging algorithms that provide customers with the best possible shipping and tax solutions.

The AuctionInc system was originally designed to assist and improve just the Company's sales, but management realized that there was a need for an order management system for individuals and businesses that sell on the Internet, specifically at auctions and sites with multiple sellers. In 2000 the Company's technology team focused its attention on the core fundamental piece of the system called the Shipping Calculator. The Company recognized the potential importance of the calculator and filed for a patent before launching it to the public in April 2002. The Company obtained its first patent on the shipping calculator in January 2008, the second patent in April 2011, the third patent in January 2013, the fourth patent in August 2013 and a fifth patent in January 2014. One additional patent is pending. The product is modular based and we continue to develop new tools and products for its customers.

**BeerRun Software.** BeerRun Software is a brewery management and Alcohol and Tobacco Tax and Trade Bureau tax reporting software. Small craft brewers can utilize the product to manage brewery schedules, inventory, packaging, sales and purchasing. Tax reporting can be processed with a single click and is fully customizable by state or providence. The software is designed to integrate with QuickBooks accounting platforms by using our powerful sync engine. We currently offer two versions of the software BeerRun and BeerRun Light which excludes some of the enhanced features of BeerRun without disrupting the core functionality of the software. Additional features include Brewpad and Kegmaster and can be added on to the base product. Craft brewing is on the rise in the United States and we feel that there is a large potential to grow this portion of our business.

SpiritRun is a product of BeerRun and is designed specifically for distilleries. This product was recently released and we feel that there with additional marketing and visibility in the distillery industry. SpiritRun has the right core resources to be a valuable tool in distilleries around the United States.

-40-

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## Business Strategy

Our mission is to grow our product lines and services related to our shipping and tax calculators as well as our brewery management products.

Our strategy during 2015 was to develop our shipping calculator line of products by providing accurate real-time shipping rates for multiple shopping cart platforms available on the internet. These products are built on our web service API (Application Process Interface) and are available as a stand-alone product for single sellers or integrators. Our development of new integrations with third party shopping carts such as X-Cart5, Ready, WP eCommerce and JigoShop have contributed significantly to the growth of AuctionInc in 2015. Additionally we feel that there are a large number of cart platforms offered via the Word Press channel that are in need of our shipping calculator technologies.

Our business plan takes into consideration the growth of online shopping cart platforms available on the internet and the weakness of their native functionality with regard to the shipping calculators. AuctionInc's complex packaging algorithms and ability to calculate comparative rates is a beneficial partner to any one of the new and legacy carts available. Identification and development of the fastest growing cart platforms has been and will continue to be our primary focus for integrations in 2015 and beyond.

With the number of small craft breweries in excess of 4,000 in the United States we recognize there needs to be a product that allows brewers to manage their operations and integrate the results into QuickBooks. BeerRun Light was launched in November 2015 to further assist smaller and start-up breweries with the management of their operations. The new product provides all of the core functionality without many of the advanced features of the parent product. The success of BeerRun Light continues to grow and is becoming a significant part of the BeerRun line of products.

The business strategy described above is intended to enhance our opportunities in the online e-commerce market. However, there are a number of factors that may impact our plans and inhibit our success. Therefore, we have no guarantees and can provide no assurances, that our plans will be successful.

## Marketing and Sales

Successful branding of our corporate identity and services is the key to our success. We changed our name to PAID, Inc. at the end of 2003 and continue to use AuctionInc.com as its primary identifier. BeerRun as a brand was in existence prior to our purchase and we have continued to market and recognize the value of the product.

The Company will continue to market AuctionInc and BeerRun throughout 2016 and beyond. Based on experience with existing partnerships that promote AuctionInc, the Company believes that creating partnerships is an effective marketing tool to promote and encourage new registrations. The new products offered by AuctionInc are most easily viewed in the Word Press repository. As we grow the product line the visibility of our offerings increases and our download rates and success of conversions increases. The Company will continue to seek new partnerships to help grow this line of products. The Company may promote the AuctionInc and BeerRun product lines in trade publications to reach small and midsize companies. Representatives of the Company will attend trade shows, events and conferences to promote BeerRun Software and expand the Company's marketing base.

Although we believe that this marketing strategy, if successful, will lead to increased revenues, and attract more users to our site, we have no commitments that our marketing will be successful or our sales will increase. There are a number of factors that may impact our plans and inhibit our success. Therefore, we have no guarantees and can provide no assurances that our plans will be successful.

Revenue Sources

In 2015, our revenues were primarily derived from our shipping calculator services and brewery management software services. We expect that the revenues from these services will continue to grow as we focus on AuctionInc and BeerRun. We have no guarantees and can provide no assurances, that our plans will be successful.

-41-

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## Competition

Our line of AuctionInc shipping calculator software is proprietary. We received five patents related to our online auction shipping and tax calculators which were respectively issued in January 2008, April 2011, January 2013, August 2013 and January 2014 and we have one additional pending patent. On September 16, 2015, the Patent Trial and Appeal Board entered a final ruling that all of these patents (with the exception of the patent that was issued in January 2008) lacked patent eligible subject matter and therefore, the claims of these patents were not valid. The PTAB's final ruling does not affect the validity of our patent which was issued in January 2008 or our pending patent application. We do not have any other patents for our designs or innovations and we may not be able to obtain copyright, patent or other protection for our proprietary technologies or for the processes developed by our employees. Legal standards relating to intellectual property rights in computer software are still developing and this area of the law is evolving with new technologies. Our intellectual property rights do not guarantee any competitive advantage and may not sufficiently protect us against competitors with similar technology. We believe that our products and other proprietary rights do not infringe on the proprietary rights of third parties. However, there can be no assurance that third parties will not assert infringement claims against us in the future with respect to current or future products or other works of ours. This assertion may require us to enter into royalty arrangements or result in costly litigation.

We also utilize free open-source technology in certain areas. Unlike proprietary software, open-source software has publicly available source code and can be copied, modified and distributed with minimal restrictions. We use open source software and technology as well to support the growing social and viral opportunities on the Internet. By using 'best-of-breed' products and tools we can maximize our clients' opportunities while minimizing our costs, which we are able to pass on to our customers.

As with any software product BeerRun is not excluded from the competitive market. There are three or four competitors in the industry all with a unique perspective. The launch of our new offering has helped us maintain a presence in the brewery management industry. Our sales team stays informed with the competition and we have the ability to modify our product as the industry changes.

## Research and Development

Over the past year the Company has made significant progress developing new integrations with e-commerce shopping cart platforms. The Company now employs several developers who are focused on the growth of AuctionInc and its technologies.

We currently have a development team enhancing and maintaining the BeerRun platform and we also maintain a relationship with the original designer who we will continue to engage in opportunities that grow the product per the Company's strategy.

## Employees

As of September 30, 2016, the Company currently has no part time and three full time equivalent employees. We have no collective bargaining agreements and consider the relationship with our employees to be good.

## Government Regulation

We are not currently subject to direct federal, state or local regulation, and laws or regulations applicable to access or commerce on the Internet, other than regulations applicable to businesses generally. However, due to the increasing popularity and use of the Internet and other online services, it is possible that a number of laws and regulations may be



adopted with respect to the Internet or other online services covering issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights and information security.

### Description of Property

The Company's principal office is at 200 Friberg Parkway, Westborough, Massachusetts, pursuant to a lease, which expires in November 2016, for 862 square feet of office space.

### Legal Proceedings

In the normal course of business, the Company periodically becomes involved in litigation. As of June 30, 2016, in the opinion of management, the Company had no material pending litigation other than ordinary litigation incidental to the business.

The Company commenced on December 20, 2013 patent infringement litigation against eBay, Inc. (Paid, Inc. v. eBay, Inc.; CV No. 4:13-cv-40151-TSH) in the United States District Court for the District of Massachusetts Central Division. This litigation has been settled pursuant to a Confidential Settlement and License Agreement dated March 11, 2016. Under the agreement, the Company received \$53,500 after costs as full and final payment for such settlement of the lawsuit and non-exclusive licensing of the Company's patents. The payment was received in full in April 2016.

### Changes in or Disagreements with any of the Company's Accountants

There have been no changes in or disagreements with any of the Company's accountants on accounting and financial disclosure in the prior two years or for fiscal year 2016.

### Financial Information

The Company's audited consolidated financial statements for the year ended December 31, 2015 and 2014 are attached to this consent solicitation statement as Appendix M. The Company's condensed consolidated financial statements for the quarter and six months ended June 30, 2016 are attached to this consent solicitation statement as Appendix N.

### Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2015 and 2014

#### Overview

The Company has developed AuctionInc, which is a suite of online shipping and tax management tools assisting businesses with e-commerce storefronts, shipping solutions, tax calculation, inventory management, and auction processing. The product does have tools to assist with other aspects of the fulfillment process, but the main purpose of the product is to provide accurate shipping and tax calculations and packaging algorithms that provide customers with the best possible shipping and tax solutions.

BeerRun Software is a brewery management and Alcohol and Tobacco Tax and Trade Bureau tax reporting software. Small craft brewers can utilize the product to manage brewery schedules, inventory, packaging, sales and purchasing. Tax reporting can be processed with a single click and is fully customizable by state or providence. The software is designed to integrate with QuickBooks accounting platforms by using our powerful sync engine. We currently offer two versions of the software BeerRun and BeerRun Light which excludes some of the enhanced features of BeerRun without disrupting the core functionality of the software. Additional features include Brewpad and Kegmaster and can be added on to the base product. Craft brewing is on the rise in the United States and we feel that there is a large potential to grow this portion of our business.



## Critical Accounting Policies

Our significant accounting policies are more fully described in Note 3 to our consolidated financial statements. However, certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by our management; as a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management makes estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Those estimates and judgments are based upon our historical experience, the terms of existing contracts, our observance of trends in the industry, information that we obtain from our customers and outside sources, and on various other assumptions that we believe to be reasonable and appropriate under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies include:

### Revenue Recognition

The Company generates revenue principally from sales of shipping calculator subscriptions, brewery management software subscriptions, and client services.

The Company recognizes revenues in accordance with the FASB ASC Topic 605. Accordingly, the Company recognizes revenues when there is persuasive evidence that an arrangement exists, product delivery and acceptance have occurred, the sales price is fixed or determinable, and collectability of the resulting receivable is reasonably assured.

For shipping calculator revenues and brewery management software revenues the Company recognizes subscription revenue on a monthly basis. Shipping calculator customers' renewal dates are based on their date of installation and registration of the shipping calculator line of products. Brewery management software subscribers are billed on a calendar month at the first of the month. All payments are made via credit card for the month following.

Client services revenues include web development and design, creative services, marketing services and general business consulting services. For contracts that are of a short duration and fixed price, revenue is recognized when there are no significant obligations and upon acceptance by the customer of the completed project. Revenues on longer-term fixed price contracts are recognized using the percentage-of-completion method. Services that are performed on a time and material basis are recognized as the related services are performed.

Historically, the Company also generated revenues from sales of fan experiences, fan club membership fees, commissions and tour merchandise sales. These revenues were recognized in accordance with FASB ASC Topic 605. The Company does not expect significant future revenues related to these sales.

### Share- Based Compensation

The Board of Directors has on occasion voted to award stock options to employees or directors. The price at which the option shares may be purchased is based on the fair market value of the shares on the date of the agreement. Each recipient's option agreement may differ; the vesting terms may vary from fully vested immediately to one third immediately, one third vesting in 18 months and the final on third vesting in 36 months from the date of the grant. Historically the options granted have had a 10 year term. If the recipient's employment or relationship with the Company is terminated the options recipient may be allowed up to three months to exercise their options. Option compensation is calculated by using the Black-Scholes-Merton option pricing model to estimate the fair value of these share-based awards.



## Results of Operations

### Comparison of the years ended December 31, 2015 and 2014

The following discussion compares the Company's results of operations for the year ended December 31, 2015 with those for the year ended December 31, 2014. The Company's financial statements and notes thereto included elsewhere in this consent solicitation statement contain detailed information that should be referred to in conjunction with the following discussion.

### Revenues

The following table compares total revenue for the periods indicated.

	Years ended December 31,		
	2015	2014	% Change
Merchandise and fulfillment	\$ 27,875	\$ 118,631	(77)%
Client services	517	6,674	(92)%
Shipping calculator services	163,690	149,246	10%
Brewery management software	80,838	-	100%
Touring revenue	-	522,205	(100)%
Total revenues	\$ 272,920	\$ 796,756	(66)%

Revenues decreased 66% in 2015 primarily from a 100% decrease in touring revenue. This decrease was a result of the Company's withdrawal from the celebrity services industry.

Merchandising and fulfillment revenues decreased \$90,756 or 77% to \$27,875 compared to \$118,631 in 2014. The decrease was attributable to the change in our business plan as it relates to the services we have provided within the celebrity services industry.

Client services revenues decreased \$6,157 or 92% to \$517 compared to \$6,674 in 2014. The decrease was attributable to transition from the services we have provided within the music industry.

Shipping calculator service revenues increased \$14,444 or 10% to \$163,690 compared to \$149,246 in 2014. The increase was attributed to the launch of new products and a minor price increase announced in the fourth quarter.

Brewery management software revenues are a new addition to our revenue sources in 2015 resulting in an increase of revenues by \$80,838.

Touring revenue has discontinued and has decreased \$522,205 or 100%. During 2015 the Company has continued to take steps to transition out of the celebrity service industry.

### Gross Profit

Gross profit decreased \$60,102 or 20% to \$233,416 compared to \$293,518 in 2014. Gross margin increased 49 percentage points to 86% from 37% in 2015. The increase was mainly due to the focus on our shipping calculator line of products which provide a much higher gross profit in comparison to the tour revenue generated by our touring clients in 2014 and the acquisition of BeerRun Software which also has an elevated gross profit margin.

### Operating Expenses

Total operating expenses in 2015 were \$1,067,216 compared to \$1,431,829 in 2014, a decrease of \$364,613 or 25%. The decrease is largely due to the continued transition from the celebrity service and the expenses associated with this portion of the Company's previous business line.

-45-

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## Net Loss

The Company incurred a net loss in 2015 \$1,309,497 compared to a net loss of \$1,665,770 for the same period in 2014. The losses for 2015 and 2014 represent \$(0.18) and \$(0.25) per share, respectively.

## Inflation

The Company believes that inflation has not had a material effect on its results of operations.

## Comparison of the years ended December 31, 2014 and 2013

The following discussion compares the Company's results of operations for the year ended December 31, 2014 with those for the year ended December 31, 2013. The Company's financial statements and notes thereto included elsewhere in this consent solicitation statement contain detailed information that should be referred to in conjunction with the following discussion.

## Revenues

The following table compares total revenue for the periods indicated.

	Years ended December 31,		
	2014	2013	% Change
Merchandising and fulfillment	\$ 118,631	\$ 953,638	(88)%
Client services	6,674	84,496	(92)%
Shipping calculator services	149,246	162,894	(8)%
Touring revenue	522,205	3,151,540	(83)%
Total revenues	\$ 796,756	\$ 4,352,568	(82)%

Revenues decreased 82% in 2014 primarily from an 83% decrease in touring revenue and an 88% decrease in merchandising and fulfillment. These decreases were a result of the Company's transition of its fulfillment operations to MCN and a significant change in the number of clients in 2014.

Merchandising and fulfillment revenues decreased \$835,007 or 88% to \$118,631 compared to a decrease of \$2,990,700 in 2013. This is a direct result of our partnership with MCN and the transfer of our merchandise and fulfillment revenues in addition to the decrease in the number of clients.

Client services revenues decreased \$77,822 or 92% to \$6,674 compared to \$84,496 in 2013. The decrease was attributable to the reduced number of touring clients, web hosting services and a general decrease in client services we have provided within the music industry.

Shipping calculator service revenues decreased \$13,648 or 8% to \$149,246 compared to \$162,894 in 2013. The decrease was attributed to a decrease in legacy clients subscribing to our shipping calculator products.

Touring revenue decreased \$2,629,335 or 83% to \$522,205 compared to \$3,151,540 in 2013. The Company decreased its client base and revenues are directly impacted by our client's touring schedules and frequency. During 2014 there was a limited amount of touring when compared to 2013.

## Gross Profit



Gross profit decreased \$1,085,097 or 79% to \$293,518 compared to \$1,378,615 in 2013. Gross margin increased 5 percentage points to 37% from 32% in 2013. The increase was mainly due to the focus on our shipping calculator line of products which provide a much higher gross profit in comparison to the tour revenue generated by our touring clients in 2013. Gross margin on tour revenue is typically lower than the margins for the other products we offer.

## Operating Expenses

Total operating expenses in 2014 were \$1,431,829 compared to \$2,875,391 in 2013, a decrease of \$1,443,562 or 50%. The decrease is largely due to the relationship with MCN in addition to decreases in payroll, accounting fees and consulting and related costs. In 2013 we significantly reduced our facilities costs by relocating our offices to 200 Friberg Parkway.

## Net Loss

The Company incurred a net loss in 2014 of \$1,665,770 compared to a net loss of \$1,127,920 for the same period in 2013. The losses for 2014 and 2013 represent \$(0.25) and \$(0.17) per share, respectively.

## Inflation

The Company believes that inflation has not had a material effect on its results of operations.

## Operating Cash Flows

A summarized reconciliation of the Company's net loss to cash used in operating activities for the years ended December 31, 2015 and 2014, is as follows:

	2015	2014
Net loss	\$ (1,309,497)	\$ (1,665,770)
Depreciation and amortization	34,520	26,067
Realized loss on investments in available-for-sale securities	-	79,983
Write down of other receivables	115,913	334,719
Provision for bad debt	2,137	29,612
Write down of advanced royalties	77,905	136,246
Gain on settlement of liabilities	-	(34,759)
Share-based compensation	181,365	247,807
Unrealized loss on stock price guarantee	358,850	554,732
Out-of-period adjustment	-	(321,601)
Changes in current assets and liabilities	(39,402)	115,652
Net cash used in operating activities	\$ (578,209)	\$ (497,312)

## Working Capital and Liquidity

The Company had cash and cash equivalents of \$123,913 at December 31, 2015, compared to \$651,318 at December 31, 2014. The Company had negative working capital of \$917,864 at December 31, 2015, a decrease of \$995,820 compared to working capital of \$77,956 at December 31, 2014. The decrease in working capital is attributed to the decrease in the value of the stock price and its effect on the stock price guarantee liability.

The Company may need an infusion of additional capital to fund anticipated operating costs over the next 12 months. Management believes that the Company may have adequate cash resources to fund operations during the next 12 months. In addition, management continues to explore opportunities and has organized additional resources to monetize its patents. However, there can be no assurance that anticipated growth in new business will occur, and that the Company will be successful in monetizing its patents. Management continues to seek alternative sources of capital to support operations.



## Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter and Six Months Ended June 30, 2016

### Results of Operations

Comparison of the three months ended June 30, 2016 and 2015 .

The following discussion compares the Company's results of operations for the three months ended June 30, 2016 with those for the three months ended June 30, 2015. The Company's condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report contain detailed information that should be referred to in conjunction with the following discussion.

### Revenues

The following table compares total revenue for the periods indicated.

	Three months Ended June 30,		
	2016	2015	% Change
Entertainment services	\$ 4,659	\$ 10,188	(53%)
Brewery management software	81,063	-	100%
Shipping calculator services	44,262	41,420	7%
Total revenues	\$ 129,984	\$ 51,608	152%

Revenues increased 152% in the second quarter primarily from the addition of a new segment of the Company that provides brewery management software services.

Entertainment service revenues decreased \$5,529 or 53% to \$4,659 in the second quarter of 2016 compared to \$10,188 in 2015. This decrease is a result of our reduced volume of movie poster auction sales in the second quarter.

Brewery management software revenues are a new addition to our revenue sources in 2016 resulting in an increase of revenues by \$81,063.

Shipping calculator services revenue increased \$2,842 or 7% to \$44,262 in the second quarter of 2016 compared to \$41,420. The increase was largely due to the second phase of our price increases that were implemented in June 2016.

### Gross Profit

Gross profit increased \$83,634 or 204% in the second quarter of 2016 to \$124,603 compared to \$40,969 in 2015. Gross margin increased 17 percentage points to 96% from 79% in the second quarter of 2015. The increase in gross margin was mainly due to the limited number of costs associated with our new brewery management software services.

### Operating Expenses

Total operating expenses in the second quarter 2016 were \$294,997 compared to \$223,855 in the second quarter 2015, an increase of \$71,142 or 32%. The increase is partly due to the increased expense associated with the operations of the brewery management software segment and a one-time bonus awarded in the second quarter of 2016.

Other Income (Expense), net

Net other income (expense) in the second quarter of 2016 was (\$29,377) compared to (\$21,051) in the same period of 2015, an increase of \$8,326 or 40%. This is primarily attributable to the unrealized loss on stock price guarantee of \$33,672 in the second quarter of 2016 compared to \$20,845 in the same period of 2015.

-48-

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## Net Loss

The Company realized a net loss in the second quarter of 2016 of (\$199,771) compared to a net loss of (\$203,937) for the same period in 2015. The loss for the second quarter of 2016 and 2015 represent (\$0.02) and (\$0.03) per share, respectively.

Comparison of the six months ended June 30, 2016 and 2015 .

The following discussion compares the Company's results of operations for the six months ended June 30, 2016 with those for the six months ended June 30, 2015. The Company's condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report contain detailed information that should be referred to in conjunction with the following discussion.

## Revenues

The following table compares total revenue for the periods indicated.

	Six months Ended June 30,		
	2016	2015	% Change
Entertainment services	\$ 10,662	\$ 14,645	(27) %
Brewery management software	163,380	-	100%
Shipping calculator services	89,721	78,757	14%
Total revenues	\$ 263,763	\$ 93,402	182%

Revenues increased 182% primarily from the additional revenue generated by the brewery management software services.

Entertainment service revenues decreased \$3,983 or 27% to \$10,662 compared to \$14,645 in 2015. This decrease is a result of our lower than average movie poster auctions.

Brewery management software revenues are a new addition to our revenue sources in 2016 resulting in an increase of revenues by \$163,380.

Shipping calculator services revenue increased \$10,964 or 14% to \$89,721 compared to \$78,757. The increase was largely due to the addition of newly developed products for the AuctionInc platform and a price increase that went into effect on June 1, 2016.

## Gross Profit

Gross profit increased \$177,947 or 242% to \$251,555 compared to \$73,608 in 2015. Gross margin increased 16 percentage points to 95% from 79% in 2015. The increase in gross margin was mainly due to the increase in revenues and limited number of costs associated with our new brewery management software services.

## Operating Expenses

Total operating expenses in 2016 were \$561,329 compared to \$514,685 in 2015, an increase of 9%. The increase is partly due to the increased expense associated with the operations of the brewery management software segment and a one-time bonus awarded in 2016.

Other Income (Expense), net

Net other income in 2016 was \$98,891 compared to \$29,979 in the same period of 2015, an increase of \$68,912 or 230%. This is primarily attributable to the \$53,500 gain on the settlement of the ongoing litigation with eBay in the first quarter of 2016.

## Net Loss

The Company realized a net loss in 2016 of (\$211,690) compared to a net loss of (\$412,054) for the same period in 2015. The loss for 2016 and 2015 represent (\$0.02) and (\$0.06) per share, respectively.

## Cash Flows from Operating Activities

A summarized reconciliation of the Company's net loss to cash and cash equivalents used in operating activities for the six months ended June 30, 2016 and 2015 is as follows:

	2016	2015
Net loss	\$ (211,690)	\$ (412,054)
Depreciation and amortization	51,453	8,728
Share-based compensation	37,530	100,666
Unrealized gain on stock price guarantee	(41,353)	(30,465)
Changes in current assets and liabilities	39,375	(81,328)
Net cash used in operating activities	\$ (124,685)	\$ (414,453)

## Working Capital and Liquidity

The Company had cash and cash equivalents of \$154,943 at June 30, 2016, compared to \$123,913 at December 31, 2015. The Company had a negative working capital of (\$860,571) at June 30, 2016, an improvement of \$57,293 compared to (\$917,864) at December 31, 2015. The increase in working capital is attributable to the increase in the value of the stock price and its effect on the stock price guarantee liability. The increase to the cash and cash equivalents is due to warrants exercised in the first quarter of 2016.

The Company may need an infusion of additional capital to fund anticipated operating costs over the next 12 months. Although there is substantial doubt about the Company's ability to continue as a going concern, management believes that the Company has adequate cash resources to fund operations during the next 12 months. However, there can be no assurance that anticipated growth in new business will occur, and that the Company will be successful in monetizing its patents. Management continues to seek alternative sources of capital to support operations.



## OTHER MATTERS

The Board of Directors knows of no other matters other than those described in this Consent Solicitation Statement which must be approved or considered by the holders of the Company's voting stock.

## STOCKHOLDER PROPOSALS

Stockholders may present proposals for action at a future meeting if they comply with SEC rules, state law and our Bylaws. The Company has not set an annual meeting date. The Company will provide in a timely manner the date of the meeting, if any, and the dates for submitting nominees and shareholder proposals as soon as a date of an annual meeting is confirmed. We will provide notice of the meeting date on a quarterly report on Form 10-Q, or, if a more immediate notice is necessary, on a current report on Form 8-K. The meeting, if held, will not be held earlier than April 17, 2017.

### Stockholder Proposals to be Included in the Consent Solicitation Statement

To be considered for inclusion in our proxy materials for the 2017 Annual Meeting of Stockholders, a stockholder proposal must be received in writing at our offices, 200 Friberg Parkway, Suite 4004, Westborough, Massachusetts 01581 no later than 90 days before such meeting. Assuming a date of April 17, 2017, the materials must be provided no later than January 17, 2017.

### Stockholder Proposals Not to be Included in the Proxy Materials

If you wish to make a stockholder proposal at the 2017 Annual Meeting of Stockholders that is not intended to be included in our proxy materials for that meeting, you generally must provide appropriate notice to us in the manner specified in our Bylaws between 90 and 120 days before the meeting, or, assuming a April 17, 2017 meeting date, between December 18, 2016 and January 17, 2017.

## WHERE TO FIND MORE INFORMATION

The SEC allows us to “incorporate by reference” information into this Consent Solicitation Statement, which means that we can disclose important information to you by referring you to another document that we filed separately with the SEC. Information in this Consent Solicitation Statement updates and, in some cases, supersedes information incorporated by reference from documents that we have filed with the SEC prior to the date of this Consent Solicitation Statement, while information that we file later with the SEC will automatically update and, in some cases, supersede the information in this Consent Solicitation Statement.

The following documents and information previously filed with the SEC are incorporated by reference into this Consent Solicitation Statement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on March 30, 2016; and
- our Quarterly Reports on Form 10-Q filed with the SEC on May 16, 2016 and August 12, 2016.

In particular, our financial statements and management’s discussion and analysis of financial condition and results of operations are incorporated by reference to our Quarterly Report, and our quantitative and qualitative disclosures about market risks are incorporated by reference to our Annual Report.

In addition, all documents we file under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Consent Solicitation Statement and before written consents to each Proposal are given representing a majority of the voting power of our outstanding common stock as of the Record Date are incorporated by reference into and deemed a part of this Consent Solicitation Statement from the date of filing of those documents.

As a stockholder, we may have sent you some of the documents incorporated by reference, but anyone can obtain any of them through us or the SEC. Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this Consent Solicitation Statement. You may obtain documents that we have filed with the SEC and incorporated by reference in this document, without charge, by making a request to us as follows:

Corporate Secretary  
PAID, Inc.  
200 Friberg Parkway, Suite 4004  
Westborough, Massachusetts 01581  
(617) 861-6050

## OTHER BUSINESS

We know of no other matters to be submitted to the stockholders other than those described in this Consent Solicitation Statement which must be approved by the holders of the Company’s common stock.

BY ORDER OF THE BOARD OF DIRECTORS

W. Austin Lewis, IV  
President



WRITTEN CONSENT OF SHAREHOLDERS OF PAID, INC.

The undersigned shareholder(s) of PAID, Inc. (the “Company”) hereby consent as follows:

1. To consider and vote on a proposal giving the Board the authority to effect a reverse split of the Company’s outstanding common stock, exchange ratio ranging between 1-for-500 and 1-for - 3000 , with the exact exchange ratio to be determined by the Board in its sole discretion, immediately followed by a forward split of the Company’s outstanding common stock, at an exchange ratio ranging between 50-for-1 and 300 - for-1, respectively, with the exact exchange ratio to be determined by the Board in its sole discretion, by filing amendments to the Company’s Certificate of Incorporation (“Proposal 1”).

FOR  AGAINST  ABSTAIN  
(check one)

2. To approve an amendment to the Company’s Certificate of Incorporation to change the name of the Company from PAID, Inc. to ShipTime Inc. (“Proposal 2”).

FOR  AGAINST  ABSTAIN  
(check one)

3. To approve an amendment to the Company’s Certificate of Incorporation to permit the Chairman of the Board of Directors to have a deciding vote in the event of a tie vote of the Board of Directors (“Proposal 3”).

FOR  AGAINST  ABSTAIN  
(check one)

4. To approve an amendment to the Company’s Bylaws to provide for a classified Board of Directors (“Proposal 4”).

FOR  AGAINST  ABSTAIN  
(check one)

5. To approve an amendment to the Company’s Certificate of Incorporation to increase the Company’s authorized shares of common stock from 11,000,000 (pre-reverse/forward split) to 25,000,000 (post-reverse/forward split) (“Proposal 5”).

FOR  AGAINST  ABSTAIN  
(check one)

6. To approve an amendment to the Company’s Certificate of Incorporation to authorize the issuance of up to 20,000,000 shares of blank check preferred stock (“Proposal 6”).

FOR  AGAINST  ABSTAIN  
(check one)

each as described in the accompanying Consent Solicitation Statement of the Company dated November 9, 2016.

By signing this written consent, a shareholder of the Company shall be deemed to have voted all shares of the Company’s common stock which he or she or it is entitled to vote in accordance with the specifications made above, with respect to Proposal 1 through Proposal 6. If a shareholder signs and returns this written consent, but does not

indicate thereon the manner in which the shareholder wishes to vote the shareholder's shares with respect to any of the proposal described above, then such shareholder will be deemed to have given affirmative written consent "FOR" each proposal.

THIS WRITTEN CONSENT IS SOLICITED ON BEHALF OF THE COMPANY. THIS WRITTEN CONSENT MAY BE REVOKED AT ANY TIME PRIOR TO TERMINATION OF THE SOLICITATION PERIOD BY FILING A WRITTEN INSTRUMENT REVOKING THE CONSENT WITH THE COMPANY'S SECRETARY.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT YOU GIVE YOUR AFFIRMATIVE WRITTEN CONSENT IN FAVOR OF APPROVAL OF THE AMENDMENT.

(Number of Shares)

Date:

(Print Name of Shareholder)

(Print Name of Joint Shareholder)

(Signature of Shareholder)

(Signature of Joint Shareholder)

Please date this written consent and sign your name as it appears on your stock certificate. Executors, administrators, trustees, etc., should give their full titles. All joint owners should sign.

PLEASE RETURN THIS CONSENT BY ANY OF THE FOLLOWING METHODS:

- MAIL: PAID, Inc., 200 Friberg Parkway, Suite 4004, Westborough, MA 01581
- FACSIMILE: (617) 861-6050
- EMAIL: [info@paid-corp.com](mailto:info@paid-corp.com)

-54-

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APPENDICES

Appendix A	Amendments to Certificate of Incorporation to Effect Reverse/Forward Split
Appendix B	Amendment to Certificate of Incorporation to Change the Company's Name
Appendix C	Amendment to Certificate of Incorporation to Permit Chairman to make Deciding Vote
Appendix D	Amendment to Bylaws to Permit Classified Board
Appendix E	Amendment to Increase Authorized Shares
Appendix F	Amendment to Create Class of Blank Check Preferred Stock
Appendix G	Certificate of Designations for Series A Preferred Stock
Appendix H	Amalgamation Agreement
Appendix I	Form of Exchange and Call Rights Agreement
Appendix J	Form of Description of Rights of ShipTime Canada Inc. Shareholders
Appendix K	Form of Support Agreement
Appendix L	Form of Employment Agreement for Allan Pratt
Appendix M	Audited Consolidated Financial Statements of Paid, Inc. for the Year ended December 31, 2015 and 2014
Appendix N	Condensed Consolidated Financial Statements of Paid, Inc. for the Quarter and Six Months ended June 30, 2016
	Appendix O Unaudited Proforma Financial Information
Appendix P	emergeIT Audited Financial Statements for the nine months ended December 31, 2015 and the year ended March 31, 2015
Appendix Q	emergeIT Unaudited Financial Statements for the Quarter and 6 months ended June 30, 2016

Appendix A Amendments to Certificate of Incorporation to Effect Reverse/Forward Split

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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
PAID, INC.

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by unanimous written consent of its members pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, filed with the minutes of the Board of Directors, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation.

RESOLVED, that the Certificate of Incorporation of PAID, Inc. be amended by changing the FOURTH Article thereof so that, as amended said Article shall add the following two paragraphs:

Effective at \_\_:00 \_\_.m. (Eastern Time) on the effective date of the certificate of amendment adding this paragraph to Article FOURTH of the Certificate of Incorporation (the "Reverse Split Effective Time"), each share of the Common Stock, par value \$0.001 per share, of the corporation outstanding at the Reverse Split Effective Time shall, without any action on the part of the holder thereof, automatically be reclassified and changed into \_\_\_\_\_ (1/\_\_\_\_) of a share of Common Stock, par value \$0.001 per share, of the corporation; provided, however, that (i) if the foregoing reverse stock split (the "Reverse Split") would result in the record account of any holder of Common Stock having a number of shares of Common Stock that is, in the aggregate, less than one (1) share ("Fractional Shares"), such Fractional Shares shall, without any action on the part of the holder thereof, automatically be canceled in the Reverse Split; (ii) in the Reverse Split, all of the Fractional Shares shall automatically be converted into the right to receive the Trading Value thereof upon surrender by the holder thereof of the certificate or certificates representing such Fractional Shares; and (iii) the number of authorized shares of Common Stock after giving effect to the Reverse Stock Split shall remain unchanged so as to give effect to the Forward Split set forth in the next paragraph of this Article FOURTH. For purposes hereof, the term "Trading Value" of any Fractional Shares shall mean the product of: (A) the average daily closing price per share of the common stock on the OTCQB (or other applicable marketplace of the OTC Markets Group) for the five trading days immediately before and including the effective date of the Reverse/Forward Split, multiplied by (B) the number of shares of Common Stock that were converted into such Fractional Shares as a result of the Reverse Split. From and after the Reverse Split Effective Time, each holder of Fractional Shares shall have no further interest as a stockholder in the corporation in respect of such Fractional Shares.



Effective at \_\_:01 \_\_.m. (Eastern Time) on the effective date of the certificate of amendment adding this paragraph to Article FOURTH of the Certificate of Incorporation (the "Forward Split Effective Time"): (i) each whole share of the Common Stock, par value \$0.001 per share, of the corporation outstanding at the Forward Split Effective Time (after giving effect to the Reverse Split at the Reverse Split Effective Time) shall, without any action on the part of the holder thereof, automatically be reclassified and changed into \_\_\_\_\_ (\_\_\_\_) shares of Common Stock, par value \$0.001 per share, of the corporation (the "Forward Split"); and (ii) fractions of a share outstanding at the Forward Split Effective Time (after giving effect to the Reverse Split at the Reverse Split Effective Time) shall be proportionately reclassified and changed.

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders holding a majority of the outstanding shares of stock entitled to vote on the amendment have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of section 242 and Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That this Certificate of Amendment to the Certificate of Incorporation shall be effective on \_\_\_\_\_, 2016.

IN WITNESS WHEREOF, said PAID, Inc. has caused this Certificate to be executed, acknowledged and filed by its President this \_\_\_\_ day of \_\_\_\_\_, 2016

PAID, INC.

By:

AppendixAmendment to Certificate of Incorporation to Change the Company's Name  
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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
PAID, INC.

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by unanimous written consent of its members pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, filed with the minutes of the Board of Directors, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation.

RESOLVED, that the Certificate of Incorporation of PAID, Inc. be amended by changing the FIRST Article thereof so that, as amended said Article shall be and read in its entirety as follows:

“FIRST: The name of the corporation is ShipTime Inc.”

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders holding a majority of the outstanding shares of stock entitled to vote on the amendment have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of section 242 and Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That this Certificate of Amendment to the Certificate of Incorporation shall be effective on \_\_\_\_\_, 2016.

IN WITNESS WHEREOF, said PAID, Inc. has caused this Certificate to be executed, acknowledged and filed by its President this \_\_\_\_ day of \_\_\_\_\_, 2016

PAID, INC.

By:

Appendix B - 1

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AppendixAmendment to Certificate of Incorporation to Permit Chairman to make Deciding Vote  
C

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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
PAID, INC.

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by unanimous written consent of its members pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, filed with the minutes of the Board of Directors, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation.

RESOLVED, that the Certificate of Incorporation of PAID, Inc. be amended by changing the SIXTH Article thereof so that, as amended, the following sentence shall be added to the end of said Article:

With respect to any matter coming before the board of directors where there is an even number of members on the board of directors and a vote has been taken that results in a deadlock because the vote is tied, the matter shall be reintroduced for a vote by the board of directors and the Chairman of the board of directors shall cast the deciding vote.

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders holding a majority of the outstanding shares of stock entitled to vote on the amendment have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of section 242 and Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That this Certificate of Amendment to the Certificate of Incorporation shall be effective on \_\_\_\_\_, 2016.

IN WITNESS WHEREOF, said PAID, Inc. has caused this Certificate to be executed, acknowledged and filed by its President this \_\_\_\_ day of \_\_\_\_\_, 2016

PAID, INC.

By:

Appendix C - 1

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Appendix Amendment to Bylaws to Permit Classified Board  
D

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Section 3 of Article III shall be deleted in its entirety and replaced with the following:

The directors of the Corporation shall be classified, with respect to the time for which they severally hold office, into three classes: Class I, Class II, and Class III. Each of these classes shall be as nearly equal in number as possible.

Each initial director in Class I shall hold office for a term expiring at the first annual meeting of the shareholders after the date of adoption of these Bylaws (the "Adoption Date"); each initial director in Class II shall hold office for a term expiring at the second annual meeting of the shareholders after the Adoption Date; and each initial director in Class III shall hold office for a term expiring at the third annual meeting of the shareholders after the Adoption Date. If no annual meeting is held by April 17 of any given year, each Director's term shall continue automatically for another three year term until his or her successor is duly elected at the end of such three year term, except as otherwise required by law or as set forth herein. At each annual meeting of shareholders following such initial classification and election, directors elected to succeed the directors whose terms expire at such annual meeting shall be elected to hold office for a term expiring at the annual meeting of shareholders in the third year following the year of their election and until their successors have been duly elected and qualified. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain or attain a number of directors in each class as nearly equal as reasonably possible, but no decrease in the number of directors may shorten the term of any incumbent director.

Appendix D - 1

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Appendix Amendment to Increase Authorized Shares  
E

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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
PAID, INC.

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by unanimous written consent of its members pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, filed with the minutes of the Board of Directors, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation.

RESOLVED, that the Certificate of Incorporation of PAID, Inc. be amended by changing the FOURTH Article thereof so that, as amended said Article shall be and read in its entirety as follows:

“FOURTH: The amount of total authorized capital stock of the corporation shall consist of 25,000,000 shares of common stock having a par value of \$.001 each (“Common Stock”).”

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders holding a majority of the outstanding shares of stock entitled to vote on the amendment have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of section 242 and Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That this Certificate of Amendment to the Certificate of Incorporation shall be effective on \_\_\_\_\_, 2016.

IN WITNESS WHEREOF, said PAID, Inc. has caused this Certificate to be executed, acknowledged and filed by its President this \_\_\_\_ day of \_\_\_\_\_, 2016

PAID, INC.

By:

\* IF PROPOSAL 6 IS ALSO APPROVED, THIS CERTIFICATE WILL NOT BE NECESSARY AND THE CERTIFICATE IN APPENDIX F WILL BE USED.

Appendix E - 1

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AppendixAmendment to Create Class of Blank Check Preferred Stock  
F

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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
PAID, INC.

PAID, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by unanimous written consent of its members pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, filed with the minutes of the Board of Directors, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation.

RESOLVED, that the Certificate of Incorporation of PAID, Inc. be amended by changing the FOURTH Article thereof so that, as amended said Article shall be and read in its entirety as follows:

“FOURTH: The amount of total authorized capital stock of the corporation shall consist of 45,000,000 shares, consisting of (i) 25,000,000 shares of Common Stock, \$.001 par value per share (“Common Stock”), and (ii) 20,000,000 shares of Preferred Stock, \$.001 par value per share (“Preferred Stock”).

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

(a) COMMON STOCK.

(i) General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

(ii) Voting. The holders of the Common Stock shall have voting rights at all meetings of stockholders, each such holder being entitled to one vote for each share thereof held by such holder; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (which, as used herein, shall mean the Certificate of Incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation. There shall be no cumulative voting.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

(iii) Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend or other rights of any then outstanding Preferred Stock.

Appendix F - 1

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(iv) Liquidation. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential or other rights of any then outstanding Preferred Stock.

(b) PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issuance of the shares thereof, to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law.

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.”

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders holding a majority of the outstanding shares of stock entitled to vote on the amendment have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of section 242 and Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That this Certificate of Amendment to the Certificate of Incorporation shall be effective on \_\_\_\_\_, 2016.

IN WITNESS WHEREOF, said PAID, Inc. has caused this Certificate to be executed, acknowledged and filed by its President this \_\_\_\_ day of \_\_\_\_\_, 2016

PAID, INC.

By:

President



AppendixCertificate of Designations for Series A Preferred Stock  
G

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CERTIFICATE OF DESIGNATIONS OF PREFERRED STOCK

OF

PAID, INC.

Paid, Inc., a corporation organized and existing under the Delaware General Corporation Law (the “DGCL”), hereby certifies that:

1. A Certificate of Incorporation was filed with the Secretary of State of Delaware on \_\_\_\_\_, as amended on \_\_\_\_\_.
2. Pursuant to Section 151 of the DGCL this Certificate of Designations has been duly adopted in accordance with such section.
3. Article Fourth, Section [\_\_] of the Certificate of Incorporation of the Corporation is amended to include the designations of Series A Preferred Stock as follows:

A. SERIES A PREFERRED STOCK

\_\_\_\_\_ shares of the authorized Preferred Stock of the corporation have been designated “Series A Preferred Stock”, each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to sections and paragraphs contained in this Section A of Article FOURTH refer to sections and paragraphs in this Section A of this Article Fourth.

Section 1. Coupon Payment.

(a) Rate. Holders of the shares of Series A Preferred Stock shall be entitled to receive a cumulative 1.5% per annum coupon payment on the value of \$\_\_\_\_\_ per share of Series A Preferred Stock. In lieu of cash, in the Board of Director’s discretion, payment shall be in equal value in additional shares of Series A Preferred Stock based on the same fair market value of one share of common stock of the corporation as of the prior 30-day closing average for the month immediately preceding the Coupon Payment Date as set forth on an listed exchange, or if not so listed, on any applicable exchange selected in the discretion of the Board of Directors.

(b) Payout. Payments shall accrue annually as of January 1 of each year (the “Coupon Payment Date”) and shall remain unpaid unless and until the Board of Directors determines in its sole discretion to make such payment. Rights to unpaid Coupon payments shall be held by the holder of the Series A Preferred Stock. The period from and including the initial issue date of the Series A Preferred Stock, or the immediately preceding Coupon Payment Date, as the case may be, to but excluding the next Coupon Payment Date is a “Coupon Period.” Coupons accrue in each Coupon Period from the first day of such Coupon Period, whether or not Coupons are paid with respect to any prior Coupon Period. Coupons payable on the shares of Series A Preferred Stock for any Coupon Period will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and Coupons payable on the shares of Series A Preferred Stock for any subsequent Coupon Period will be computed on the basis of a 360-day year and the number of days actually elapse.

(c) No Interest; Notice. No interest will be payable in respect of any Coupon payment on shares of Series A Preferred Stock that may be in arrears. If the Board of Directors of the corporation determines not to pay any Coupon or a full Coupon on a Coupon Payment Date, the corporation will provide, or cause to be provided, written notice to the holders of the shares of Series A Preferred Stock prior to such date.

Section 2. Liquidation, Dissolution, or Winding-Up.

(a) Distributions to Holders of Preferred Stock. In the event of any liquidation, dissolution, or winding-up of the corporation, whether voluntary or involuntary (a "Liquidation"), the holders of outstanding shares of Series A Preferred Stock will be entitled to be paid out of the assets of the corporation available for distribution to shareholders, before any payment is made to or set aside for the holders of shares of any other class or series of capital stock, as follows: in respect of each share of Series A Preferred Stock held by such holder, an amount per share equal to the sum of (A) \$\_\_\_\_\_ (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Series A Preferred Stock plus (B) an amount equal to the aggregate of all Coupon accrued but unpaid in respect of such share of Series A Preferred Stock.

After payment in accordance with the foregoing has been made in full to the holders of Series A Preferred Stock, or funds necessary for such payment have been set aside by the corporation in trust for the exclusive benefit of such holders so as to be available for such payment, any assets remaining available for distribution will be distributed ratably among the holders of shares of Series A Preferred Stock and Common Stock, respectively, with each holder of one or more shares of Series A Preferred Stock being entitled to receive in respect thereof the same kinds and amounts of such assets as such holder would be entitled to receive if such holder held the number of shares of Common Stock on a one-for-one basis.

Appendix G - 1

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(b) **Deemed Liquidations.** A consolidation or merger of the corporation with or into any other person(s) or entity(-ies) (other than a wholly owned subsidiary of the corporation) or a sale (whether in a single transaction or a series of related transactions) of all or substantially all of the assets of the corporation or all or substantially all of the intellectual property rights of the corporation, or other similar transaction, will be regarded as a liquidation, dissolution, or winding-up of the affairs of the corporation within the meaning of this Section 2.

(c) **Non-Cash Distributions.** In the event of a liquidation, dissolution, or winding-up of the corporation resulting in the availability of assets other than cash for distribution to the holders of shares of Series A Preferred Stock, the holders of Series A Preferred Stock will be entitled to a distribution of cash and/or other assets equal in value to the liquidation preference and other distribution rights stated in Section 2(a). In the event that such distribution to the holders of shares of Series A Preferred Stock will include any assets other than cash, the Board of Directors will first determine in good faith and with due care the value of such assets for such purpose, and will notify all holders of shares of Series A Preferred Stock of such determination. The value of such assets for purposes of the distribution under this Section 2(c) will be the value as so determined by the Board of Directors.

**Section 3. Voting Rights.** Except as otherwise expressly provided herein or as required by applicable law, the holders of each share of Series A Preferred Stock will not be entitled to vote on any matters submitted to a vote or consent of stockholders.

**Section 4. Conversion.** Shares of Series A Preferred Stock will not be convertible into shares of Common Stock and/or other securities, properties, or rights.

**Section 5. Reissuance of Shares of Preferred Stock.** Shares of Series A Preferred Stock acquired by the corporation by reason of redemption, purchase or otherwise acquired (other than conversion), at the discretion of the Board of Directors, may be reissued by the Board of Directors at any time or from time to time.

**Section 6. Notices of Capital Reorganization, etc.** In the event there is to occur any capital reorganization of the corporation, any reclassification or recapitalization of the capital stock of the corporation, any merger or consolidation of the corporation, or any transfer of all or substantially all of the assets of the corporation to any other company, or any other entity or person, or any voluntary or involuntary dissolution, liquidation, or winding-up of the corporation, the corporation will deliver to each holder of Series A Preferred Stock, in accordance with Section 8(a), prior to the proposed effective date of the transaction specified therein, a notice specifying (a) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding-up is expected to become effective, and (b) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) will be entitled to exchange their shares of Common Stock (or other securities) for cash, securities, and/or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding-up.

**Section 7. Other Rights.** Shares of Series A Preferred Stock will have only those rights set forth herein or as required by the Delaware General corporation Law.

**Section 8. Miscellaneous.**

(a) **Notices.** All notices, requests, payments, instructions or other documents to be given hereunder will be in writing and will be delivered by hand, by telecopier, by electronic delivery (including e-mail), by facsimile, by express overnight courier service or mailed by first class mail, postage prepaid. Notices provided in accordance with this Section 8(a) will be deemed delivered upon personal delivery, receipt by telecopy, email or overnight mail, or 48 hours after deposit in the mail in accordance with the above.

(b) Transfer Agents. The corporation may appoint, and from time to time discharge and change, a transfer agent for Series A Preferred Stock. Upon any such appointment or discharge of a transfer agent, the corporation will send written notice thereof to each holder of record of Series A Preferred Stock.

Appendix G - 2

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be signed by the undersigned officer of the Corporation as of \_\_\_\_\_, 2016.

PAID, INC.

By:

President

Appendix G - 3

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Appendix H Amalgamation Agreement

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AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 1 day of September, 2016 (the “Agreement”).

AMONG:

EMERGEIT INC., a corporation incorporated under the laws of the Province of Ontario, with its registered office at 3350 Fairview Street, Suite 3-232, Burlington, Ontario, Canada, L7N 3L5 (“EmergeIT”);

- AND -

2534845 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario, with its registered office at 3350 Fairview Street, Suite 3-232, Burlington, Ontario, Canada, L7N 3L5 (“Exchangeco”);

- AND -

PAID INC., a corporation incorporated under the laws of the State of Delaware, with its registered office at 200 Friberg Parkway, Westborough, Massachusetts, 01581 (“Paid”);

- AND -

2534841 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario, with its registered office at 3350 Fairview Street, Suite 3-232, Burlington, Ontario, Canada, L7N 3L5 (“Callco”);

WHEREAS EmergeIT was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) (the “Act”) by Certificate and Articles of Incorporation dated April 15, 2008, and its authorized capital consists of an unlimited number of Class A special shares, an unlimited number of Class B special shares, an unlimited number of Class C special shares, an unlimited number of Class A common shares, and an unlimited number of Class B common shares, of which 7,000 Class A common shares and 3,137 Class B common shares have been issued and are currently outstanding;

AND WHEREAS Paid was incorporated pursuant to the provisions of the Delaware Code by Certificate and Articles of Incorporation dated August 9, 1995, as amended, and its authorized capital currently consists of 11,000,000 common shares, of which 10,989,608 common shares have been issued and are currently outstanding;

AND WHEREAS Exchangeco was incorporated pursuant to the provisions of the Act by Certificate and Articles of Incorporation dated August 31, 2016, and its authorized capital consists of an unlimited number of common shares, of which 100 common shares have been issued and are currently outstanding, and an unlimited number of preferred shares;

AND WHEREAS Callco was incorporated pursuant to the provisions of the Act by Certificate and Articles of Incorporation dated August 31, 2016, and its authorized capital consists of an unlimited number of common shares, of which 100 common shares have been issued and are currently outstanding;



AND WHEREAS this Agreement contemplates and describes a business combination of EmergeIT and Paid, summarized as follows:

- the business combination will be implemented under the provisions of the Act by way of an amalgamation;
- to implement this amalgamation, Paid will incorporate under the Act (i) a wholly owned Canadian subsidiary (Callco) the shares of which are held by Paid and (ii) a separate Canadian subsidiary (Exchangeco) the shares of which are held by Callco;
- Exchangeco will amalgamate with EmergeIT and continue as an amalgamated company under the name ShipTime Canada Inc. (and referred to herein as ShipTime or Amalco);
- Paid will also cause its name to be changed to ShipTime US Inc. and cause certain amendments to be made to its charter to provide for the issuance of the shares of common stock and preferred stock to the holders of exchangeable preferred shares of Amalco;
- the shareholders of EmergeIT will receive on the effective date of such amalgamation exchangeable preferred shares of Amalco, which securities are in turn exchangeable by their holders for shares of common stock and preferred stock of Paid, or (if they elect to dissent in accordance with the provisions of the Act) exercise their right to dissent and receive the fair value for their shares of EmergeIT, such preferred stock of Paid being pure preferred stock as defined in Section 1504(a)(4) of the United States Internal Revenue Code;
- Paid will enter into a support agreement with Amalco covenanting and agreeing to ensure that sufficient shares of common stock and preferred stock of Paid are available, as and when required, to support the right of the holders of exchangeable preferred shares of Amalco to receive such securities on the exercise of their exchange rights;
- Callco will be permitted to require the exchange of exchangeable preferred shares of Amalco for shares of Paid, in specified circumstances, by exercising a call option to purchase their exchangeable preferred shares in exchange for securities of Paid;
- certain agreements will be entered into among the principal shareholders of Paid and EmergeIT to provide for the appointment of nominees to the board of directors of each of Paid and to provide for certain restrictions on the business of Paid and ShipTime until the exchange rights of the holders of the Amalco exchangeable preferred shares have been fully exercised; and
- when the exchange rights of the former EmergeIT shareholders have been fully exercised, and assuming no adjustments under the provisions of this Agreement providing for indemnification in certain circumstances described below, the shareholders of EmergeIT would own approximately 79.5% of the issued and outstanding voting securities of Paid, based on the current number of issued and outstanding securities of Paid, with the remaining shares of Paid being held by its current stockholders.

AND WHEREAS the parties to this Agreement, having made full disclosure each to the others, of all their respective assets and liabilities, have determined that it is desirable that the amalgamation of EmergeIT and Exchangeco should be effected and, acting under the authority contained in the Act, have agreed to amalgamate and continue as one corporation upon the terms and conditions set out in this Agreement.

THEREFORE, in consideration of the foregoing, the representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby

acknowledged by each party hereto, the parties hereto agree as follows:

Appendix H - 2

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ARTICLE 1  
GENERAL

1.1 Defined Terms

Capitalized terms used in this Agreement (including the recitals) and not otherwise defined shall have the meanings ascribed to such terms in Schedule “A”.

1.2 Amalgamation

(a) The parties hereto agree to effect the combination of an amalgamation among EmergeIT and Exchangeco under the provisions of the Act, effective on or about August 31, 2016 (the actual date of such amalgamation, as evidenced by the filing and issuance of a certificate of amalgamation under the Act, being the “Effective Date”).

(b) In furtherance of the completion of this Transaction on the Effective Date, (i) EmergeIT prepared and mailed as of July 25, 2016 a notice of meeting and form of proxy in compliance with applicable corporate and securities laws to the EmergeIT Shareholders, together with a draft copy of this Agreement; (ii) EmergeIT has called and held the EmergeIT shareholders meeting on August 5, 2016 for the purpose of approving the amalgamation resolution (the “Amalgamation Resolution”) which resolution has been approved; and (iii) Callco, as the sole shareholder of Exchangeco, has approved the Amalgamation Resolution.

(c) Upon the satisfaction of the conditions precedent contained in this Agreement, including without limitation the receipt and approval of any shareholder consents and approvals required by Paid, and the completion of all regulatory filings required to be made on behalf of Paid in connection with the completion of the transactions contemplated hereby, EmergeIT and Exchangeco shall jointly complete and file Articles of Amalgamation, in duplicate, substantially in the form set forth in Schedule “B” hereto (with such modifications thereto as are mutually agreed by Paid and EmergeIT prior to the Effective Date), with the Director appointed under the Act, giving effect to the amalgamation of EmergeIT and Exchangeco upon and subject to the terms of this Agreement.

(d) Upon the issue of a Certificate of Amalgamation giving effect to the amalgamation:

(i) EmergeIT and Exchangeco shall be amalgamated and shall continue as one corporation (hereinafter referred to as “Amalco”) effective as of the Effective Date under the terms and conditions prescribed in this Agreement;

(ii) Amalco shall possess all the property, rights, privileges and franchises and be subject to all the liabilities, including civil, criminal and quasi-criminal, and all the contracts, liabilities and debts of each of EmergeIT and Exchangeco;

(iii) a conviction against, or ruling, order or judgment in favour of or against EmergeIT or Exchangeco may be enforced by or against Amalco;

(iv) the Articles of Amalgamation of Amalco shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco; and

(v) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against EmergeIT or Exchangeco, before the Amalgamation has become effective.



(e) The name of Amalco shall be ShipTime Canada Inc., or such other name determined by EmergeIT in its discretion on or prior to the Effective Date, failing which Amalco shall have the numbered company name issued and assigned by the Director under the Act.

(f) The registered office of Amalco shall be at 3350 Fairview Street, Suite 3-232, Burlington, Ontario, Canada, L7N 3L5.

(g) There shall be no restrictions on the business that Amalco may carry on or on the powers Amalco may exercise. The articles of amalgamation of Amalco will contain customary share transfer restrictions requiring the consent of the board of directors of Amalco to any transfer of securities in addition to any other consent or approval required under applicable laws.

(h) The by-laws of Amalco shall be the same as the existing by-laws of EmergeIT. A copy of the proposed by-laws of Amalco may be examined at the following address: 3350 Fairview Street, Suite 3-232, Burlington, Ontario, Canada, L7N 3L5.

(i) The board of directors of Amalco shall consist of a minimum of one (1) director and a maximum of ten (10) directors, until changed in accordance with the Act, with the initial number of directors of Amalco being fixed at three (3) person(s) and with the first directors of Amalco being:

Name	Resident Canadian
Allan Pratt	Yes
W. Austin Lewis, IV	No
Laurie Bradley	No

(j) The first directors shall hold office until the first annual meeting of the shareholders of Amalco, or until their successors are elected or appointed in accordance with the by-laws of Amalco and the Act. The subsequent directors shall be elected each year thereafter by ordinary resolution at either an annual meeting of the shareholders or a special meeting of the shareholders by a majority of the votes cast at such meeting. The directors shall manage or supervise the management of the business and affairs of Amalco, subject to the provisions of the Act.

(k) The executive officers of Amalco upon completion of the Amalgamation shall be:

Allan Pratt	President
Allan Pratt	Chief Executive Officer
W. Austin Lewis, IV	Chief Financial Officer

(l) Amalco shall be authorized to issue an unlimited number of common shares, and an unlimited number of exchangeable preferred shares issuable in series (the “Exchangeable Shares”) having the rights, privileges, restrictions and obligations set out in the Articles of Amalgamation.

(m) On or prior to the Effective Date, Paid shall enter into a support agreement with Amalco (the “Support Agreement”) pursuant to which Paid will agree to ensure that Amalco maintains enough cash on hand to pay dividends on its shares equal to the dividends that Paid will pay on its own shares, that there are sufficient duly authorized shares that have been reserved for issuance by Paid upon exercise of Callco’s call option, or a retraction, redemption, liquidation or dissolution of Amalco, and that the economic equivalence of Amalco’s and Paid’s Shares is maintained.





(n) On or prior to the Effective Date, Paid/Callco shall enter into an exchange and call rights agreement with Amalco on behalf of each of the former EmergeIT Shareholders, providing for the exchange of the Exchangeable Shares for Paid Shares (the “Exchange and Call Rights Agreement”).

(o) On or prior to the Effective Date, Paid shall enter into a sole shareholder declaration with respect to Amalco providing for such terms with respect to the conduct of the business operations of Callco and the approval of fundamental changes in its business and operations as are mutually agreed between Paid and EmergeIT.

(p) The amalgamation will be effected on the following basis, with adjustments thereto as the boards of directors of EmergeIT and PAID may permit or require prior to the Effective Date:

(i) Each one (1) Class A common share of EmergeIT shall be exchanged for 1 Exchangeable Share (which shares are exchangeable for 480 shares of common stock and 3,344 shares of preferred stock of Paid);

(ii) Each one (1) Class B common share of EmergeIT shall be exchanged for 1 Exchangeable Share (which shares are exchangeable for 480 shares of common stock and 3,344 shares of preferred stock of Paid);

(iii) Each one (1) common share of Exchangeco shall be exchanged for 1 common share of Amalco; and

(iv) The result of the foregoing will be the share issuances set forth in Schedule “C”, such that following completion of the amalgamation, on the Effective Date, there will be:

(A) 10,989,600 shares of common stock of PAID Inc. issued and outstanding;

(B) 5,500,000 shares of common stock of Paid and 38,250,000 shares of preferred stock of PAID Inc. authorized and reserved for issuance on the exercise of the exchange rights attaching to the Exchangeable Shares;

(C) 100 common shares of Amalco, all of which are owned by Callco;

(D) 11,437 Exchangeable Shares of Amalco issued and outstanding, all of which shares are issued to the former shareholders of EmergeIT, and which shares are exchangeable for 5,500,000 shares of common stock of Paid and 38,250,000 shares of preferred stock of Paid;

(E) Certificates representing 5,500,000 shares of common stock allocable to the shareholders of Amalco on the exercise of the exchange rights attaching to their Exchangeable Shares will be deposited into escrow with an escrow agent in accordance with the provisions of Article 9 to be issued or cancelled in connection with the satisfaction of the indemnification obligations of EmergeIT thereunder; and

(F) 5,500,000 additional shares of common stock of Paid shall be allotted and reserved for issuance if, as or when required under this Agreement and a duly executed and irrevocable direction with respect to the issuance of all or such portion of such securities as is required under this Agreement shall be deposited into escrow with an escrow agent in accordance with the provisions of Article 9 to be issued or cancelled in connection with the satisfaction of the indemnification obligations of Paid, Callco and Exchangeco.

(v) The shares of common stock and preferred stock issuable to EmergeIT under (iv)(B) above shall be increased or decreased, as the case may be, to reflect the adjustments (if any) required as a result of the determination of the Net Working Capital Amount of each of EmergeIT and PAID as described in Schedule "C".

(q) Amalco shall add to the stated capital maintained in respect of the common shares and the preferred shares an amount equal to the aggregate paid-up capital for purposes of the Income Tax Act (Canada) of the EmergeIT Shares and the Exchangeco Shares, as the case may be, immediately prior to the amalgamation (less the paid-up capital of any EmergeIT Shares held by Dissenting EmergeIT Shareholders who do not exchange their EmergeIT Shares for Amalco Shares on the amalgamation).

(r) No fractional Amalco Shares shall be issued to holders of EmergeIT Shares or Exchangeco Shares; in lieu of any fractional entitlement, the number of Amalco Shares to be issued to each holder of EmergeIT Shares or Exchangeco Shares shall be rounded down to the next lesser whole number of Amalco Shares.

(s) At the Effective Date:

(i) subject to subsection 1.2(r) the registered holders of EmergeIT common shares shall become the registered holders of the Amalco Exchangeable Shares to which they are entitled, calculated in accordance with the provisions hereof, and the holders of share certificates representing such EmergeIT Shares may surrender such certificates to Amalco or to its transfer agent or other designated depository and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable and in any event within ten (10) business days following the Effective Date shall receive, share certificates representing the number of Amalco Exchangeable Shares to which they are so entitled, provided that certificates being delivered to holders resident in Canada shall bear on the face thereof the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE OF THE CORRESPONDING SHARE CERTIFICATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR STATE SECURITIES LAWS. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF SHIPTIME CANADA INC. AND ANY SUCCESSOR ENTITY (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ONLY AFTER PROVIDING A LEGAL OPINION SATISFACTORY TO THE CORPORATION, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES PURSUANT TO EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER OR (D) INSIDE THE UNITED STATES PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION;

Appendix H - 6

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(ii) each EmergeIT Shareholder shall become the registered holder of the Amalco Exchangeable Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Exchangeable Shares to which it is entitled, calculated in accordance with the provisions hereof; and

(iii) each EmergeIT Shareholder who is not a resident of Canada may elect, at its option, to directly receive instead of Exchangeable Shares the number of shares of common stock and preferred stock of Paid they would be entitled to receive, on an as if converted basis, if they were the holder of and had already exercised their exchange rights with respect to the Exchangeable Shares allocable to such holder under this Agreement.

(t) Each EmergeIT Share held by an EmergeIT Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Amalco, and Amalco shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 2 hereof, and the name of such holder shall be removed from the securities register of Amalco as a former holder of EmergeIT Shares, and their right to obtain Exchangeable Shares shall be extinguished.

(u) If an EmergeIT Dissenting Shareholder fails to perfect or effectively withdraws its claim under the Act or forfeits its right to make a claim under the Act or if its rights as an EmergeIT Shareholder are otherwise reinstated such holder's EmergeIT Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by subsection 1.2(s)(i) or 1.2(s)(ii) as the case may be.

(v) Subject to the provisions of the Act, the following provisions shall apply to Amalco:

(i) Without in any way restricting the powers conferred upon Amalco or its board of directors by the Act, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors of Amalco may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deemed expedient:

(A) borrow money upon the credit of Amalco;

(B) issue, re-issue, sell or pledge debt obligations of Amalco;

(C) subject to the provisions of the Act, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and

(D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

(ii) The board of directors may from time to time delegate to a director, a committee of the directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

(w) Outstanding Exchange Options:

No options having been granted, and no options being currently issued and outstanding to acquire any securities in the capital of either of EmergeIT or Exchangeco, other than as set forth in (x) below, no further action, step or proceeding is required to provide for any cancellation, exchange or transfer of options to acquire securities of any of such companies.

(x) Issuance of Replacement Warrants and other Contingent Securities:

Subject to the receipt of all necessary regulatory approvals at or immediately following the Effective Date:

(i) The convertible debenture of EmergeIT in favour of Lewis Asset Management Inc. in the principal amount of \$400,000 will be converted for 720 Class B common shares as set forth in Schedule "C";

(ii) Each holder of unexercised EmergeIT Warrants will exchange such EmergeIT Warrants for Replacement Warrants to acquire that number of Amalco Exchangeable Shares set forth in Schedule "C" (the "Replacement Warrant Shares");

(iii) Each Replacement Warrant issued to such holder in exchange for an EmergeIT Warrant will have an exercise price and expiry set forth in Schedule "C";

(iv) Other than the number and exercise price, which will be as specified above, the terms and conditions of the Replacement Warrants will be identical to those of the EmergeIT Warrants; and

(v) The board of directors of Amalco will approve the transfer of certain common shares of EmergeIT from Allan Pratt, Barbara Pratt, and/or the Pratt Family Trust as set forth in Schedule "C" immediately following the Effective Date to satisfy certain obligations of the transferors to the transferees thereof and to permit the issuance of Exchangeable Shares to such transferees.

(y) As a condition of these transactions, the board of directors of EmergeIT (i) shall approve the amalgamation and authorize the entering into and execution of this Agreement, and the performance of its provisions by EmergeIT; (ii) has determined that the amalgamation is fair to the EmergeIT Shareholders and in the best interests of EmergeIT and all of its shareholders; and (iii) unanimously recommends that EmergeIT Shareholders vote in favour of the Amalgamation Resolution, and execute and deliver the Transaction Agreements.

(z) As a condition to these transactions, Paid shall amend its charter to provide for the creation and reservation for issuance as of the Effective Date of the shares of common stock and preferred stock to be issued to the holders of exchangeable preferred shares of Amalco on the exchange of such securities as contemplated by this Agreement. As previously stated, such preferred stock of Paid shall be pure preferred stock as defined in Section 1504(a)(4) of the United States Internal Revenue Code. In the event of any conflict or inconsistency between the provisions of Section 1504(a)(4) and the provisions of this Agreement or the provisions of any other transaction agreement pertaining to the Exchangeable Shares or the shares of common stock and preferred stock of Paid issuable on the exchange of such securities, or the provisions of any of the constating documents of Paid or Amalco, or in the event of any of such provisions would cause or result in the characterization of any such securities being anything other than "pure preferred stock" within the meaning of that section, such provisions shall be and be deemed to have been amended as of the Effective Date in such manner as the board of directors of Paid or EmergeIT as the case may be determines to be necessary or advisable to avoid or eliminate the characterization or treatment of the shares of preferred stock of Paid issuable on the exercise of the Exchangeable Shares as being any type of security other than pure preferred stock.



(aa) Each of EmergeIT, Paid, Exchangeco and Callco shall not, nor shall each of their respective directors, officers, agents, advisors, or representatives, prior to the Effective Date or the termination of this Agreement, whichever is sooner, directly or indirectly solicit, initiate, negotiate, encourage, or consider any inquiries or proposals from any Person who is not a party to this Agreement relating to any transaction(s) involving:

(i) the sale of any of their respective business operations or all or substantially all of their assets (other than in the ordinary course of business);

(ii) their respective equity securities; or

(iii) any merger, consolidation, combination or similar transaction involving any of the parties hereto.

(bb) This Agreement may be terminated and the Transaction may be abandoned at any time prior to the Effective Date (notwithstanding the approval of the Amalgamation Agreement, Amalgamation Resolution, or the Transaction by the EmergeIT Shareholders or by Callco as the sole shareholder of Exchangeco):

(i) By mutual written agreement of the parties;

(ii) By either EmergeIT or Exchangeco if:

(A) the Effective Date shall not have occurred on or before October 31, 2016 or such later date as the parties may agree in writing, except that the right to terminate the Amalgamation Agreement under this provision shall not be available to any party whose failure to perform or fulfill any of its obligations has been the cause of, or resulted in, the failure of the Effective Date to occur by such date;

(B) after the date of the Amalgamation Agreement, there shall be enacted or made any applicable Law that makes consummation of the Transaction illegal or otherwise prohibited or enjoins any party from consummating the Transaction;

(C) the Amalgamation Resolution shall have failed to receive the requisite vote of the EmergeIT Shareholders for approval at the EmergeIT shareholders meeting in accordance with applicable Laws;

(D) the holders of 25% or more of the securities of EmergeIT authorized to vote on the Transaction have exercised their dissent rights under the Act with respect to the Transaction; or

(E) the board of directors and stockholders of Paid do not approve the completion of the transactions contemplated by this Agreement on terms and conditions acceptable to emergeIT on or prior to October 15, 2016.

(cc) This Agreement may be amended or modified in such manner as the boards of directors of Callco and Exchangeco may permit or require at any time prior to the Effective Date, without the requirement or necessity of any further or other shareholder approval, unless the board of directors of either Callco or Exchangeco determines that such amendment or modification is material to the business, assets, properties, liabilities or operations of Amalco.

1.3 Schedules

The following schedules are attached and form an integral part of this Agreement:

- a) Schedule A – Definitions
- b) Schedule B – Prescribed Form of Articles of Amalgamation
- c) Schedule C – Post-Closing Pro Forma Capitalization Table for Amalco and Net Working Capital Amount Adjustment
- d) Schedule D – Dissent Rights
- e) Schedule E - Disclosure Schedule
- f) Schedule F – Financial Statements of EmergeIT as of December 31, 2015
- g) Schedule G – Form 10Q Quarterly Report for Paid as of March 31, 2016

Appendix H - 10

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## ARTICLE 2

### DISSENT RIGHTS AND PROFESSIONAL ADVICE

#### 2.1 Dissent Rights.

Holders of EmergeIT Shares may exercise rights of dissent (“Dissent Rights”) from the Amalgamation Resolution pursuant to and in the manner set forth under the Act, provided the written objection to the Amalgamation Resolution must be sent to EmergeIT by holders who wish to dissent and received by EmergeIT prior to the EmergeIT Meeting or any date to which the Meeting may be postponed or adjourned.

A summary of such Dissent Rights is set forth in Schedule “D”. Shareholders wishing to exercise such rights should obtain their own legal, financial and professional advice with respect to such decision.

#### 2.2 Consequences of Exercise of Dissent Rights

Holders who exercise such rights of dissent and who are ultimately entitled to be paid fair value for their EmergeIT Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the EmergeIT Shareholders Meeting and who are paid an amount equal to such fair value by or on behalf of Amalco shall cease to have any rights as shareholders of the Corporation other than such rights as dissenting shareholders or former shareholders as are set forth under the Act.

Holders who exercise such rights of dissent and who are ultimately not entitled, for any reason, to be paid fair value for their EmergeIT Shares shall be deemed to have participated in the amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of EmergeIT Shares and shall be entitled to receive only the consideration contemplated in subsection 1.2(s) hereof that such holder would have received pursuant to the amalgamation if such holder had not exercised Dissent Rights.

#### 2.3 Requirement for Strict Compliance and Independent Advice

Nothing in this Agreement affects or reduces in any way the requirement of any holder of EmergeIT Shares who wishes to exercise Dissent Rights from strictly complying with the provisions of the Act and holders of EmergeIT Shares wishing to exercise such rights are obligated to do so. Any shareholder wishing to exercise such rights should consult with their own legal, financial and other professional advisors on a timely basis prior to the date of the Meeting if they wish to avail themselves of such rights.

#### 2.4 Tax and Other Financial Advice; Alternative Transaction Options

The Amalgamation contemplates the issuance to the shareholders of EmergeIT exchangeable preferred shares of Amalco. Shareholder(s) who are not Canadian residents within the meaning of the Income Tax Act (Canada) and who request the ability to do so, may require the direct issuance by Paid of the shares of common stock and preferred stock that such shareholder(s) would otherwise be entitled to receive on the amalgamation if their exchangeable preferred shares of Amalco were immediately exchanged for such shares of common stock and preferred stock of Paid.

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES OF EMERGEIT

EmergeIT represents and warrants to all other parties hereto, that the statements contained in this Article 3 are true and correct except as set forth on the Disclosure Schedule (attached hereto as Schedule “E”) delivered to all parties concurrently upon execution of this Agreement, and EmergeIT acknowledges that the other parties are relying upon the representations and warranties in connection with the amalgamation. For the purposes of this Article 3, unless the context clearly requires otherwise, all references to EmergeIT shall include any and all predecessors of EmergeIT.

3.1 Authorized and Issued Capital

Set out in Schedule “E” is the authorized capital of EmergeIT together with a list of registered owners of the EmergeIT Shares, including the holders of certain contingent rights or claims with respect to such securities which rights and claims are to be satisfied as of the Effective Date with no increase in the aggregate number of exchangeIT shares issued and outstanding. The implementation of the amalgamation will not violate, contravene, breach or offend against or result in any default under any Contract, charter or by-law provision, Order, judgment, decree, license, permit or Law, to which EmergeIT is a party or subject or by which EmergeIT is bound or affected.

3.2 Capacity and Due Authorization

EmergeIT has all necessary power and capacity to execute and deliver this Agreement, and all other agreements and instruments to be executed by it as contemplated by this Agreement, and to enter into and implement the amalgamation and to perform its obligations hereunder.

3.3 No Other Agreements

Except as disclosed herein, EmergeIT, has not granted any written or oral agreement, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition from EmergeIT of any of its securities.

3.4 Residence

Each EmergeIT Shareholder other than John Smith, W. Austin Lewis, IV, and Andrew Morrison is not a non-resident of Canada for the purposes of the Income Tax Act (Canada).

3.5 Incorporation and Corporate Power

EmergeIT is a corporation incorporated and organized under the laws of Ontario and is a valid and subsisting corporation under such laws. EmergeIT has all necessary corporate power, authority and capacity to own its assets and to carry on its business as presently conducted.

3.6 Subsidiaries and Investments

Schedule “E” sets out all the Subsidiaries and investments EmergeIT has in any other entity. All representations and warranties set out in this Agreement are also given mutatis mutandis, in respect of each subsidiary but to the best of the knowledge and belief of the party providing the representations and warranties. In addition, Schedule “E” sets out any exceptions to all the representations and warranties with respect to such entities.



### 3.7 Capitalization

All of the EmergeIT Shares have been duly and validly issued and are outstanding as fully paid and non-assessable shares. Except as disclosed in Schedule "E", there are no options, warrants or other rights to purchase shares or other securities of EmergeIT and no securities or obligations convertible into or exchangeable for shares or other securities of EmergeIT have been authorized or agreed to be issued or are outstanding.

### 3.8 Securities Laws

EmergeIT is