



FINANCE CASES

APR 01, 2021

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Introduction

A significant hurdle for small businesses in the Bronx is their lack of technology for processing payments. That is, most of the businesses in the borough still handle their operations using cash only. Davidson, a local organization engaged in small business development for the Bronx, highlights this as a barrier.

Since 2013, through the Maxtra, company, entrepreneur Foad Muthana has been capitalizing on this situation by providing Automated Teller Machines (ATMs) to provide cash to those serviced by small businesses in the Bronx. Foad has always been a resourceful individual, a worker by nature: He took over the family convenience store at the age of 18. Since then, he's owned a Subway restaurant, the ATM placement company, and at the end of 2017 he was thinking of opening another convenience store. At the time of Maxtra's founding he understood the importance of financial independence. He was 35 years old, married for 17 years with 5 kids. His commitment to the wellbeing of his family had always been a significant element of concern when taking on new business ventures.

Fast-forward to 2017: Although successful, Maxtra was becoming unsustainable due to the working capital needed for operations. At this point, the company had more than 60 terminals, which he and his partner had to service to refill with cash--along with troubleshooting and management with the local store owners. Besides the operating hurdles, the cash needed to keep the terminals operating represented a huge risk for the company—not only from the investment perspective, but from the increasing risk of burglary and theft.

In mid-2017, because of the operating hurdles and risk of carrying the cash required, as well as the difficulty of the withdrawing the cash needed for operations, the founders began to consider involving a third party to manage all of the terminals. The outsourced company would “vault” their machines in order to relieve the operating hurdles and risk of carrying the cash required. The downside that the company faced from the proposed



outsourcing was that they would have to eliminate the 15 terminals that were only profitable if they themselves filled them with cash. The armored truck fees exceeded the revenue of those 15 terminals, prompting the decision to remove those terminals from the portfolio.

Foad was well aware of the time and energy necessary to keep this business operating and he understood that this business model was set to decline in the near future. He put it this way: “The future does not seem to prefer tangible cash, so, in that regard, the future does not belong to us”. He believed he had an opportunity to extract revenue from the situation just a little longer, but for the duration he believed that the opportunity cost would be too high for the expected return. The owners had to evaluate what would be the best decision for the survival/well-being of the company.

Maxtra’s background

Maxtra’s beginnings trace back to the end of 2013 when Foad, while managing his convenience store become acquainted with a supplier. This supplier had suggested installing an ATM in the store, and since he already had an ATM in his store, he wasn’t enthusiastic about adding another. However, he got to learn about ATM business services and the investment opportunity that it might represent. Years later, when this supplier, now a trusted friend, was unable to expand due to lack of capital, Foad acted on the opportunity of investing in this venture, and generated the Maxtra firm at the end of 2013.

Over the next four years, this company grew aggressively—from having 20 terminals scattered throughout the Bronx, to operating more than triple that amount across the Bronx. They were in charge of everything: filling up the machines with their own money, developing a model to estimate projected revenue from the locations, approaching possible sites for expansion, accounting, etc. With only two partners, plus an accountant hired as an employee, Maxtra now had more than 70 terminals around the Bronx (See **Exhibit 1** for some of the locations).

ATM Industry and risks

Security issues afflicted/accompanied the ATM industry from its inception in 1967. As with other financial services, when the technology advances, so do associated security concerns for possible breaches. Criminal activity evolved to be more complex and sophisticated. In addition, the primary risk for the consumer in high crime areas is physical confrontation. The industry needed to continuously upgrade its systems and hardware to keep up with security threats, meaning that updates or replacements were required. **Exhibit 2** shows a timeline for the ATM industry. **Exhibit 3** shows current facts about the industry.



Exhibit 4 shows a map with some of the Bronx ATM locations in 2018. Location was key for the business, as banks are the main competitors for the business. As bank customers often do not pay fees for using their bank's cash machines, if machines were located next to a branch, the company potentially lost customers. The proprietors knew that there was another, even more perilous, element of competition that they needed to plan for: credit cards and online payment options. While cash remains the most frequent and preferred method of payment, it is being used less while plastic and other methods of electronic payments are becoming the norm (Cash Product Office Federal Reserve System Reserve, 2015, 2016, 2017, 2018). **Exhibit 5** shows the projected share of payment instrument usage for the years 2016-2019.

Filling up the machines with cash can be risky, especially in the city. For safety reasons, Foad had to come up with clever ways to stay as anonymous as possible. There was the constant risk of theft and vandalism of the machines. In the past, three of the machines had been burglarized. In those instances, both the cash and the machines were lost and needed replacement.

In addition to a customer's option to change providers, there was another risk in the industry: the relationship with the business owners where the machines were hosted. **Exhibit 6** shows a sample contract with one of the businesses. These contracts were simple and straightforward, a cash payment was given to the business owner to allow the company to locate the ATM inside their business. These cash payment calculations were valued based on the number of potential customers. While these contracts were binding in terms of the ATMs' usage and security, they did not protect Maxtra from the loss of the initial payment in the event of a host bankruptcy.

Operations and Performance

The daily operations for the ATMs were grueling. Both Foad and his partner had to service the ATMs for troubleshooting, to refill with cash, as well as managing with the local store owners. Additionally, they were in charge of developing a model to estimate projected revenue from the locations, approaching possible sites for expansion, accounting, etc.

Since the consumer could easily switch providers when a machine broke down, Foad or his partner had to fix the ATM in the fastest manner possible. Hiring an armored truck to fill that role meant that they could focus on expansion and development, but it also meant losing access to that ATMs' vaults -and thus the ability to quickly remedy any issues that arose.

The firm's income statement from 2013 to 2016 is shown in **Exhibit 7**. Foad and his partner knew that for 2017 the sales would grow 152.4%; the selling expenses would be 75.5% of sales, and that general and administrative expenses would be 10% of sales. Other operating charges and other loss would be 5% and 2% of the sales of the company.



From 2018, the expectations were that the selling expenses and general and administrative expenses were expected to grow steadily by 4% per year and 7% yearly respectively, while the sales were expected to grow 3%. Other operating charges were expected to return to 2016 levels, and to keep steady. Other losses were estimated to stay at 2% of sales.

Because of the Tax Cuts and Jobs Act of 2017 (TCJA), they expected to be paying 21% in taxes for the near future, as opposed to the 15% that they had been paying for the past four years. Their accountant told them that they should expect depreciation to be \$22,200 for 2017 and the next three years. Exhibit 8 shows the expected depreciation and net property plant and equipment from 2016 to 2020.

Exhibit 9 shows the balance sheet for the period 2013-2016. Foad and his partner needed to estimate the future accounts for the balance sheet and income statement. Foad knew that he needed to retain 2% of revenues in cash, and that account receivables were expected to grow by 8% per year. Any new earnings will be added as shareholders' equity. Any other requirements for capital had to be provided with equity from the partners. The 60 machines required between \$200-\$300 per year in capital investment for software and hardware development. Additionally, he expected \$100-\$120 per machine in other capital expenses. The machines could be sold for \$1,850 per unit in 2017; however, this residual market value would depreciate 5% per year as new ATMs appeared in the market. Foad didn't think he should buy more machines for the future, and he had already made the capital Investments for-2016.

Opportunity Cost and Expected Return

Foad typically used the payback period for his projects. Reflecting on the business, he indicated that he wouldn't invest in projects which would not allow him to recuperate the capital within two years. While Foad and his partner each owned 50% of the business, as a manager for the firm, Foad expected a return of 30% for the capital invested. The silent partner understood that 20% was enough.

Exhibit 1: Sample of ATM locations and Zipcodes.

# Terminals	Zipcodes
1	10002, 10009, 10033, 10455, 10550
2	10014, 10014, 10025, 10027, 10035, 10467, 11215
3	10039, 10451, 11211
4+	10031, 10034, 10460, 10462, 10466

Exhibit 2: ATMs Industry Timeline

- 1960** An American, Luther George Simjian, invented the Bankograph, a machine that allowed customers to deposit cash and checks into it.
- 1967** The first ATM was set up in June 1967 on a street in Enfield, London, at a branch of Barclays bank. A British inventor, John Shepherd-Barron, is credited with its invention. The machine allowed customers to withdraw a maximum of GBP10 at a time.
- 1969** In the U.S., the deployment of the ATM was pioneered by Donald Wetzel, a Dallas-based engineer. The first ATM in the US was installed in September 1969 at the Chemical Bank branch in Rockville Center in New York
- 1970** A British engineer, James Goodfellow, proposed the concept of a personal identification number (PIN), which automated verification of the identity of customers--thus marking a landmark moment in the growth of self-service banking.
- 1977** The U.S. witnessed a major surge in ATM numbers when Citibank pledged more than \$100 million for the installation of the machines across the city of New York. ATM use rose by 20% when a blizzard forced all the banks in the city to close their branches for days. National Cash Register, a software and technology company in the U.S., launched the NCR Model 770, an easy-to-operate ATM that allowed the banks to offer services 24/7.
- 1980** The newer model (5070 ATM) launched in the early 1980s proved to be more reliable, flexible, and customer-friendly.
- 1984** The number of ATMs installed worldwide totaled 100,000.
- 2018*** Expected to have more than three million ATMs operational around the world.

*Projected value. Source: Corporate Finance Institute Education Inc. (2020, January 29). What is an Automated Teller Machine (ATM)? Retrieved from Corporate Finance Institute Web site: <https://corporatefinanceinstitute.com/resources/knowledge/other/automated-teller-machine-atm/>



Exhibit 3: Facts about the ATM Industry - 2017

Total number of ATMs in the US	425,000
Independently owned ATMs deployed	222,000
Average ATM fee/Convenience fee	\$2.77
Average commission payment	\$0.50 - \$1.00
Number of ATMs per 100K people (US)	144
Number of ATMs per 100K people (World)	42
Customers that are likely to avoid ATM fees	77%
Customers that have never paid ATM fees	36%
Percentage of new ATM sales used for replacement	90%

Source: National ATM Council

Exhibit 4: Growth of ATM locations around the Bronx, 2021.



Source: <https://www.simple.com/atms>



Exhibit 5: Share of payment instrument usage by year (projections)

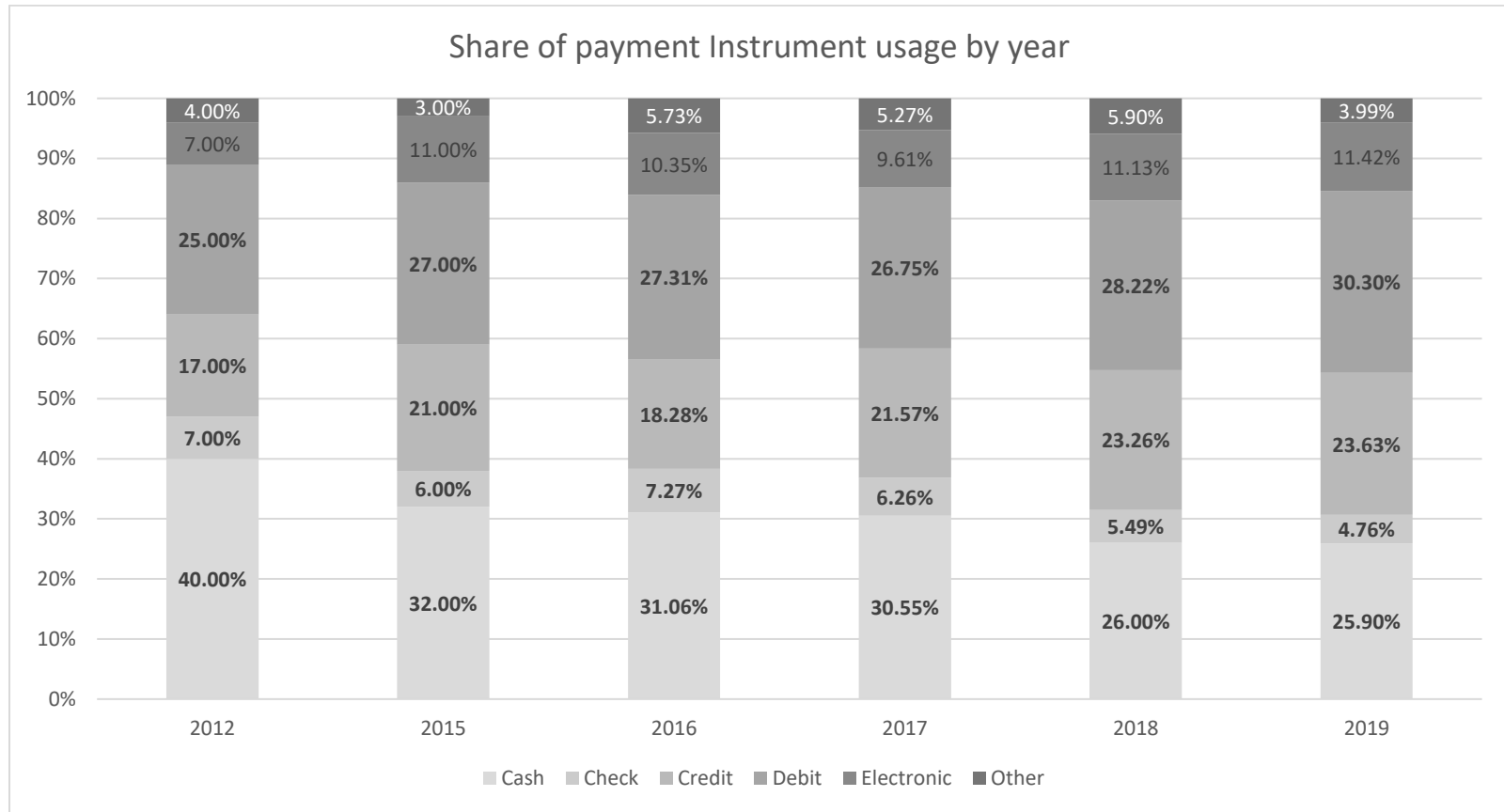


Exhibit 6: Maxtra sample contract

ATM PLACEMENT & PROCESSING AGREEMENT

Phone: _____ Fax: _____

This Agreement is made and entered into effective, _____ 20__ , between XXXXXXXXXXXXXXXX, located at XXXXXXXXXXXXXXXXXXXXXXXX, and _____, ("ATM Location") located at _____

Tel: _____ Tax ID: _____

In consideration of the mutual covenants herein to be performed and the monies herein reserved to be paid, the undersigned parties agree as follows:

1. **Equipment.** Company owns an automated teller machine and owns or has the right to utilize all software needed for the operation of the ATM. Location agrees that Company may install, operate, and maintain its ATM (the "Site ATM") at Location's premises in an indoor location or locations as mutually agreed, at: _____ (The "Premises"). Location shall provide such space for the Site ATM as is necessary to enable customers to have unobstructed access to the Site ATM and for maintenance and servicing of the Site ATM.
2. **Availability.** Location agrees that the Site ATM shall at all times remain available for use by Location's customers and employees during Location's normal business hours for the term of this Agreement. Company reserves the right to schedule reasonable downtime to accomplish necessary maintenance or system improvements, not to exceed five percent (5%) of available time each calendar month.
3. **Transaction Fees.** Company shall pay Location \$_____ for each surcharge able transaction made on the Location ATM. For purposes of this Agreement, a transaction is defined as any cash withdrawal made at the Site ATM from a cardholder's account when a surcharge fee is collected. Company will disburse payments for transactions on a monthly basis, on or before the 25th day of each calendar month following the calendar month in which the transactions occurred. In the event of a partial first month, payment may be held until the next full month unless more than \$25.00 is due to Location. Company may increase or decrease the amount of the fee payable to Location upon 30 days prior notice upon demonstration of a change in direct transaction costs payable to third party processing providers or a change in transaction fee revenue due to a change in network rule or other law or regulation which affects fees payable to Location ATM owners.
4. **Transaction Surcharges.** Company and Location agree that an initial transaction surcharge fee of \$_____ per transaction will be imposed on all transactions on the Site ATM. Company may increase or decrease the amount of the transaction surcharge fee in its sole discretion.
5. **Installation.** Company agrees to ship and install the Site ATM. The Site ATM shall be and remain the sole property of Company. Upon request, Location shall execute and deliver appropriate documentation to put third parties on notice of Company interest in the Location ATM. Company shall have the right to install appropriate signage at the Premises to advertise the availability of the Location ATM.
6. **Maintenance/Repair.** Company will arrange for necessary servicing and repair of the Site ATM. In the event of any Site ATM failure, damage, or other problem requiring service, repair, replacement, adjustment or maintenance, Location shall promptly notify Company or a person designated by Company (in all instances within twenty-four (24) hours of first becoming aware of such failure or problem). Location will not permit anyone, other than an authorized representative or designee of Company, to perform any service or repair work on the Site ATM without Company prior written approval. Company or its representatives shall at any reasonable time and at all times during business hours have the right to enter into and upon the Premises for the purpose of inspecting, repairing, maintaining, or upgrading the Site ATM and observing its use.
7. **Processing Services.** Company shall provide data processing services to process all Site ATM transactions. Company may add, delete, or change Site ATM network affiliations, as it deems appropriate in its discretion. Location agrees to accurately complete all of the necessary documentation reasonably required by Company or its processor to facilitate the implementation and delivery of such processing, settlement, automated clearinghouse, and other services. Certain electronic monitoring and remote programming services provided by the processor may be offered to Location at an additional cost. The processor may also provide for miscellaneous advertising or similar communication to customers through the Site ATM and may retain revenues from such ancillary functions.
8. **Inventory.** Company shall keep sufficient amounts of cash in the Site ATM at all times during Location's normal business hours. Company shall replace paper in the Site ATM when necessary.
9. **Phone & Electrical Requirements.** Company shall, at its expense, provide and maintain a dedicated business dial-up telephone line. Both the telephone line and electrical power outlet shall be within two (2) feet of the Site ATM site. Location shall pay for monthly charges incurred in connection with electric power usage necessary to operate the Site ATM and related signage.
10. **Exclusivity.** Location shall not permit the removal of the Site ATM from the Premises, nor allow the placement of any other Site ATM's on the Premises (whether inside or out), nor subscribe to any other data processing service for processing Site ATM transactions during the term of this Agreement, except as may be specifically approved by Company in writing.
11. **Insurance.** Location agrees to give a reasonable protection of the Site ATM from damage, loss, theft, or destruction during business hours. Unless otherwise agreed in writing, Location waives any rights of recovery against Company or its processing



providers arising from such loss, theft, damage, or destruction... Location is solely responsible for providing security against theft at the Premises and Company shall have no liability to Location in the event of theft or damage. Company is providing the cash and all cash kept in the Site ATM shall be the property of Company. Company shall bear the risk of loss if any cash is stolen or otherwise lost or destroyed.

12. **Property Ownership or Lease Terms.** Location represents and warrants that it is the owner of the Premises or that it holds a lease or option to renew the lease for the Premises of equal or greater length than the initial 5-year term of this Agreement.
13. **Equipment Relocation.** In the event Location transfers or moves its business from the Premises, or if Location sells its business, Location shall notify Company not less than thirty (30) days prior to any such event. This Agreement shall be deemed amended to apply to Location's new business location for the remaining term of this Agreement. The Site ATM shall be placed in a mutually agreed upon indoor location at the new business location. Location shall pay for de-installation and installation expenses.
14. **Term; Early Termination.** This agreement shall be for a term of five (5) year from the date of installation unless amended or terminated by written agreement signed by both Company and Location or terminated as set forth below. Upon the expiration of the initial term, this Agreement will automatically renew for subsequent additional terms of five (5) year each on the same terms and conditions as provided herein unless canceled by written notice at least ninety (90) days prior to expiration of the term. Except as provided in paragraph 15 below, in the event of early termination of this Agreement by Client (including the disconnection of the ATM or the failure of Location to keep the ATM in working order), Location agrees that from the nature of the matter it would not be readily ascertainable to determine the actual damage that would result from such a breach of this Agreement by the Location and that it should therefore be presumed that the amount of damage sustained by the Company as a result of a breach would be equal to 50% of the gross surcharge amount for the Site ATM, for the last 30 active days prior to the early termination, multiplied by the number of months remaining in the contract at the time of cancellation. The term of this Agreement shall be calculated separately for each Location ATM from the date identified as the "effective date" for each individual Client ATM listed in Exhibit "A" hereto, in the event that this Agreement covers multiple Site ATMs.
15. **Termination.** Upon the occurrence of a material breach, and provided that such breach continues uncorrected for thirty (30) days after the giving of written notice of such breach, either party may terminate this Agreement, effective thirty (30) days after giving written notice of intent to terminate. Company may terminate this agreement at any time due to inadequate use, damage, destruction, vandalism, or misuse of the Site ATM.
16. **Expenses:** Company agrees that to defray the expenses incurred by Company in providing and replenishing the ATM vault monies.
17. **Confidentiality.** Company and Location agree to regard and preserve as confidential all information related to the business and activities of the other, its customers, clients, suppliers and other entities with whom such other party does business that may be obtained from any source or may be developed as a result of this Agreement, ("Confidential Information"). Each party agrees to hold such Confidential Information in confidence for the other and shall not, except in furtherance of the purposes of this Agreement, use (directly or indirectly) any such Confidential Information for its own benefit or the benefit of any other party, nor disclose such Confidential Information to any person, firm or enterprise, unless authorized by the other party in writing, and even then, to limit access to and disclosure of such Confidential Information to its employees on a "need to know" basis only. Information shall not be considered Confidential Information if it is: (i) already known free of restriction at the time it is obtained; (ii) subsequently learned from an independent third party free of restriction and without breach of this Agreement; (iii) is or becomes publicly available through no wrongful act; or (iv) is independently developed without reference to any Confidential Information of the other party.
18. **NO WARRANTY, CONSEQUENTIAL DAMAGE WAIVER, AND LIMITATION OF LIABILITY.** EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, LOCATION UNDERSTANDS AND AGREES THAT COMPANY MAKES NO WARRANTY, EXPRESS, IMPLIED OR STATUTORY, AS TO ANY MATTER WHATSOEVER, INCLUDING THE CONDITION OF THE SITE ATM, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. COMPANY SHALL IN NO EVENT BE RESPONSIBLE FOR ANY LOST PROFITS OR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR INDIRECT DAMAGES THAT LOCATION MAY INCUR, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING UNDER THEORY OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, STRICT LIABILITY OR OTHERWISE. OWNER'S SOLE LIABILITY TO LOCATION HEREUNDER, EXCEPT AS OTHERWISE PROVIDED, SHALL BE TO REMEDY ANY BREACH OF THIS AGREEMENT IN A TIMELY MANNER. NEITHER PARTY WILL BE LIABLE FOR FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT IF SUCH FAILURE IS DUE TO ACTS OR EVENTS BEYOND SUCH PARTY'S REASONABLE CONTROL.
19. **General Provisions.**
 - a. **Modifications.** It is understood and agreed that any modifications to the terms and conditions of this Agreement shall require a written amendment agreed to and signed by both parties prior to the effectiveness of such amendment.
 - b. **Severability.** If any one or more of the provisions contained herein for any reason are held to be invalid, illegal, or unenforceable in any respect, such condition shall not affect any other provision thereof and this Agreement shall be construed as if such condition had never been contained herein.



- c. Construction. Headings used in this Agreement are used for clarity only and do not constitute substantive matters to be considered in construing the terms of this Agreement.
- d. Entire Agreement. This agreement, together with any attachments hereto, constitutes the full and complete understanding between the parties hereto and supersedes all prior understandings, whether written or oral, pertaining to the subject matter hereof and cannot be modified except by a written instrument signed by the parties hereto.
- e. Conflicting Law or Regulation. Nothing contained herein shall require the commission of any act contrary to an express provision of law, or any rule or regulation of any governmental authority, and if there shall exist any conflict between any provision of this Agreement and any such law, policy, rule or regulation, the latter shall prevail, and the provision or provisions of this Agreement shall be curtailed, limited or eliminated to the extent necessary to remove such conflict; and as so modified this Agreement shall continue in full force and effect.
- f. Choice of Law. This Agreement shall be construed, interpreted and enforced in accordance with and shall be governed by the laws of the State of New York applicable to agreements entered into and wholly to be performed therein. Both parties hereby submit to the exclusive jurisdiction of the State and Federal courts with respect to any action which any party desires to commence arising out of or in connection with this Agreement or breach or alleged breach of any provision hereof, and further consent and agree to accept service of process outside the State of New York in any matter submitted to such Court pursuant thereto.
- g. Facsimile Original. This Agreement may be executed via facsimile transmission and such facsimile copy will constitute an original copy of this Agreement.
- h. Waiver. The failure of either party to enforce any provision of this Agreement, or to seek relief for any breach or failure to comply with any representation, warranty, obligation or duty of a party under this Agreement, shall not waive any right to enforce such provision in the future or to seek relief for any subsequent breach.
- i. Not Assignable. Location shall not assign or dispose of any of its rights or obligations under this agreement without prior written consent of Owner. This Agreement is binding on the successors and permitted assigns of the parties.
- j. Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.
- k. Notices. All notices hereunder shall be in writing and shall be deemed given upon personal delivery or upon deposit in the United States mail, first class postage fully prepaid, return receipt requested, addressed to Owner and Location at their respective addresses as listed above. Any party may change its address for notice in accordance with the terms of this paragraph.

20.

Guarantor. By executing below, _____ ("Guarantor") hereby unconditionally personally guarantees the payment and performance of all of Location's obligations under this Agreement.

IN WITNESS WHEREOF, each of the parties hereto, intending to be legally bound thereby, has duly executed and accepted this Agreement as of the day and year first above written.

Maxtra, LLC.

LOCATION: _____

PRINT NAME & TITLE: _____

PRINT NAME & TITLE: _____

SIGN: _____

SIGN: _____

DATE: _____

DATE: _____

GUARANTOR: _____



Exhibit 7: Maxtra Income Statement

Consolidated Income Statement: Maxtra LLC

INCOME STATEMENT		2013	2014	2015	2016
1	Sales	\$ 80,695.00	\$ 217,712.00	\$ 244,042.00	\$ 243,860.00
3	Gross Profit	\$ 80,695.00	\$ 217,712.00	\$ 244,042.00	\$ 243,860.00
4	Selling Expenses	\$ (15,572.40)	\$ (96,042.15)	\$ (120,868.50)	\$ (134,530.45)
5	General and administrative expenses	\$ (42,620.00)	\$ (44,864.00)	\$ (43,383.00)	\$ (43,880.00)
6	Other operating charges	\$ (3,229.00)	\$ (11,516.00)	\$ (19,564.00)	\$ (10,183.00)
7	Operating Income	\$ 19,273.60	\$ 65,289.85	\$ 60,226.50	\$ 55,266.55
8	Depreciation	\$ (21,364.00)	\$ (11,659.00)	\$ (9,208.00)	\$ (9,581.00)
9	Other income/loss	\$ (819.60)	\$ (5,054.85)	\$ (6,361.50)	\$ (7,080.55)
10	Income from continuing operations	\$ (2,910.00)	\$ 48,576.00	\$ 44,657.00	\$ 38,605.00
11	Income taxes from continuing operations	\$ 436.50	\$ (7,286.40)	\$ (6,698.55)	\$ (5,790.75)
12	Net Income	\$ (2,473.50)	\$ 41,289.60	\$ 37,958.45	\$ 32,814.25

Exhibit 8: Depreciation and Property, Plant and Equipment projections

Depreciation and Property, Plant and Equipment: Maxtra Projections

	2016	2017	2018	2019	2020
0					
1	Property, plant and equipment (Gross)	\$ 29,216.00	\$ 28,316.00	\$ 27,416.00	\$ 26,516.00
2	Capital expenditures	\$ 21,300.00	\$ 21,300.00	\$ 21,300.00	\$ 21,300.00
3	Depreciation	\$ (22,200.00)	\$ (22,200.00)	\$ (22,200.00)	\$ (22,200.00)
4	Property, plant and equipment (net)	\$ 29,216.00	\$ 28,316.00	\$ 27,416.00	\$ 25,616.00



Exhibit 9: Maxtra Balance sheet

Consolidated Balance Sheet

BALANCE SHEET		2013	2014	2015	2016
1	Assets				
2	Cash and cash Equivalents	\$ 1,565.00	\$ 11,360.00	\$ 13,137.00	\$ 13,932.00
3	Account receivables	\$ -	\$ -	\$ 43,314.00	\$ 86,780.00
4	Current assets	\$ 1,565.00	\$ 11,360.00	\$ 56,451.00	\$100,712.00
5	Property, plant and equipment (net)	\$ 42,463.00	\$ 40,354.00	\$ 34,872.00	\$ 29,216.00
6	Total Assets	\$ 44,028.00	\$ 51,714.00	\$ 91,323.00	\$129,928.00
7	Liabilities and Equity				
8	Accounts Payables	\$ 45,911.00	\$ 5,048.00	\$ -	\$ -
9	Current liabilities	\$ 45,911.00	\$ 5,048.00	\$ -	\$ -
10	Long Term Debt	\$ -	\$ -	\$ -	\$ -
10	Total Liabilities	\$ 45,911.00	\$ 5,048.00	\$ -	\$ -
11	Shareholders Equity	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
12	Retained earnings - Unappropriated	\$ (2,910.00)	\$ 45,666.00	\$ 90,323.00	\$ 128,928.00
13	Total Equity	\$ (1,910.00)	\$ 46,666.00	\$ 91,323.00	\$ 129,928.00
14	Total Liabilities and Equity	\$ 44,001.00	\$ 51,714.00	\$ 91,323.00	\$ 129,928.00

