FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: Beacon Acquisition Partners (the "Issuer").

Trading Symbol: BAP

Quarter Ending: December 31 2012

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

- December 31 – No related person transactions

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

(b) summary of options granted during the period,

- No securities were issued or options were granted during the period

3. Summary of securities as at the end of the reporting period.

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

- At December 31, 2012 there were 12,950,800 common shares outstanding.

(b) number and recorded value for shares issued and outstanding,

- The recorded balance of share capital was $2,505,425 as reported in the footnote of the September 30 2012 financial statements as filed on www.sedar.com

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

- The share options outstanding at December 31 are:

Exercise Price	Number Outstanding	Contractual Life Remaining
$0.50	302,000	1.2 Years
$0.50	70,000	4.2 Years
$0.26	296,000	2.55 Years
$0.26	49,000	2.87 Years
$0.37	717,000	1.91 Years

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

- No shares subject to escrow.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

- Robert P. Mather - Chairman and CEO
- Roger Leibowitz - CFO
- William Dioguardi - Director

- William Flanigan - Director
- Joe MacDonald - Director
- Rick Patmore (Corporate Secretary)

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 3rd, 2013.

Robert Mather
Name of Director or Senior Officer

Signature

Chairman & CEO
Official Capacity

Issuer Details Name of Issuer Beacon Acquisition Partners, Inc.	For Quarter Ended December 31, 2011	Date of Report 5/3/2013
Issuer Address 721 Waverly Road		
City/Province/Postal Code Ridgewood, NJ 07450	Issuer Fax No. (201) 447-1075	Issuer Telephone No. (201) 447-2486
Contact Name Robert Mather	Contact Position Chairman & CEO	Contact Telephone No. 201-447-2486
Contact Email Address rather@alliedbeacon.net	Web Site Address http://www.beaconacquisition.com/	

CONSOLIDATED FINANCIAL STATEMENTS OF

BEACON ACQUISITION PARTNERS INC.

December 31, 2012 and 2011

Scarrow & Donald LLP

SCARROW & DONALD LLP
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April 29, 2013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beacon Acquisition Partners Inc.:

We have audited the accompanying consolidated financial statements of Beacon Acquisition Partners Inc., which comprise the consolidated statements of financial position as at December 31, 2012 and 2011 and the consolidated statements of net loss and comprehensive loss, equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Beacon Acquisition Partners Inc. as at December 31, 2012 and 2011 and its financial performance and its cash flows for the years then in accordance with International Financial Reporting Standards.

Emphasis of Matter
We draw attention to Note 1 in the consolidated financial statements, which indicates that Beacon Acquisition Partners Inc. incurred a net loss of for the year ended December 31, 2012 of $184,326 (2011 - $768,596) and comprehensive loss for the year ended December 31, 2012 of $181,917 (2011 - $792,358) and has a deficit of $2,027,480 as at December 31, 2012 (2011 - $1,861,536). These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Scarrow & Donald LLP

Chartered Accountants
Winnipeg, Canada

BEACON ACQUISITION PARTNERS INC.

Consolidated statements of financial position

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	$ 555,474	$ 526,373
Accounts receivable	740,446	490,324
Short-term investments (note 5)	4,505	65,681
Prepaid expenses and deposits	145,223	178,415
	1,445,648	1,260,793
Warrants (note 6)	36,811	21,967
Broker relationships (note 7)	1,002,459	1,436,294
Fixed assets (note 8)	54,326	38,344
	$ 2,539,244	$ 2,757,398
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,097,404	$ 894,125
Income taxes payable	65,690	-
Promissory notes payable (note 9)	7,119	-
Share obligation payable (note 10)	114,880	-
	1,285,093	
Promissory notes payable (note 9)	553,214	550,195
Share obligation payable (note 10)	-	344,640
Deferred income taxes (note 14)	192,539	297,005
	2,030,846	2,085,965
Equity	508,398	671,433
	$ 2,539,244	$ 2,757,398

Approved by the Board:

"Joe MacDonald" Director

"Robert Mather" Director

BEACON ACQUISITION PARTNERS INC.

Consolidated statements of loss and comprehensive loss

	Year ended December 31, 2012	Year ended December 31, 2011
Revenue	$ 15,389,832	$ 2,882,982
Expenses:		
General and administrative	15,270,416	3,273,447
Share based compensation	13,283	30,560
Interest	51,300	3,877
Amortization of fixed assets	10,828	7,403
Amortization of broker relationships	305,259	117,281
	15,651,086	3,432,568
Net loss from operations	(261,254)	(549,586)
Adjustment of broker relationships (note 7)	(128,576)	(115,000)
Change in fair value of financial instruments	166,329	(60,519)
Net loss before income taxes	(223,501)	(725,105)
Income taxes (recovery)		
Current	65,591	-
Deferred	(104,766)	43,491
	(39,175)	43,491
Net loss	(184,326)	(768,596)
Other comprehensive income (loss)		
Foreign currency translation adjustment	2,409	(23,762)
Comprehensive loss	$ (181,917)	$ (792,358)
Loss per share - basic and diluted (note 13)	$ (0.02)	$ (0.08)

BEACON ACQUISITION PARTNERS INC.

Consolidated statements of equity

	Share capital (note 11)	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total
Balance December 31, 2010	$ 2,020,300	$ 24,877	$ (1,093,758)	$ 8,312	$ 959,731
Shares issued	473,500	-	-	-	473,500
Value associated with options exercised	11,625	(11,625)	-	-	-
Value associated with options expired	-	(818)	818	-	-
Value associated with options vested	-	30,560	-	-	30,560
Net loss	-	-	(768,596)	-	(768,596)
Foreign currency translation adjustment	-	-	-	(23,762)	(23,762)
Balance December 31, 2011	$ 2,505,425	$ 42,994	$ (1,861,536)	$ (15,450)	$ 671,433
Value associated with options exercised	-	-	-	-	-
Value associated with options expired	-	(18,382)	18,382	-	-
Value associated with options vested	-	13,283	-	-	13,283
Equity component of convertible promissory note	-	5,599	-	-	5,599
Net loss	-	-	(184,326)	-	(184,326)
Foreign currency translation adjustment	-	-	-	2,409	2,409
Balance December 31, 2012	$ 2,505,425	$ 43,494	$ (2,027,480)	$ (13,041)	$ 508,398

BEACON ACQUISITION PARTNERS INC.

Consolidated statements of cash flows

	Year ended December 31, 2012	Year ended December 31, 2011
Cash flows from operating activities		
Received from clients	$ 15,171,195	$ 2,724,212
Paid to brokers and suppliers	(15,201,302)	(3,370,003)
Interest income received	-	450
Interest paid	(11,500)	-
	(41,607)	(645,341)
Cash flows from investing activities		
Disposal of short-term investments	-	166,319
Advances to Allied Beacon Partners Inc.	-	(155,349)
Purchase of fixed assets	(27,958)	(26,377)
Cash acquired in acquisition (note 4)	-	723,439
	(27,958)	708,032
Cash flows from financing activities		
Proceeds from issurance of promissory notes	327,067	-
Repayment of promissory notes	(198,280)	-
Expenditures on transaction costs	(3,765)	-
Proceeds from exercise of options	-	30,000
	125,022	30,000
Foreign exchange translation adjustment on cash	(26,356)	(5,612)
Change in cash	29,101	87,079
Cash, beginning of year	526,373	439,294
Cash, end of year	$ 555,474	$ 526,373

1. Organization:

Beacon Acquisition Partners Inc. (the "Company") was incorporated under the *Canada Business Corporations Act* on March 13, 2007 and commenced operations April 23, 2007. The Company is the parent company of subsidiaries that include a broker dealer operating in the United States. The subsidiaries of the Company do not undertake any active business operations in Canada.

The common shares of the Company are listed on the Canadian National Stock Exchange and are traded under the symbol "BAP". The head office of the Company is located at 721 Waverly Road, Ridgewood, New Jersey.

The consolidated financial statements have been approved for issue by the Board of Directors on April 29, 2013.

For the year ended December 31, 2012 the Company incurred a net loss of $184,326 (2011 - $768,596) and a total comprehensive loss of $181,917 (2011 - $792,358) and has a deficit of $2,027,480 as at December 31, 2012 (2011 - $1,861,536). The Company's ability to realize its assets and discharge liabilities is contingent upon positive cash flow from operations. The Company may be required to secure funding for operations. Although management may have been successful in the past in undertaking financings there can be no assurance that management will be able to do so in the future on terms acceptable to the Company.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and statement of financial position classifications that may be necessary were the going concern assumption inappropriate. These adjustments could be material.

2. Significant accounting policies:

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of annual consolidated financial statements.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency as it is the currency of the primary economic environment in which the transactions of Beacon Acquisition Partners Inc. are undertaken. All reference to dollars ($) are to Canadian dollars unless otherwise noted. The consolidated financial statements have been prepared on a Canadian cost basis, except for short-term investments and warrants which are measured at fair value.

b) Basis of consolidation

These consolidated financial statements include the financial assets and liabilities and results of operations of the Company and of its subsidiaries. The assets and liabilities and results of operations include the consolidation of its wholly owned subsidiary corporations American Beacon Partners, Inc., American Beacon Wealth Management, Inc., ABP Venture Partners, LLC, Allied Beacon Partners, Inc., and Allied Beacon Wealth Management, LLC. American Beacon Partners, Inc. and American Beacon Wealth Management, Inc. ceased operations and were dissolved on December 31, 2012.

2. Significant accounting policies (continued)**:**

b) Basis of consolidation (continued)

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany balances and transactions are eliminated upon consolidation.

c) Foreign currency

The financial statements of each of the Company's subsidiaries are measured in United States dollars. The functional currency of the Company's subsidiaries is United States dollars as it is the currency of the primary economic environment in which the subsidiaries operate. Consideration in determining the functional currency is given to the denomination of the major cash flows of the entity. Assets and liabilities of the subsidiaries are translated to Canadian dollars at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the accumulated other comprehensive income in equity.

For assets, liabilities, revenue and expenses that do not form part of the net investment in the Company's United States subsidiaries any related foreign currency gains or losses are included in net loss.

d) Financial instruments

Financial assets and financial liabilities classified at fair value through profit or loss are subsequently measured at fair value with gains and losses recognized in net earnings. Loans and receivables and financial liabilities measured at amortized cost are subsequently measured at their amortized cost, using the effective interest method.

Derivative instruments are recorded at fair value including those derivatives that are embedded in a financial instrument or other contract but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in net loss, except for derivatives that are designated as cash flow hedges. The Company presently does not have any derivative financial instruments.

The Company has designated its accounts payable and promissory notes payable as financial liabilities measured at amortized cost, which is reflected on the statement of financial position as amortized cost using the effective interest method of measurement. Short-term investments, warrants and share obligation payable have been designated at fair value through profit or loss, and are reflected on the statement of financial position at fair value. The Company has designated cash, accounts receivable, and deposits as loans and receivables, which are reflected on the statement of financial position at amortized cost using the effective interest method of measurement.

Transaction costs are expensed as incurred for financial instruments classified or designated at fair value through profit or loss. For other financial instruments, transaction costs are added to the related financial asset or liability on initial recognition and are measured at amortized cost using the effective interest method. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

The Company assesses impairment of all its financial assets, except those classified at fair value through profit or loss. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in current earnings.

2. Significant accounting policies (continued)**:**

e) Fair Value

The fair value of a financial instrument is the amount of consideration that could be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no obligation to act. In certain circumstances, however, the initial fair value may be based on other observable current market transactions in the same instrument, without modification or on a valuation technique using market based inputs.

Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market date (unobserved inputs) (Level 3).

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

f) Cash

Cash consists of funds on deposit.

g) Fixed assets and broker relationships

Fixed assets are recorded at cost and depreciated over their estimated useful lives. Broker relationships are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value.

Fixed assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	7 years

Broker relationships are amortized on a straight-line basis over their estimated useful lives of 5 years.

h) Impairment of non-financial assets

Property and equipment and broker relationships are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recorded as an expense.

2. Significant accounting policies (continued)**:**

h) Impairment of non-financial assets (continued)

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the consolidated statement of loss.

i) Provisions

Provisions are recognized in other liabilities when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material, such as closure costs.

j) Convertible promissory note

The convertible promissory note is separated into debt and equity component based on the respective fair value at the date of issue. The value of the debt component is calculated at the estimated fair value of the future interest and principal payments due under the terms of the convertible promissory note. The value assigned to the equity component represents the value of the conversion feature. Transaction fees, costs, discounts and premium directly related to the debt component of convertible promissory note are recognized in net income over the term of the borrowing. Transaction fees, costs, discounts and premiums directly related to the equity component of convertible promissory note are recognized in to the value of the equity component, net of deferred income tax.

Subsequent to initial recognition, the liability component of convertible promissory note is measured at amortized cost using the effective interest method. The equity component is not measured subsequent to initial recognition.

k) Share options

The Company has a share option plan available for officers, employees and directors. The fair value based method of accounting is applied to all share-based compensation. The fair value of the share options granted is estimated on the date of grant using the Black-Scholes option-pricing model and is recorded as an expense over the applicable vesting period based on the number of awards expected to vest. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Any consideration paid by the directors on exercise of the share option is credited to share capital. Awards of options and warrants related to private placements or public offerings of shares are treated as share issue costs.

l) Income taxes

Current tax for each taxable entity is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred income tax is recognized using the statement of financial position method in respect of all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes, except as indicated below.

2. Significant accounting policies (continued)**:**

l) Income taxes (continued)

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date.

Current and deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entities or in different taxable entities, and, where there is the intent to settle the balance on a net basis.

m) Revenue recognition

Revenue on commission-based brokerage services is recognized on a trade date basis and the sale of fee-based products and services is recognized on an accrual basis. Profit participation rights received for brokerage services are recorded as revenue when proceeds are received.

Interest revenue is recognized when reasonable assurance exists regarding measurement and collectability using the effective interest method.

2. Significant accounting policies (continued)**:**

n) Loss per common share

Basic loss per share is calculated using the daily weighted average number of shares outstanding.

Diluted loss per share is calculated using the daily weighted average number of shares that would have been outstanding during the year had all dilutive potential common shares been issued at the beginning of the year, or when the underlying options or convertible securities were granted or issued, if later. The treasury share method is employed to determine the incremental number of shares that would have been outstanding had the Company used proceeds from the exercise of options to acquire shares.

o) Future changes to significant accounting policies

The following standards are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The new standards are not expected to have an impact on shareholders' equity, net income or comprehensive income, but may have a presentation impact on the financial statements.

- IFRS 10 – Consolidated Financial Statements – replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities, provides a single consolidation model that identifies control as the basis for consolidation for all types of entities.
- IFRS 11 – Joint Arrangements - supersedes IAS 31 Interests in Joint Ventures and SIC-13—Jointly Controlled Entities–Non-monetary Contributions by Venturers, established principles for the financial reporting by parties to a joint arrangement.
- IFRS 12 – Disclosure of Interests in Other Entities - combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangement, associates and unconsolidated structured entities.
- In conjunction with IFRS 10, IFRS 11 and IFRS 12, the IASB also issued amended and retitled IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures.
- IFRS 13 – Fair Value Measurement - defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

IFRS 9 - replaces IAS 39 – Financial Instruments: Recognition and Measurement, retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value, effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

3. Critical accounting estimates and judgments:

The preparation of financial statements in conformity with IFRS requires the Company's management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. Examples include the estimated useful life of an asset. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of fixed assets and broker relationships and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

4. Acquisitions:

On November 24, 2011 the Company acquired all of the issued and outstanding shares of Allied Beacon Partners, Inc. and 90% of the outstanding shares of Allied Beacon Wealth Management, LLC, for an aggregate purchase price of $1,284,586 paid through the issuance of 1,754,000 common shares of the Company on acquisition, the future issuance of 1,148,800 shares of the Company on January 1, 2013, two promissory notes payable in the aggregate amount of $546,318 and share options to purchase 175,000 common shares valued at $7,568 calculated using the Black-Scholes method. On December 23, 2011 the Company acquired the remaining 10% of Allied Beacon Wealth Management, LLC in exchange for 20,000 common shares.

For the year ended December 31, 2011, Allied Beacon Partners, Inc. contributed revenue of $1,820,128 and a net loss of $78,008 and Allied Beacon Wealth Management, LLC has contributed revenue of $23,250 and a net loss of $2,325. For the year ended December 31, 2011, had the Company acquired Allied Beacon Partners, Inc. and Allied Beacon Wealth Management, LLC on January 1, 2011 the contribution to revenue would have been approximately $10,200,000 and $210,000 respectively and had a net loss of $113,000 and $14,000 respectively.

The acquisition of Allied Beacon Partners, Inc. and Allied Beacon Wealth Management, LLC is consistent with the company's strategy of expanding their presence in the financial services industry. The Company has accounted for these business combinations using the acquisition method.

4. Acquisitions (continued)**:**

The following represents the fair value of the assets and liabilities acquired:

Cash	$	723,439
Accounts receivable		196,314
Prepaid expenses and deposits		187,414
Fixed assets		13,329
Broker relationships		1,285,203
Total assets	$	2,405,699
Accounts payable	$	893,755
Deferred income taxes		227,358
Total liabilities	$	1,121,113
Net assets acquired	$	1,284,586
Purchase price:		
Common shares	$	443,500
Share options		7,568
Promissory notes		546,318
Share obligation		287,200
	$	1,284,586

Included in general and administrative expense for the year ended December 31, 2011 is $46,830 of transaction costs related to the acquisition.

5. Short-term investments:

Short-term investments consist of interests in private entities. The following table summarizes the short-term investments:

	Year ended December 31, 2012	Year ended December 31, 2011
Balance beginning of period	$ 65,681	$ 166,146
Redemption of guaranteed investment certificates	-	(150,000)
Receipt of equity securities	-	62,992
Proceeds on sale of equity securities	-	(16,319)
Change in fair value	(59,539)	312
Foreign exchange adjustment	(1,637)	2,550
Balance, end of period	$ 4,505	$ 65,681

6. Warrants:

Warrants consist of options to acquire stock of public and privately held entities.

	Year ended December 31, 2012	Year ended December 31, 2011
Balance, beginning of period	$ 21,967	$ 20,489
Warrants received	19,465	4,604
Change in fair value	(3,892)	(3,391)
Foreign exchange adjustment	(729)	265
Balance, end of period	$ 36,811	$ 21,967

7. Broker relationships:

	Year ended December 31, 2012	Year ended December 31, 2011
Balance, beginning of period	$ 1,436,294	$ 383,372
Acquisition of broker relationships	-	1,285,203
Amortization of broker relationships	(305,259)	(117,281)
Adjustment to broker relationships	(128,576)	(115,000)
Balance, end of period	$ 1,002,459	$ 1,436,294

Management determined that the broker relationships were impaired due to changes in broker personnel, and an adjustment of $128,576 (2011 - $115,000) was recorded.

8. Fixed assets:

	Furniture and equipment	Computers	Leasehold improvements	Total
Cost				
At December 31, 2010	$ 480	$ 7,643	$ -	$ 8,123
Additions	17,329	187	22,181	39,697
At December 31, 2011	17,809	7,830	22,181.00	47,820
Additions	-	20,632	7,326	27,958
At December 31, 2012	17,809	28,462	29,507	75,778
Accumulated amortization				
At December 31, 2010	$ 130	$ 1,243	$ -	$ 1,373
Amortization	554	6,492	357	7,403
At December 31, 2011	684	7,735	357	8,776
Amortization	2,386	2,848	5,594	10,828
At December 31, 2012	3,070	10,583	5,951	19,604
Foreign currency translation adjustment				
At December 31, 2010	$ (4)	$ (229)	$ -	$ (233)
Amortization	(321)	134	(280)	(467)
At December 31, 2011	(325)	(95)	(280)	(700)
Amortization	(355)	(238)	(555)	(1,148)
At December 31, 2012	(680)	(333)	(835)	(1,848)
Net book value				
December 31, 2011	$ 16,800	$ -	$ 21,544	$ 38,344
December 31, 2012	$ 14,059	$ 17,546	$ 22,721	$ 54,326

9. Promissory notes payable:

	December 31, 2012	December 31, 2011
Promissory note, unsecured, effective interest at 7%, interest only payable quarterly commencing November 2012, maturing with $120,422 due November 2016	$ 120,422	$ 239,478
Promissory note, unsecured, effective interest at 7%, interest only payable quarterly commencing November 2013, maturing with $354,735 due November 2018	333,205	310,717
Promissory note, unsecured, bearing interest at 6.25%, payable in blended monthly payments of $920 United States dollars, due September 2015	27,348	-
Convertible promissory note, face value of $100,000 United States dollars unsecured, bearing interest at 8.50%, convertible into common shares at a price of $0.25 per common share up to November 2014, $0.75 up to November 2016, and $1.25 up to November 2017, due December 2017	93,712	-
Less: transaction costs	(14,354)	
	560,333	550,195
Less: current portion		
Promissory notes payable	(9,482)	-
Transaction costs	2,363	-
	(7,119)	-
	$ 553,214	$ 550,195

For the year ended December 31, 2012 the principal amount owing on the promissory note due November 2016 was reduced by $134,578 (2011 - $nil) for legal and arbitration fees paid by Allied Beacon Partners, Inc. for matters that arose prior to the closing of the Allied Beacon Partners, Inc. acquisition.

Included in interest expense are amortization of transaction costs of $86 (2011 - $nil). Included in accounts payable is accrued interest of $1,557 (2011 - $nil)

Principal payments for the 12 month period ending December 31 are as follows:

2013	$ 9,482
2014	9,227
2015	8,639
2016	120,422
2017	99,490
2018	354,735

10. Share obligation payable:

In connection with the acquisition of Allied Beacon Partners, Inc. and Allied Beacon Wealth Management LLC, the Company was obligated to issue 1,148,800 common shares on January 1, 2013. During the year ended December 31, 2012 a change in fair value adjustment of $229,760 (2011 - $57,440) was recorded. Subsequent to year end, the share obligation payable was satisfied as the common shares were issued.

11. Share capital:

	December 31, 2012	December 31, 2011
Authorized:		
Unlimited number of common shares		
Issued:		
11,802,000 common shares (December 31, 2011 - 11,802,000)	$ 2,505,425	$ 2,505,425

On November 24, 2011 the Company issued 1,774,000 common shares for the acquisition of Allied Beacon Partners, Inc. and Allied Beacon Wealth Management LLC with a deemed price of $0.25 per common share.

During the year ended December 31, 2011, the Company issued 150,000 common shares on the exercise of share options for cash proceeds of $30,000. Contributed surplus of $11,625 related to the share options exercised was reclassified from contributed surplus to share capital.

Share capital and deficit as at December 31, 2011 were restated by $11,625 for the value associated with options exercised reclassified from deficit to share capital. The balance of share capital as of December 31, 2011 increased from $2,493,800 to $2,505,425 and the balance of the deficit increased from $1,849,911 to $1,861,536.

12. Share Options:

The Company may grant options to directors, officers, and technical consultants of the Company. The maximum number of shares reserved for issuance under all securities compensation arrangements is limited to 10% of the total number of issued and outstanding shares exercisable for a period of up to 5 years. The maximum number of shares that may be issued to any officer or director shall not exceed 5% of the total number of issued and outstanding shares. The maximum number of shares that may be issued to technical consultants, including investor relations consultants, shall not exceed 2% of the total number of issued and outstanding shares.

The Directors set the exercise price at the time that an option is granted under the plan, which exercise price shall not be less than the discounted market price of the shares. The discounted market price is the market price of the shares, less a discount, which shall not exceed 25% if the market price is $0.50, or less, 20% if the market price is from $0.51 to $2.00 and 15% if the market price is above $2.00 as determined under the policies of the Exchange.

12. Share Options (continued)**:**

	Year ended December 31,			
	2012		2011	
	Share options	Price	Share options	Price
Share options, beginning of period	1,010,000	$ 0.37	848,500	$ 0.24
Share options expired	(293,000)	0.50	(198,500)	0.26
Share options exercised	-	-	(150,000)	0.20
Share options granted	-	-	510,000	0.50
Share options, end of period	717,000	$ 0.38	1,010,000	$ 0.37
Weighted average remaining life (years)	1.91		2.30	
Share options vested, end of period	717,000	$ 0.38	848,000	$ 0.35
Weighted average remaining life (years) vested	1.91		2.37	

The share options outstanding as at December 31, 2012 are:

Exercise price	Number outstanding	Remaining outstanging contractual life (years)	Number vested
$ 0.50	302,000	0.95	302,000
0.50	70,000	3.95	70,000
0.26	296,000	2.30	296,000
0.26	49,000	2.61	49,000
$ 0.38	717,000	1.91	717,000

On December 12, 2011, the Company granted share options to purchase an aggregate of 510,000 common shares at $0.50 per common share. The fair value associated with the share options issued was calculated using the Black-Scholes model for option valuation, assuming a volatility of 98% on the underlying shares, the term to ranging from 6 months to 5 years, a dividend yield of 0%, and the risk free interest rate of 0.91%.

13. Loss per share

The weighted average basic and diluted common shares outstanding for the year ended December 31, 2012 is 11,802,000 (2011 – 10,062,745). Outstanding options and convertible promissory note are anti-dilutive.

14. Income taxes:

The provision for income taxes reflects an effective rate that differs from the combined federal and provincial tax rates for the following reasons:

	Year ended December 31, 2012	Year ended December 31, 2011
Net loss before income taxes	$ (223,501)	$ (725,105)
Combined Canadian statutory rate	26.5%	28%
Income tax recovery based on statutory rate	$ 59,228	$ 203,029
Rate differential (U.S. statutory rates versus Canadian statutory rates) and changes in estimated tax rate	(9,723)	(67,160)
Permanent differences	(7,037)	(7,955)
Transaction costs	(9,243)	(13,112)
Changes in fair value	30,443	(8,198)
Capital loss	45,048	-
Change in valuation allowance	(72,844)	(151,434)
Other	3,303	1,339
Provision for income taxes	$ 39,175	$ (43,491)

Significant components of the Company's deferred income tax asset are as follows:

	December 31, 2012	December 31, 2011
Non-capital loss carryforward	$ 222,213	$ 322,508
Net capital loss carryforward	164,480	-
Temporary differences	(304,128)	(417,253)
Deferred income tax asset (liability)	82,565	(94,745)
Valuation allowance	(275,104)	(202,260)
Deferred income tax liability	$ (192,539)	$ (297,005)

The Company has approximately $509,000 (2011 - $821,000) of unused non-capital tax losses and $1,241,300 (2011 - $nil) of capital tax losses for which no deferred tax asset is recognized. The non-capital tax losses begin to expire in 2027 (2011 – 2027).

15. Compensation of key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly and indirectly, include any director (whether executive of otherwise) of the Company.

	Year ended December 31, 2012	Year ended December 31, 2011
Salaries and other short-term employee benefits	$ 258,946	$ 56,106
Share-based payments	-	11,009
	$ 258,946	$ 67,115

During the year the Company paid $75,491 (2011 - $20,326) of compensation to a close family member of key management and $23,961 of termination benefits (2011 - $nil).

16. Commitments:

The Company has entered into various lease agreements for the use of office space. Minimum lease payments for the 12 month period ending December 31 are as follows:

2013	$ 164,005
2014	166,070
2015	168,198
2016	111,053
2017	44,067

17. Capital management:

The Company's objectives when managing capital, which consists of shareholders' equity and promissory note payable, are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital from time-to-time using a variety of measures. Monitoring procedures are typically performed as a part of the overall management of the Company's operations. The Company's strategy during the period, which was unchanged from the prior period, was to maintain its ability to secure access to financing at a reasonable cost. The requirements and terms of sources of capital cannot be predicted and change in ways the Company cannot predict.

17. Capital management (continued)**:**

The Company's total capital of $1,183,611 (December 31, 2011 - $1,566,268) consists of $560,333 (December 31, 2011 - $550,195) of promissory notes payable, $114,880 (December 31, 2011 - $344,640) of share obligation payable, $2,505,425 (December 31, 2011 - $2,505,425) of share capital, $43,494 (December 31, 2011 - $42,994) of contributed surplus and offsetting $13,041 (December 31, 2011 - $15,450) of accumulated other comprehensive loss and deficit of $2,027,480 (December 31, 2011 - $1,861,536).

Allied Beacon Partners, Inc. is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule cm 3-3), which requires the maintenance of minimum net capital. As of December 31, 2012, Allied Beacon Partners, Inc. reported net capital of $103,793 (2011 - $125,200) United States dollars, which was $36,808 (2011 - $74,895) United States dollars in excess of its required net capital of $66,985 (2011 - $50,305) United States dollars.

18. Risk management and fair values:

Risk management

Management's risk management policies are typically performed as a part of the overall management of the Company's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Company is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Company has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Company, management considers the avoidance of undue concentrations of risk. The risks and the actions taken to manage them include the following:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company's main sources of liquidity are its operations. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Company's financial obligations associates with financial liabilities. Other sources of funding include raising new equity by issuing common shares. The risk with issuing new capital is that the capital markets may not be receptive to an equity issue with financial terms favourable to the Company.

The Company's financial liabilities include accounts payable due within a year and promissory notes, which are repayable as follows:

	2013	2014	2015	2016	2017	2018
Accounts payable	$1,097,404	$ -	$ -	$ -	$ -	$ -
Promissory notes payable	9,482	9,227	8,639	120,422	99,490	354,735
	$1,106,886	$ 9,227	$ 8,639	$120,422	$99,490	$354,735

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company is exposed to currency risk as its wholly owned subsidiary corporations undertake their economic activities in United States dollars. Changes in the applicable exchange rate may result in a decrease or increase in foreign exchange income or expense. The Company may enter into forward exchange contracts to manage part of the foreign exchange risk exposures denominated in United States dollars.

18. Risk management and fair values (continued)**:**

The Canadian dollar equivalent of monetary assets and liabilities that are denominated in United States dollars are as follows:

Cash	$ 536,930
Accounts receivable	740,446
Deposits	79,592
Short-term investments	4,505
Warrants	36,811
Accounts payable	975,234
Promissory notes payable	121,060

Included in general and administrative expense is a loss on foreign currency of $14,278 (2011 – gain of $12,035).

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company invests in short-term investments that may be cashed prior to maturity.

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associates with financial instruments. The Company's cash flows associates with short-tem investments in publicly traded equity securities are affected by changes in equity prices.

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Company also may review credit history before establishing credit and review credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, Canadian trends and other information.

A financial asset is past due when a debtor has failed to make a payment when contractually due. The Company has no financial assets that are past due and has an allowance for doubtful accounts of $6,964 ($nil). Included in general and administrative expense is $nil (2011 - $9,028) of amounts charged to net loss for uncollectible accounts.

Sensitivity analysis

For the current period, if the Canadian dollar had weakened 10 percent against the United States dollar with all other variables held constant, after-tax net loss for the year ended December 31, 2012 would have been approximately $3,000 higher (2011 - $63,000) and comprehensive loss would have been approximately $24,400 higher (2011 - $49,600). Conversely, if the Canadian dollar had strengthened 10 percent against the U.S. dollar with all other variables held constant, after-tax net loss would have been approximately $3,000 lower (2011 - $63,000) and comprehensive loss have would have been approximately $24,400 lower (2011 - $49,600). The foreign currency exchange rate sensitivity in net loss in 2012 is attributable to a change in the translation of monetary assets and liabilities denominated in U.S. dollars.

18. Risk management and fair values (continued)**:**

The sensitivity analyses do not take into consideration that the Company's assets and liabilities are actively managed. Additionally, the financial position of the Company may vary at the time that any actual market movement occurs or be mitigated by management actions to reduce exposure to risks.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Fair values

The fair values of the Company's financial assets and liabilities including cash, accounts receivable, deposits, and accounts payable approximate their recorded values as at December 31, 2012 and 2011 due to their short-term nature. The fair value of publicly traded equity securities in short-term investments and share obligation payable is based on published sources and observable market data. The fair value of the Company's promissory notes payable approximates amortized costs and has been estimated based on current market rates for debt with similar terms and conditions.

The fair value hierarchy of financial instruments measures at fair value on the statement of financial position is level 1 for share obligation payable and level 3 for short-term investments and warrants (December 31, 2011 - level 1 for share obligation payable and level 3 for short-term investments and warrants).

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at year-end may not represent fair values at any other date. The determination of fair value is also affected by the use of judgment and by uncertainty.

19. Contingencies:

In the normal course of operations, the Company is subject to a variety of legal and other claims. It is not possible to reasonably estimate the maximum amount that may have to be paid under such claims and no amount has been accrued. The amounts are dependent upon the outcome of the future contingent events, the nature and likelihood of which cannot be determined at this time. Management of the Company believes that the current claims are without merit and does not expect to incur any potential payment in connection with these contingencies that could have a materially adverse effect on its financial statements.

A claim against American Beacon Partners Inc. and other parties was settled with an agreement to pay claimants a total of $155,400 United States dollars in compensatory damages with $76,000 United States dollars to be paid by American Beacon Partners Inc. An arbitration awarded $160,000 United States dollars against American Beacon Partners Inc. American Beacon Partners Inc. has no assets to satisfy these claims and no accrual has been recorded in the consolidated financial statements. American Beacon Partners, Inc. ceased operations and was dissolved on December 31, 2012.

19. Contingencies (continued)**:**

The acquisition of Allied Beacon Partners, Inc. was undertaken pursuant to an agreement among the Company, AIC, Inc., Frank Wainscott and Allied Beacon Partners, Inc. Allied Beacon Partners, Inc. was formerly known as Waterford Investor Services, Inc. AIC, Inc. is controlled by Nick Skaltsounis and both Mr. Skaltsounis and AIC, Inc., among others, have been named in a complaint by the United States Securities and Exchange Commission (the "SEC") dated April 15, 2011. This complaint alleges, among other things, that AIC, Inc., Mr. Skaltsounis and certain other persons violated a number of United States securities laws and operated a "ponzi scheme" whereby AIC, Inc. raised funds from various investors by way of fraudulent misrepresentations and used such funds to repay its prior investors. AIC, Inc., Mr. Skaltsounis and the other defendants deny the allegations and have been vigorously defending the complaint. At the time of the complaint, Allied Beacon Partners, Inc. was a wholly-owned subsidiary of AIC, Inc.

The SEC seeks disgorgement of ill-gotten gains or proceeds of the fraud allegedly received by Allied Beacon Partners, Inc. from AIC, Inc. in the amount of $486,000 United States dollars. If the SEC were to prevail in the complaint, it appears that the only damages that would be imposed against Allied Beacon Partners, Inc. would be the requirement to pay up to $486,000 United States dollars, plus interest to the SEC. To mitigate the risk to the Company from the complaint, the promissory notes payable provide that the principal amount of such notes shall be reduced by the amount of any judgments against Allied Beacon Partners, Inc. for matters that arose prior to the closing of the Allied Beacon Partners, Inc. acquisition. The current carrying value of the promissory notes payable is $453,627.