

PAID INC
Form 10-Q
November 10, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

COMMISSION FILE NUMBER 0-28720

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation or Organization)

73-1479833

(I.R.S. Employer Identification No.)

200 Friberg Parkway, Westborough, Massachusetts 01581

(Address of Principal Executive Offices) (Zip Code)

(617) 861-6050

(Registrant's Telephone Number, Including Area Code)

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

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Yes No

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

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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

Yes No

As of November 10, 2015, the issuer had outstanding 343,774,049 shares of its Common Stock, par value \$0.001 per share.

PAID, INC.

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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****PAID, INC.****CONDENSED BALANCE SHEETS**

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 313,673	\$ 651,318
Accounts receivable, net	91,647	91,574
Other receivables, net	11,377	120,338
Inventories	1,305	1,305
Prepaid expenses and other current assets	16,606	42,567
Advanced royalties, net	82,905	82,905
Total current assets	517,513	990,007
Property and equipment, net	9,532	18,489
Intangible asset, net	3,537	4,242
Deposits and other assets	12,332	23,387
Total assets	\$ 542,914	\$ 1,036,125
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	\$ 128,956	\$ 215,707
Capital leases – current portion	7,027	15,223
Accrued expenses	1,015,790	674,019
Deferred revenues	6,213	7,102
Total current liabilities	1,157,986	912,051
Long-term liabilities:		
Capital leases – net of current portion	-	3,095
Total liabilities	1,157,986	915,146
Commitments and contingencies	-	-
Shareholders' (deficit) equity:	343,774	339,374

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Common stock, \$0.001 par value, 550,000,000 shares authorized; 343,774,049 shares and 339,374,050 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively

Common stock subscribed but not issued	-	25,000
Additional paid-in capital	53,872,952	53,506,353
Accumulated deficit	(54,831,798)	(53,749,748)
Total shareholders' (deficit) equity	(615,072)	120,979
Total liabilities and shareholders' (deficit) equity	\$ 542,914	\$ 1,036,125

See accompanying notes to condensed financial statements

PAID, INC.**CONDENSED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenues	\$46,191	\$48,340	\$139,593	\$749,916
Cost of revenues	12,676	10,502	32,470	485,018
Gross profit	33,515	37,838	107,123	264,898
Operating expenses	218,377	213,645	733,062	781,160
Loss from operations	(184,862)	(175,807)	(625,939)	(516,262)
Other income (expense):				
Interest income (expense), net	(148)	(425)	(634)	1,418
Other income	-	350	-	86,967
Realized loss on investments in available-for-sale securities	-	-	-	(79,983)
Write down of other receivables	(108,961)	(50,561)	(108,961)	(278,089)
Gain on settlement of liabilities	-	-	-	34,759
Unrealized loss on stock price guarantee	(376,007)	(157,939)	(345,542)	(375,147)
Total other expense, net	(485,116)	(208,575)	(455,137)	(610,075)
Loss before provision for income taxes	(669,978)	(384,382)	(1,081,076)	(1,126,337)
Provision for income taxes	18	2,765	974	3,971
Net loss	\$(669,996)	\$(387,147)	\$(1,082,050)	\$(1,130,308)
Net loss per share – basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding - basic and diluted	343,774,049	328,874,050	342,972,218	328,874,050

See accompanying notes to condensed financial statements

PAID, INC.**CONDENSED STATEMENTS OF CASH FLOWS****FOR THE NINE MONTHS ENDED SEPTEMBER 30,****(Unaudited)**

	2015	2014
Cash flows from operating activities:		
Net loss	\$(1,082,050)	\$(1,130,308)
Adjustments to reconcile net loss to cash and cash equivalents used in operating activities:		
Depreciation and amortization	9,662	20,620
Realized loss on investments in available-for-sale securities	-	79,983
Write down of other receivables	108,961	278,089
Gain on settlement of liabilities	-	(34,759)
Share-based compensation	150,999	38,004
Unrealized loss on stock price guarantee	345,542	375,147
Changes in assets and liabilities:		
Accounts receivable	(73)	225,799
Other receivables	-	214,759
Prepaid expenses and other current assets	25,961	8,936
Advanced royalties	-	(2,042)
Deposits and other assets	11,055	(17,072)
Accounts payable	(86,751)	(347,555)
Accrued expenses	(3,771)	(11,193)
Deferred revenues	(889)	(13,614)
Net cash and cash equivalents used in operating activities	(521,354)	(315,206)
Cash flows from investing activities:		
Proceeds from sale of investments in available-for-sale securities	-	157,650
Net cash and cash equivalents provided by investing activities	-	157,650
Cash flows from financing activities:		
Payments on capital leases	(11,291)	(18,104)
Proceeds from issuance of common stock	195,000	-
Net cash and cash equivalents provided by (used in) financing activities	183,709	(18,104)
Net change in cash and cash equivalents	(337,645)	(175,660)
Cash and cash equivalents, beginning of period	651,318	463,285
Cash and cash equivalents, end of period	\$313,673	\$287,625
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Income taxes paid	\$974	\$3,971
Interest paid	\$634	\$920
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES		
Issuance of previously subscribed common stock	\$25,000	\$-

See accompanying notes to condensed financial statements

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PAID, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

September 30, 2015

Note 1. Organization and Significant Accounting Policies

PAID, Inc. (“PAID” the “Company”, “we”, “us”, “our”) has developed AuctionInc, which is a suite of online shipping tools assisting e-commerce businesses with shipping solutions, inventory management, and auction processing. The product has tools to assist with other aspects of the fulfillment process, but the main purpose of this product is to deliver accurate shipping and packaging algorithms that provide customers with the best possible shipping solutions.

The Company has five United States patents issued by the United States Patent and Trademark Office (USPTO) and one pending patent application.

Previously, the Company's primary focus was to provide brand-related services to businesses, celebrity clients in the entertainment industry as well as charitable organizations. PAID's brand management, brand marketing, social media marketing, product design and merchandising, website design, development and hosting services were designed to grow each client's customer base in size, loyalty and revenue generation. We offered entertainers and business entities comprehensive web-presence and related services supporting and managing clients' official websites and fan-community services including e-commerce, VIP ticketing, live event fan experiences, user-generated content, client content publishing and distribution, fan forums, social network management, social media marketing, customer data capture, management and analysis.

General Presentation and Basis of Financial Statements

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's audited financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2014 that was filed on March 30, 2015.

In the opinion of management, the Company has prepared the accompanying unaudited condensed financial statements on the same basis as its audited financial statements, and these unaudited condensed financial statements include all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year 2015.

Going Concern and Management's Plan

The accompanying unaudited condensed financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has continued to incur losses, although it has taken significant steps to reduce them. For the nine months ended September 30, 2015, the Company reported a net loss of \$1,082,050. The Company has an accumulated deficit of \$54,831,798 at September 30, 2015 and used \$521,354 of cash and cash equivalents in operations for the nine months ended September 30, 2015. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management has reduced the Company's losses in the music and entertainment area and focused the Company on its growing patent portfolio and its shipping calculator products. The Company has concluded its relationships within the music industry and is focusing all of its attention towards growing the AuctionInc business. We believe these changes to our business model will lead to improved efficiency, increased margins and a reduction of our operating costs. Going forward the primary focus of PAID is to sell our AuctionInc line of shipping calculator products. AuctionInc has recently added several new integrations with e-commerce platform providers in order to broaden its line of shipping calculator products and increase revenues.

Although there can be no assurances, the Company believes that the above management plan will be sufficient to meet the Company's working capital requirements through the end of 2015.

Use of Estimates

The preparation of the condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to the collectability of accounts receivables and other receivables, the valuation of inventories, the recoverability of long-lived assets, the valuation of deferred tax assets and liabilities and the estimated fair value of the royalty and advance guarantees and share-based transactions. Actual results could materially differ from those estimates.

Fair Value Measurements

The Company measures the fair value of certain of its financial assets on a recurring basis. A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

At September 30, 2015 and December 31, 2014, the Company's financial instruments include cash and cash equivalents, accounts receivable, other receivables, accounts payable, capital leases, and accrued expenses. The carrying amount of cash and cash equivalents, accounts receivable, other receivables, accounts payable, capital leases

and accrued expenses approximate fair value due to the short-term maturities of these instruments.

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At September 30, 2015, the Company had amounts in these accounts in excess of the FDIC limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these deposits. Management believes that it has invested in high credit quality institutions for which the Company has not experienced any loss in its accounts and believes it is not exposed to any significant credit risk related to these accounts.

The Company extends credit based on an evaluation of the customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts. At both September 30, 2015 and December 31, 2014, the Company has recorded an allowance for doubtful accounts of \$38,609.

For the three months ended September 30, 2015, no revenues from any one individual client accounted for more than 10% of total revenues. For the three months ended September 30, 2014, revenues from two clients accounted for approximately 96% of total revenues. For the nine months ended September 30, 2015, no revenues from any one individual client accounted for more than 10% of total revenues. For the nine months ended September 30, 2014, revenues from two clients accounted for approximately 85% of total revenues. These revenues were generated from the sales of our line of AuctionInc products, tour merchandise, VIP services, and merchandising and fulfillment services.

Other Receivables

Other receivables consisted of shares of our common stock held by the Company's landlord, Carruth Capital which are considered available-for-sale. As of September 30, 2015 and December 31, 2014, 2,528,091 shares were held by Carruth Capital and were valued at \$11,377 and \$120,338, respectively, based on the market price of our common stock. The Company records an impairment of these shares when the market price decreases in the accompanying condensed statements of operations. For the three months ended September 30, 2015 and 2014, the write down of other receivables was \$108,961 and \$50,561 respectively. For the nine months ended September 30, 2015 and 2014, the write down of other receivables was \$108,961 and \$278,089 respectively.

Inventories

Inventories consist of merchandise for sale and are stated at the lower of average cost or market determined on a first-in, first-out method. When a purchase contains multiple copies of the same item, they are stated at average cost.

At each balance sheet date, the Company evaluates its ending inventory quantities on hand and on order and records a provision for excess quantities and obsolescence. Among other factors, the Company considers historical demand and forecasted demand in relation to the inventory on hand, competitiveness of product offerings, market conditions and product life cycles when determining obsolescence and net realizable value. In addition, the Company considers changes in the market value of components in determining the net realizable value of its inventory. Provisions are made to reduce excess or obsolete inventories to their estimated net realizable values. Once established, write-downs

are considered permanent adjustments to the cost basis of the excess or obsolete inventories.

Advanced Royalties

Advanced royalties represent amounts the Company has advanced to certain clients and are recoupable against future royalties earned by the clients. Advances are issued in either cash or shares of the Company's common stock and advanced amounts are calculated based on the clients' projected earning potential over a fixed period of time. Advances made by issuing stock or common stock options are recorded at their fair value on the date of issue. If the shares do not reach the required price per share, the Company has the option of issuing additional shares or making cash payment of the difference between the sales price and the fair value of the stock. The Company records a liability for the difference between the fair value of the stock and the guaranteed sales price amount. The change in fair value of the stock price guarantee is recorded in the accompanying condensed statements of operations.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 to 5 years. Any leasehold improvements are depreciated at the lesser of the useful life of the asset or the lease term. Equipment purchased under capital leases is amortized on a straight-line basis over the estimated useful life of the asset or the term of the lease, whichever is shorter.

Intangible Assets

Intangible assets consist of patents which are being amortized on a straight-line basis over their estimated useful life of 17 years.

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. No impairment charges were incurred during the nine months ended September 30, 2015 and 2014. There can be no assurance, however, that market conditions will not change or demand for the Company's services will continue, which could result in impairment of long-lived assets in the future.

Revenue Recognition

The Company generates revenue principally from sales of shopping cart and shipping calculator subscriptions, and other 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 the Company recognizes subscription revenue on a monthly basis. Customers' renewal dates are based on their date of installation and registration of the shipping calculator line of products. Payments are made via credit card for the month preceding the service and are recorded as deferred revenues until the service has been provided.

Fan experience sales generally include tickets and related experiences at concerts and other events conducted by performing artists. Revenues associated with these fan experiences are generally reported gross, rather than net, and are deferred until the related event has been concluded, at which time the revenues and related direct costs are recognized.

Fan club membership fees are recognized ratably over the term of the related membership, generally one year.

For sales of merchandise owned and warehoused by the Company, the Company is responsible for conducting the sale, billing the customer, shipping the merchandise to the customer, processing customer returns and collecting accounts receivable. The Company recognizes revenue upon verification of the credit card transaction and shipment of the merchandise, discharging all obligations of the Company with respect to the transaction. During 2013 the Company moved its merchandising operations to Music City Networks ("MCN") in Nashville, TN. Under our agreement with MCN, revenues are recognized by means of a profit split calculation, payable as a commission due to the Company.

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.

Cost of Revenues

Cost of revenues include data center costs, event tickets, ticketing and venue fees, shipping and handling fees associated with e-commerce sales, merchandise and royalties paid to clients.

Operating Expenses

Operating expenses include indirect related expenses, including credit card processing fees, payroll, travel, facility costs, and other general and administrative expenses.

Advertising

Advertising costs are charged to expense as incurred. For the three months ended September 30, 2015 and 2014, advertising expense totaled \$7,180 and \$14, respectively, and for the nine months ended September 30, 2015 and 2014, advertising expense totaled \$20,282 and \$2,649, respectively. These expenses are included in operating expenses in the accompanying condensed statements of operations.

Share-Based Compensation

The Company grants options to purchase the Company's common stock to employees, directors and consultants under stock option plans. The benefits provided under these plans are share-based payments that the Company accounts for using the fair value method.

The fair value of each option award is estimated on the date of grant using a Black-Scholes-Merton option pricing model (“Black-Scholes model”) that uses assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, expected stock price volatility, actual and projected employee stock option exercise behaviors, risk-free interest rate and expected dividends. Expected volatilities are based on the historical volatility of the Company’s common stock and other factors. The expected terms of options granted are based on analyses of historical employee termination rates and option exercises. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant. Since the Company does not expect to pay dividends on common stock in the foreseeable future, it estimated the dividend yield to be 0%.

Share-based compensation expense recognized during a period is based on the value of the portion of share-based payment awards that is ultimately expected to vest and is amortized under the straight-line attribution method. As share-based compensation expense recognized in the accompanying condensed statements of operations for the nine months ended September 30, 2015 and 2014 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. The fair value method requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on historical experience. Changes to the estimated forfeiture rate are accounted for as a cumulative effect of change in the period the change occurred.

Since the Company has a net operating loss carry-forward as of September 30, 2015 and 2014, no excess tax benefits for tax deductions related to share-based awards were recognized from stock options exercised in the nine months ended September 30, 2015 and 2014 that would have resulted in a reclassification from cash flows from operating activities to cash flows from financing activities.

Income Taxes

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the income tax bases of assets and liabilities. A valuation allowance is applied against any net deferred tax asset if, based on available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Therefore, the Company has recorded a full valuation allowance against the net deferred tax assets. The Company's income tax provision consists of state minimum taxes.

The Company recognizes any uncertain income tax positions on income tax returns at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had \$0 accrued for interest and penalties on the Company's accompanying condensed balance sheets at September 30, 2015 and December 31, 2014.

Earnings (Loss) Per Common Share

Basic earnings (loss) per share represent income (loss) available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income (loss) that would result from the assumed issuance. The potential common shares that may be issued by the Company relate to outstanding stock options and have been excluded from the computation of diluted earnings (loss) per share because they would reduce the reported loss per share and therefore have an anti-dilutive effect.

For the three and nine months ended September 30, 2015, there were approximately 400,000 and 1,583,000, respectively, potentially dilutive shares using the treasury stock method that were excluded from the diluted earnings (loss) per share as their effect would have been antidilutive for the period then ended.

Segment Reporting

The Company reports information about segments of its business in its annual financial statements and reports selected segment information in its quarterly reports. The Company also reports on its entity-wide disclosures about the products and services it provides and reports revenues and its major customers. The Company's two reportable segments, entertainment services and shipping calculator services, are managed separately based on fundamental differences in their operations.

The Company evaluates performance and allocates resources based upon operating income. The accounting policies of the reportable segments are the same as those described in this summary of significant accounting policies. The Company's chief operating decision maker is the President, Chief Executive Officer and Chief Financial Officer.

The following table compares total revenue for the periods indicated.

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Entertainment	\$ 6,398	\$ 11,346	\$21,044	\$ 636,979
Shipping calculator	39,793	36,994	118,549	112,937
Total revenue	46,191	48,340	139,593	749,916

The following table compares total loss from operations for the periods indicated.

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Entertainment	\$4,572	\$ 6,968	\$15,078	\$ (337,778)
Shipping calculator	(189,434)	(182,775)	(641,017)	(178,484)
Total loss from operations	(184,862)	(175,807)	(625,939)	(516,262)

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers”. ASU 2014-09 supersedes the revenue recognition requirements in FASB Topic 605, “Revenue Recognition”. The ASU implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. In July 2015, the FASB approved amendments deferring the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date and permitting early adoption of the standard, but not before the original effective date for reporting periods beginning after December 15, 2016. Entities can transition to the standard either retrospectively or as a cumulative –effect adjustment as of the date of adoption. The Company has not selected a transition method and management is currently assessing the impact the adoption of ASU 2014-09 will have on our condensed financial statements.

In August 2014, the FASB issued ASU 2014-15, “Presentation of Financial Statements-Going Concern”. Currently, there is no guidance in GAAP about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern or to provide related footnote disclosures. The amendments require management to assess an entity’s ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management’s plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management’s plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the reporting periods beginning after December 15, 2016 and early application is permitted. Management is currently assessing the impact the adoption of ASU 2014-15 will have on our condensed financial statements.

Reclassifications

Certain reclassifications have been made to the prior period financial statement presentation to conform to the current period financial statement presentation. The reclassifications did not have any effect on reported net losses for any period presented.

Note 2. Accrued Expenses

Accrued expenses are comprised of the following:

	September 30, 2015 (unaudited)	December 31, 2014 (audited)
Payroll and related costs	\$ 1,755	\$ 2,019
Royalties	80,572	80,572
Stock price guarantee	900,274	554,732
Other	33,189	36,696
Total	\$ 1,015,790	\$ 674,019

Note 3. Commitments and Contingencies*Stock Price Guarantee*

In connection with the Company's advance royalties with a client, the Company guaranteed that shares of common stock would sell for at least \$0.12 per share. If the shares are not at the required \$0.12 per share when they are sold, the Company has the option of issuing additional shares at their fair value or making a cash payment for the difference between the guaranteed price per share and the fair value of the stock. As of September 30, 2015 and December 31, 2014, the stock price guarantee was \$900,274 and \$554,732, respectively, as the Company's stock price was below \$0.12 per share at September 30, 2015 and December 31, 2014, although any required payment would be disputed by the Company. For the three months ended September 30, 2015 and 2014, the Company recorded an unrealized loss on stock price guarantee of (\$376,007) and (\$157,939), respectively. For the nine months ended September 30, 2015 and 2014, the Company recorded an unrealized loss on stock price guarantee of (\$345,542) and (\$375,147), respectively.

Legal Matters

In the normal course of business, the Company periodically becomes involved in litigation. As of September 30, 2015, in the opinion of management, the Company had no pending litigation that would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

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. On June 30, 2014, PAID and eBay, Inc. filed a joint motion to stay the district court litigation pending completion of eBay, Inc.'s petitions for covered business review that were filed with the Patent and Trial and Appeal Board ("PTAB"). On September 30, 2014, the PTAB announced that it had granted petitions filed by eBay, Inc. for covered business method review of PAID's United States Patent Nos. 8,635,150, 8,521,642, 8,352,357, and 7,930,237, entitled "Method and System for Improved Online Auction." On June 9, 2015, PAID and eBay, Inc. presented oral arguments to the Patent Trials Appeals Board. The results of the PTAB review were received on September 16, 2015 by PAID, Inc. and its counsel. The PTAB has entered a final ruling and has determined the claims have failed to claim patent eligible subject matter.

Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the State of Delaware. In connection with its facility lease, the Company has agreed to indemnify its lessor for certain claims arising from the use of the facilities. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying condensed balance sheets.

Note 4. Common Stock

Common Stock

During the nine months ended September 30, 2015, the Company sold 3,900,000 shares of common stock for proceeds of \$195,000.

Subscribed and Issued Shares

During the year ended December 31, 2014, the Company sold 500,000 shares of common stock that had not been issued to a shareholder and accordingly, the unissued shares had been reflected as common stock subscribed but not issued in the amount of \$25,000 in the accompanying condensed balance sheet as of December 31, 2014. In February 2015, the Company issued the 500,000 shares to the new shareholder.

Share-based Incentive Plans

During the period ended September 30, 2015, the Company had three stock option plans that include both incentive and non-qualified options to be granted to certain eligible employees, non-employee directors, or consultants of the Company. There were no stock options granted, exercised, canceled or expired during the nine months ended September 30, 2015.

Active Plans:

2012 Plan

On October 15, 2012, the Company adopted the 2012 Non-Qualified Stock Option Plan (the "2012 Plan"). The purpose of the 2012 Plan is to provide long-term incentives and rewards to those employees of the Company, and any other individuals, whether directors, consultants or advisors who are in a position to contribute to the long-term success and growth of the Company. The options granted have a 10 year contractual term and vest one hundred percent on the date of grant. At September 30, 2015, there are 6,000,000 shares reserved for issuance under this plan.

2011 Plan

On February 1, 2011, the Company adopted the 2011 Non-Qualified Stock Option Plan (the "2011 Plan"), and has filed Registration Statements on Form S-8 to register 30,000,000 shares of its common stock. Under the 2011 Plan, employees and consultants may elect to receive their gross compensation in the form of options, exercisable at \$0.001 per share, to acquire the number of shares of the Company's common stock equal to their gross compensation divided by the fair value of the stock on the date of grant. The options granted have a 10 year contractual term and have vesting periods that range from one hundred percent on the date of grant to one third immediately, one third vesting in 18 months and the final one third vesting in 36 months from the date of the grant. At September 30, 2015, there are no shares reserved for issuance under this plan.

2002 Plan

The 2002 Stock Option Plan (“2002 Plan”) provides for the award of qualified and non-qualified options for up to 30,000,000 shares. The options granted have a ten-year contractual term and have a vesting schedule of either immediately, two years, or four years from the date of grant. At September 30, 2015, there are currently no shares reserved for issuance under this plan.

Note 5. Subsequent Events

On October 7, 2015, the Company, through a newly formed limited liability company named PAID Run, LLC, entered into an asset purchase agreement to purchase assets related to BeerRun Software and SpiritRun Software and related intellectual property owned by SWK Technologies, Inc. and OpCenter LLC (unrelated third parties). The purchase price for the assets was \$285,000 cash, which include all of the client lists, along with all rights, benefits and privileges associated with the software and intellectual property, associated contracts, and books and records.

On October 7, 2015, the Company amended its Certificate of Incorporation to affect a 50:1 reverse stock split, whereby every 50 shares of the Company’s common stock is converted automatically into 1 share. The amendment also reduced the total authorized shares of common stock from 550,000,000 to 11,000,000. As of the date of filing this Form 10-Q, the Company has not completed the process with FINRA to effectuate the reverse stock split.

From October 1, 2015 through the filing date of this quarterly report on Form 10-Q, the Company accepted stock subscription agreements from various investors for the purchase of 102,857,142 shares of common stock at \$0.00175 per share, plus 5-year warrants for the purchase of 102,857,142 shares at \$0.00175 per share each on a pre-reverse stock split basis, in a private placement. The Company received total proceeds of \$180,000. These shares of common stock have not been issued due to our pending reverse stock split, as noted above.

The Company has evaluated subsequent events through the filing date of this Form 10-Q, and have determined that no subsequent events have occurred that would require recognition in the condensed financial statements or disclosure in the notes thereto, other than as disclosed herein.

ITEM MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS 2. OF OPERATIONS.

Forward Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) regarding the Company and its business, financial condition, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates", "could", "may", "should", "will", "would", and similar expressions or variations of such words are intended to identify forward-looking statements in this report. Additionally, statements concerning future matters such as the development of new services, technology enhancements, purchase of equipment, credit arrangements, possible changes in legislation and other statements regarding matters that are not historical are forward-looking statements.

Although forward-looking statements in this quarterly report reflect the good faith judgment of the Company's management, such statements can only be based on facts and factors currently known by the Company. Consequently, forward-looking statements are inherently subject to risks, contingencies and uncertainties, and actual results and outcomes may differ materially from results and outcomes discussed in this report. Although the Company believes that its plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company can give no assurance that its plans, intentions or expectations will be achieved. For a more complete discussion of these risk factors, see Item 1A, "Risk Factors", in the Company's Form 10-K for the fiscal year ended December 31, 2014 that was filed on March 30, 2015.

The Company's ability to achieve positive cash flow and to become profitable may be adversely affected as a result of a number of factors that could thwart its efforts. These factors include the Company's inability to successfully implement the Company's business and revenue model, higher costs than anticipated, the Company's inability to sell its products and services to a sufficient number of customers, the introduction of competing products by others, the Company's failure to attract sufficient interest in and traffic to its sites, the Company's inability to complete development of its sites, the failure of the Company's operating systems, and the Company's inability to increase its revenues as rapidly as anticipated. If the Company is not profitable in the future, it will not be able to continue its business operations.

Except as required by applicable laws, we do not intend to publish updates or revisions of any forward-looking statements we make to reflect new information, future events or otherwise. Readers are urged to review carefully and to consider the various disclosures made by the Company in this Annual Report, which attempts to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

Overview

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.

Previously, the Company's primary focus was to provide brand-related services to businesses and celebrity clients in the entertainment industry as well as charitable organizations. PAID's brand management, brand marketing, social media marketing, product design and merchandising, website design, development and hosting services were designed to grow each client's customer base in size, loyalty and revenue generation. We offered entertainers and business entities comprehensive web-presence and related services supporting and managing clients' official websites and fan-community services including e-commerce, VIP ticketing, live event fan experiences, user-generated content, client content publishing and distribution, fan forums, social network management, social media marketing, customer data capture, management and analysis. PAID's brand support services also included design and production of print and promotion marketing materials for client branded products and events. In addition to sourcing, designing and marketing, PAID sold merchandise for celebrities and businesses, through official website stores and other web-based outlets as well as on-tour and retail outlets. Our celebrity services proprietary content management system and our use of both off-the-shelf best of class and proprietary software applications provided an opportunity for our clients to offer a Direct-To-Consumer solution enabling more information, merchandise and experiences directly to their customers and communities while optimizing our ability to capture customer data and build robust customer data-bases for them. We provided business management tools for online retailers, through AuctionInc, which is home to our patented

shipping calculator and automated auction checkout and order processing system. This system provides the fundamental structure for our celebrity web hosting and development services, and for individuals seeking a professional and interactive presence on the Internet.

Significant Accounting Policies

Our significant accounting policies are more fully described in Note 3 to our financial statements included in our Form 10-K filed on March 30, 2015, as updated and amended in Note 1 of the Notes to Condensed Financial Statements included herein. However, certain of our accounting policies, most notably with respect to revenue recognition, 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.

*Results of Operations****Comparison of the three and nine months ended September 30, 2015 and 2014.***

The following discussion compares the Company's results of operations for the three months ended September 30, 2015 with those for the three months ended September 30, 2014. The Company's condensed 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 September 30,		
	2015	2014	% Change
Merchandising and fulfillment	\$ 6,297	\$ 10,859	(42)%
Client services	101	487	(79)%
Shipping calculator services	39,793	36,994	8%
Total revenues	\$ 46,191	\$ 48,340	(4)%

Revenues decreased 4% in the third quarter primarily from the reduction in fulfillment revenues related to third party auction sales.

Merchandising and fulfillment revenues decreased \$4,562 or 42% to \$6,297 in the third quarter of 2015 compared to \$10,859 in 2014. This decrease is a result of our limited third party auction sales.

Client services revenues decreased \$386 or 79% to \$101 in the third quarter of 2015 compared to \$487 in 2014. The decrease was attributable to the change in our business plan as it relates to the services we have provided within the music industry.

Shipping calculator services revenue increased \$2,799 or 8% to \$39,793 in the third quarter of 2015 compared to \$36,994. The increase was largely due to the addition of newly developed products for the AuctionInc platform and a price increase for new products that went into effect on April 1, 2015.

Gross Profit

Gross profit decreased \$4,323 or 11% in the third quarter of 2015 to \$33,515 compared to \$37,838 in 2014. Gross margin decreased 5 percentage points to 73% from 78% in the third quarter of 2014. The decrease in gross margin was mainly due to the increase in the data center expense allocation with regard to AuctionInc.

Operating Expenses

Total operating expenses in the third quarter 2015 were \$218,377 compared to \$213,645 in the third quarter 2014, an increase of \$4,732 or 2%. The increase is due to the additional marketing and advertising associated with the release of new products for AuctionInc.

Other Expense, net

Net other expense in the third quarter of 2015 was \$485,116 compared to \$208,575 in the same period of 2014, an increase of \$276,541 or 133%. This is primarily attributable to the write-down of other receivables of \$108,961 in the third quarter of 2015 compared to \$50,561 in the same period of 2014 and the unrealized loss on stock price guarantee of \$376,007 in the third quarter of 2015 compared to \$157,939 in the same period of 2014. The additional expense related to the stock price guarantee recorded in the third quarter of 2015 is due to decreases in the market price of our common stock.

Net Loss

The Company realized a net loss in the third quarter of 2015 of (\$669,996) compared to a net loss of (\$387,147) for the same period in 2014. The loss for the third quarter of 2015 and 2014 each represent \$0.00 per share.

Revenues

The following table compares total revenue for the periods indicated.

	Nine months Ended September 30,		
	2015	2014	% Change
Merchandising and fulfillment	\$ 20,562	\$ 108,581	(81)%
Client services	482	6,193	(92)%
Shipping calculator services	118,549	112,937	5 %
Touring revenues	-	522,205	(100)%
Total revenues	\$ 139,593	\$ 749,916	(81)%

Revenues decreased 81% primarily from the decreased client base and the withdrawal from the celebrity service industry.

Merchandising and fulfillment revenues decreased \$88,019 or 81% to \$20,562 compared to \$108,581 in 2014. This decrease is a direct result of our withdrawal from the celebrity services industry.

Client services revenues decreased \$5,711 or 92% to \$482 compared to \$6,193 in 2014. The decrease was attributable to the change in our business plan as it relates to the services we have provided within the music industry.

Shipping calculator services revenue increased \$5,612 or 5% to \$118,549 compared to \$112,937 in 2014. This increase is due to sales of the additional products developed for the AuctionInc platform and the increase in the client base.

Touring revenues decreased \$522,205 or 100% to \$0 compared to \$522,205 in 2014. Due to our exit from the celebrity services industry there are no revenues recognized in 2015 when compared to 2014.

Gross Profit

Gross profit decreased \$157,775 or 60% to \$107,123 compared to \$264,898 in 2014. Gross margin increased 42 percentage points to 77% from 35% in 2014. The increase in gross margin was mainly due to the increase in the ratio of revenues with regard to AuctionInc, which has a higher gross profit percentage.

Operating Expenses

Total operating expenses in 2015 were \$733,062 compared to \$781,160 in 2014, a decrease of \$48,098 or 6%. This is largely due the withdrawal from the celebrity service relationships and decreases in payroll, accounting fees, consulting and related costs.

Other Expense, net

Net other expense in 2015 was \$455,137 compared to \$610,075 in the same period of 2014, a decrease of \$154,938 or 25%. This is primarily attributable to the write-down of other receivables of \$108,961 in 2015 compared to \$278,089 in the same period of 2014 and the unrealized loss on stock price guarantee of \$345,542 in 2015 compared to \$375,147 in the same period of 2014. The decrease in other expense recorded in 2015 is due to decreases in the market price of our common stock without any offset of other income or gain on settlement of liabilities as was the case in 2014.

Net Loss

The Company realized a net loss in 2015 of (\$1,082,050) compared to a net loss of (\$1,130,308) for the same period in 2014. The loss for 2015 and 2014 each represent \$0.00 per share.

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 nine months ended September 30, 2015 and 2014 is as follows:

	2015	2014
Net loss	\$(1,082,050)	\$(1,130,308)
Depreciation and amortization	9,662	20,620
Realized loss on investments in available-for-sale securities	-	79,983
Write down of other receivables	108,961	278,089
Gain on settlement of liabilities	-	(34,759)
Share-based compensation	150,999	38,004

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Unrealized loss on stock price guarantee	345,542	375,147
Changes in current assets and liabilities	(54,468)	58,018
Net cash used in operating activities	\$(521,354)	\$(315,206)

Cash Flows from Financing Activities

Cash and cash equivalents provided by (used in) financing activities were \$183,709 and (\$18,104) for the nine months ended September 30, 2015 and 2014, respectively. During 2015, the Company received proceeds of \$195,000 from the issuance of common stock, offset by payments on capital lease obligations of \$11,291. During 2014, the Company made payments on capital lease obligations of \$18,104.

Working Capital and Liquidity

The Company had cash and cash equivalents of \$313,673 at September 30, 2015, compared to \$651,318 at December 31, 2014. The Company had a negative working capital of (\$640,473) at September 30, 2015, a decrease of \$718,429 compared to \$77,956 at December 31, 2014. The decrease in cash and cash equivalents on hand is attributable to the decrease in revenues generated from the celebrity services.

From October 1, 2015 through the filing date of this quarterly report on Form 10-Q, the Company accepted stock subscription agreements from various investors for the purchase of 102,857,142 shares of common stock at \$0.00175 per share, plus 5-year warrants for the purchase of 102,857,142 shares at \$0.00175 per share on a pre-reverse stock split basis, in a private placement. The Company received total proceeds of \$180,000. These shares of common stock have not been issued due to our pending 50:1 reverse stock split.

The Company may need an infusion of additional capital to fund anticipated operating costs over the next 12 months. 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, the Company is not required to provide the information for this Item 3.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, including the President and Chief Executive Officer of the Company, as its principal executive officer, and the Chief Financial Officer of the Company, as its principal financial officer, have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon this evaluation, the President, Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2015, the Company's disclosure controls and procedures were not effective, due to material weaknesses in internal control over financial reporting, for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time period specified by the Securities and Exchange Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive and financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company has identified five material weaknesses in internal control over financial reporting as described in the Company's Form 10-K for the year ended December 31, 2014.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting during the quarter ended September 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, the Company periodically becomes involved in litigation. As of September 30, 2015, 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. On June 30, 2014, the Company and eBay, Inc. filed a joint motion to stay the district court litigation pending completion of eBay's petitions for covered business review that were filed with the Patent and Trial and Appeal Board ("PTAB"). On September 30, 2014 the PTAB announced that it had granted petitions filed by eBay, Inc. for covered business method review of the Company's United States Patent Nos. 8,635,150, 8,521,642, 8,352,357, and 7,930,237, entitled "Method and System for Improved Online Auction." On June 9, 2015, the Company and eBay, Inc. presented oral arguments to the Patent Trials Appeals Board. The results of the PTAB review were received on September 16, 2015 by the Company and its counsel. The PTAB has entered a final ruling and has determined the claims have failed to claim patent eligible subject matter.

ITEM 1A. RISK FACTORS

There are no material changes for the risk factors previously disclosed on Form 10-K for the year ended December 31, 2014.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- 31.1 CEO Certification required under Section 302 of Sarbanes-Oxley Act of 2002
- 31.2 CFO Certification required under Section 302 of Sarbanes-Oxley Act of 2002
- 32 CEO and CFO Certification required under Section 906 of Sarbanes-Oxley Act of 2002
- 101.INS XBRL Instance Document (filed herewith)
- 101.SCH XBRL Taxonomy Extension Schema (filed herewith)
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
- 101.DEF XBRL Taxonomy Extension Definition Linkbase (filed herewith)
- 101.LAB XBRL Taxonomy Extension Label Linkbase (filed herewith)
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase (filed herewith)

SIGNATURES

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

PAID, INC.
Registrant

Date: November 10, 2015 By: /s/ W. Austin Lewis, IV
W. Austin Lewis, IV, President, CEO and CFO
(Principal Executive, Financial and Accounting Officer)

LIST OF EXHIBITS

Exhibit No.	Description
31.1	CEO Certification required under Section 302 of Sarbanes-Oxley Act of 2002
31.2	CFO Certification required under Section 302 of Sarbanes-Oxley Act of 2002
32	CEO and CFO Certification required under Section 906 of Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase (filed herewith)