

Pacific Software, Inc.  
Form 10-K  
February 11, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-K**

**(Mark one)**

**X . ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the fiscal year ended September 30, 2009**

**OR**

**. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File No: 001-34379**

**PACIFIC SOFTWARE, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

**41-2190974**

(State or Other Jurisdiction)

(I.R.S. Employer)

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of Incorporation or Identification No.)  
Organization)

**123 West Nye Lane, Suite 129**

**Carson City, Nevada**

(Address and telephone number of Principal Executive  
Offices)

**89706**

(Zip Code)

**(702) 234-4148**

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, \$0.001 par value

Indicate by check mark if the registrant is a well-known seasonal issuer, as defined in Rule 405 of the Securities Act.  
Yes  . No  .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  . No  .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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. Yes  . No  .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.  .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

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|                         |                          |                           |                                     |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input type="checkbox"/>            |
| Non-accelerated filer   | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of February 10, 2010, was \$0.

The number of shares outstanding of the registrant's common stock as of February 10, 2010, was 4,049,000.

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**PACIFIC SOFTWARE, INC.**

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**PART I**

**Item 1. Business.**

**General.**

We were formed as Pacific Mining, Inc., a Nevada corporation, on October 12, 2005. On November 28, 2006, we changed our name to Pacific Software, Inc. and were engaged in the business of developing and marketing a large file transfer software package named LargeFilesASAP. In December 2009, our management changed and the new management discontinued our business of developing and marketing LargeFilesASAP.

**Our Business.**

In December 2009, we ceased operations and are now focusing our efforts on seeking a business opportunity. The Company will attempt to locate and negotiate with a business entity for the merger of that target company into the Company. In certain instances, a target company may wish to become a subsidiary of the Company or may wish to contribute assets to the Company rather than merge. No assurances can be given that the Company will be successful in locating or negotiating with any target company. The Company will provide a method for a foreign or domestic private company to become a reporting ( public ) company whose securities are qualified for trading in the United States secondary market.

The Company intends to seek, investigate, and if warranted, acquire an interest in a business opportunity. We are not restricting our search to any particular industry or geographical area. We may therefore engage in essentially any business in any industry. Our management has unrestricted discretion in seeking and participating in a business opportunity, subject to the availability of such opportunities, economic conditions and other factors.

The selection of a business opportunity in which to participate is complex and extremely risky and will be made by management in the exercise of its business judgment. There is no assurance that we will be able to identify and acquire any business opportunity which will ultimately prove to be beneficial to our company and stockholders.

Because we have no specific business plan or expertise, our activities are subject to several significant risks. In particular, any business acquisition or participation we pursue will likely be based on the decision of management without the consent, vote, or approval of our stockholders.

### **Sources of Opportunities**

We anticipate that business opportunities may arise from various sources, including officers and directors, professional advisers, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals.

We will seek potential business opportunities from all known sources, but will rely principally on the personal contacts of our officers and directors as well as indirect associations between them and other business and professional people. Although we do not anticipate engaging professional firms specializing in business acquisitions or reorganizations, we may retain such firms if management deems it in our best interests. In some instances, we may publish notices or advertisements seeking a potential business opportunity in financial or trade publications.

### **Criteria**

We will not restrict our search to any particular business, industry or geographical location. We may acquire a business opportunity in any stage of development. This includes opportunities involving start up or new companies. In seeking a business venture, management will base their decisions on the business objective of seeking long-term capital appreciation in the real value of our company. We will not be controlled by an attempt to take advantage of an anticipated or perceived appeal of a specific industry, management group, or product.

In analyzing prospective business opportunities, management will consider the following factors:

available technical, financial and managerial resources;

working capital and other financial requirements;

the history of operations, if any;

prospects for the future;

the nature of present and expected competition;



the quality and experience of management services which may be available and the depth of the management;

the potential for further research, development or exploration;

the potential for growth and expansion;

the potential for profit;

the perceived public recognition or acceptance of products, services, trade or service marks, name identification; and

other relevant factors.

Generally, our management will analyze all available factors and make a determination based upon a composite of available facts, without relying on any single factor.

### **Methods of Participation of Acquisition**

Management will review specific businesses and then select the most suitable opportunities based on legal structure or method of participation. Such structures and methods may include, but are not limited to, leases, purchase and sale agreements, licenses, joint ventures, other contractual arrangements, and may involve a reorganization, merger or consolidation transaction. Management may act directly or indirectly through an interest in a partnership, corporation, or other form of organization.

### **Procedures**

As part of the our investigation of business opportunities, officers and directors may meet personally with management and key personnel of the firm sponsoring the business opportunity. We may visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel, and conduct other reasonable measures.

We will generally ask to be provided with written materials regarding the business opportunity. These materials may include the following:

descriptions of product, service and company history;

management resumes;

financial information;

available projections with related assumptions upon which they are based;

an explanation of proprietary products and services;

evidence of existing patents, trademarks or service marks or rights thereto;

present and proposed forms of compensation to management;

a description of transactions between the prospective entity and its affiliates;

relevant analysis of risks and competitive conditions;

a financial plan of operation and estimated capital requirements; and

and other information deemed relevant.

**Competition**

We expect to encounter substantial competition in our efforts to acquire a business opportunity. The primary competition is from other companies organized and funded for similar purposes, small venture capital partnerships and corporations, small business investment companies and wealthy individuals.

**Employees**

As of February 10, 2010, we have no employees. We expect we will utilize independent contractors, consultants, and other personnel from time to time to assist in our business efforts. We are not a party to any employment agreements.

## RISK FACTORS

*Ownership of our common stock involves a high degree of risk; you should consider carefully the factors set forth below, as well as other information contained in this Annual Report.*

### RISKS RELATED TO OUR BUSINESS

An investment in our securities is extremely risky. You should carefully consider the following risks, in addition to the other information presented in this Form 10-K, before deciding to buy our securities. If any of the following risks actually materialize, our business and prospects could be seriously harmed and, as a result, the price and value of our securities could decline and you could lose all or part of your investment. The risks and uncertainties described below are intended to be the material risks that are specific to us and to our industry.

**Because we are a new business and we have not proven our ability to generate profit, an investment in our company is risky.**

We have a short operating history and must be considered in the development stage. We have no history of earnings or profits and there is no assurance that we will operate profitably in the future. There is no meaningful historical financial data upon which to base planned operating expenses. As a result of this limited operating history, it is difficult to accurately forecast our potential revenue. We have accumulated a total loss of \$136,671 from October 12, 2005 through September 30, 2009. We have changed our business strategy and are now focusing our efforts on seeking a business opportunity. If we are not able to complete the successful development of our business plan, generate significant revenues, and attain sustainable profitable operations, then our business will fail.

**Our auditors have expressed substantial doubt as to whether our company can continue as a going concern.**

We have generated no revenues since our inception and have incurred substantial losses. We have had negative cash flow from operations of approximately \$136,671 from our inception in October 2005 through September 30, 2009. These factors among others indicate that we may be unable to continue as a going concern, particularly in the event that we cannot generate sufficient cash flow or raise sufficient capital to conduct our operations. Our financial statements do not include any adjustments to the value of our assets or the classification of our liabilities that might result if we would be unable to continue as a going concern.

**The costs to meet our reporting requirements as a public company subject to the Securities Exchange Act of 1934 are substantial and may result in us having insufficient funds to operate our potential business.**

We will incur ongoing expenses associated with professional fees for accounting and legal expenses associated with remaining a public company. Those obligations will reduce and possibly eliminate our ability and resources to fund our operations and may prevent us from meeting our normal business obligations.

**There is considerable risk embedded in business acquisition, which may materially adversely affect our business, financial condition or results of operations.**

We will attempt to locate and negotiate with a business entity for the merger of, or the contribution of the assets of, another company into us. Any business acquisition could present a number of risks, including incorrect assumptions regarding the future results of acquired operations or assets and insufficient knowledge of the operation and market of an acquired business. Furthermore, any business acquisition or participation we pursue will likely be based on the decision of management without the consent, vote, or approval of our stockholders.

No assurances can be given that we will be successful in locating or negotiating with any target company. If we are unsuccessful in completing any such acquisition of another business, operations, or assets or if such business opportunity does not arise, our future growth, business, financial condition or results of operations could be materially adversely affected. In the event that a target company is located, we cannot guaranty that an acquisition of such target company will assist us in realizing out business objectives.

## **RISKS ASSOCIATED WITH OUR COMMON STOCK**

**There is no active trading market for our common stock and if a market for our common stock does not develop, our investors will be unable to sell their shares.**

There is currently no active trading market for our common stock and such a market may not develop or be sustained. We currently plan to have our common stock quoted on the OTC Bulletin Board. In order to do this, a market maker must file a Form 15c-211 to allow the market maker to make a market in our shares of common stock. At the date hereof, we are not aware that any market maker has any such intention. However, we cannot provide our investors with any assurance that our common stock will be traded on the OTC Bulletin Board or, if traded, that a public market will materialize. Further, the OTC Bulletin Board is not a listing service or exchange, but is instead a dealer quotation service for subscribing members. If our common stock is not quoted on the OTC Bulletin Board or if a public market for our common stock does not develop, then investors may not be able to resell the shares of our common stock that they have purchased and may lose all of their investment. If we establish a trading market for our common stock, the market price of our common stock may be significantly affected by factors such as actual or anticipated fluctuations in our operation results, general market conditions and other factors. In addition, the stock market has from time to time experienced significant price and volume fluctuations that have particularly affected the market prices for the shares of developmental stage companies, which may materially adversely affect the market price of our common stock.

**Because we do not intend to pay any dividends on our common shares, investors seeking dividend income or liquidity should not purchase shares in this offering.**

We do not currently anticipate declaring and paying dividends to our stockholders in the near future. It is our current intention to apply net earnings, if any, in the foreseeable future to increasing our working capital. Prospective investors seeking or needing dividend income or liquidity should, therefore, not purchase our common stock. There can be no assurance that we will ever have sufficient earnings to declare and pay dividends to the holders of our shares, and in any event, a decision to declare and pay dividends is at the sole discretion of our board of directors, who currently do not intend to pay any dividends on our common shares for the foreseeable future.

**Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.**

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny

stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

**Because there is no current market and a trading market may never develop for our stock, an investment in our shares may be illiquid.**

There is no public trading market for our stock and there can be no assurance that any market will develop. If a market develops for our stock, it will likely be limited, sporadic and highly volatile. Approximately 95% of our outstanding shares are restricted securities under Rule 144, which means that they are subject to restrictions on resale in the public market. Future sale of the restricted stock after these restrictions lapse or are satisfied, could have a depressive effect on the price of the stock in any public market that develops and the liquidity of your investment. Public trading of the common stock is covered by Rule 15c2-6 of the Securities Exchange Act of 1934, which imposes certain sales practice requirements on broker-dealers who sell certain designated securities to persons other than established customers and certain categories of investors. For transactions covered by the rule, the broker-dealer must make a suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to sale. Under certain circumstances, the purchaser may enjoy the right to rescind the transaction within a certain period of time. Consequently, so long as the common stock is a designated security under the rule, the ability of broker-dealers to effect certain trades may be affected adversely, thereby impeding the development of a meaningful market in the stock.

**Shares of stock that are eligible for sale by our stockholders may decrease the price of our stock.**

We have 4,049,000 shares outstanding, of which 209,000 shares are freely tradable. The remaining 3,840,000 shares are restricted shares and may not be sold under Rule 144 until one year after we file a Current Report on Form 8-K following the closing of a qualifying transaction, as to which closings we cannot provide any assurances, or unless such shares have been registered for resale with the Securities and Exchange Commission. If a public market for our stock should develop and if those holders are able to sell substantial amounts of our stock, then the market price of our stock could decrease.

**We may issue more stock without stockholder input or consent which could dilute the book value of your investment.**

The board of directors has authority, without action by or vote of the stockholders, to issue all or part of the authorized but unissued shares. In addition, the board of directors has authority, without action by or vote of the stockholders, to fix and determine the rights, preferences, and privileges of the preferred stock, which may be given voting rights superior to that of the common stock in this offering. Any issuance of additional shares of common stock or preferred stock will dilute the ownership percentage of stockholders and may further dilute the book value of our shares. It is likely we will seek additional capital in the future to fund operations. Any future capital will most likely reduce investors in this offerings percentage of ownership.

**You will not receive dividend payments.**



We have not paid and do not plan to pay dividends in the foreseeable future even if our operations are profitable. Earnings, if any, will be used to expand our operations, hire additional staff, pay operating expenses and salaries, rather than to make distributions to stockholders. Future value of an investment will be tied to an increase in Princeton enterprise value and/or market price of our common stock, if trading on an exchange or market.

**Item 2. Properties.**

We do not currently own any property. We utilize office space in the residence of our President at no cost. We will not seek independent office space until we pursue a viable business opportunity and recognize income.

**Item 3. Legal Proceedings.**

We are not a party to any pending or, to our knowledge, threatened legal proceedings.

**Item 4. Submission of Matters to a Vote of Security Holders.**

No matter was submitted during the fiscal year ended September 30, 2009, to a vote of security holders, through the solicitation of proxies or otherwise.

## PART II

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information.**

Commencing on September 18, 2008, our common stock was eligible for quotation on the OTC Bulletin Board. Because of a lack of quotations by a broker-dealer, on November 17, 2009, we lost our eligibility. We are not currently listed or traded on any market, but the Company's intention is to request a broker-dealer to apply to the Financial Industry Regulatory Authority in the near future to reestablish the eligibility of our common stock for quotation on the OTC Bulletin Board. As of February 10, 2010, no shares of our common stock have traded. As of February 10, 2010, there were 66 record holders of our common stock.

#### **Reports to Security Holders.**

We filed annual, quarterly and current reports with the Securities and Exchange Commission, or SEC. The public may read and copy any materials filed with the Securities and Exchange Commission at the Security and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission. The address of that site is <http://www.sec.gov>.

#### **Dividends.**

We have never declared any cash dividends with respect to our common stock. Future payment of dividends is within the discretion of our board of directors and will depend on our earnings, capital requirements, financial condition and other relevant factors. Although there are no material restrictions limiting, or that are likely to limit, our ability to pay dividends on our common stock, we presently intend to retain future earnings, if any, for use in our business and have no present intention to pay cash dividends on our common stock.

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1. We would not be able to pay our debts as they become due in the usual course of business; or
2. Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

**Equity Compensation Plan Information.**

We have no authorized equity compensation plans and no outstanding options, warrants or similar rights.

**Recent Sales of Unregistered Securities.**

On December 3, 2009, we sold and issued 3,200,000 shares of our common stock to our President, Harrysen Mittler, and an aggregate of 640,000 shares to four otherwise unaffiliated persons, all at par value. The issuances were made pursuant to Section 4(2) of the Securities Act of 1933, as amended. We believe that such exemption was available because (i) no advertising or general solicitation was employed in offering the shares, (ii) the offers and sales were made solely to accredited investors known to one or more of our directors, the largest of which investors concurrently became one of our directors and executive officers, and (iii) transfers were restricted in accordance with the requirements of such Act (including by legending of certificates representing the securities).

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

We did not purchase any of our shares of common stock or other securities during the year ended September 30, 2009. Effective December 3, 2009, we entered into a Contribution Agreement with Marinus Jellema, an executive officer and director of the Company, in connection with which he contributed to our treasury for cancellation 3,840,000 shares.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

THE FOLLOWING PRESENTATION OF OUR MANAGEMENT'S DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION INCLUDED ELSEWHERE IN THIS REPORT.

**Results of Operations.**

We are a development stage corporation. We have generated no revenues from our business operations since inception and have incurred \$136,671 in expenses through September 30, 2009.

The following table provides selected financial data about our company for the fiscal year ended September 30, 2009 and 2008, respectively.

| Balance Sheet Data   |    | September 30, 2009 | September 30, 2008 |
|----------------------|----|--------------------|--------------------|
| Cash                 | \$ | 1,915              | \$ 18,055          |
| Total assets         | \$ | 2,444              | \$ 32,207          |
| Total liabilities    | \$ | 25,015             | \$ 1,575           |
| Stockholders' equity | \$ | (22,571)           | \$ 30,632          |

**Plan of Operation.**

The following plan of operation should be read in conjunction with our financial statements and the notes thereto included elsewhere in this report. Statements contained herein which are not historical facts are forward-looking statements, as that term is defined by the Private Securities Litigation Reform Act of 1995, including statements relating to our plans, objectives, expectations and intentions. Although we believe that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. We caution investors that any forward-looking statements made by us are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: established competitors who have substantially greater financial resources and operating histories, regulatory delays or denials, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

We are a start-up, development stage corporation and have not yet generated or realized any revenues from our business operations.

In its report on our September 30, 2009 audited financial statements, our auditors expressed an opinion that there is substantial doubt about our availability to continue as a going concern. See Note 1 to our financial statements. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. We have been in the development stage and have had no revenues since inception.

**Period from October 12, 2005 (inception) to September 30, 2009.**

We did not generate any revenue from October 12, 2005 (inception) to September 30, 2009. From inception to September 30, 2009 our expenses were \$136,671. Expenses consisted of professional fees, administrative and management fees, as well as travel and promotion. The professional fees were, to a large extent, to our auditors and legal counsel for preparation of our registration statement.

**Period from September 30, 2008 to September 30, 2009.**

We did not generate any revenue from September 30, 2008 to September 30, 2009. From September 30, 2008 to September 30, 2009, our expenses increased by \$14,014, substantially all of which was due to our impairment of our technology rights in connection with our change in business strategy. There was also a \$6,000 increase in combined professional, administrative, and management fees, which were offset by a \$6,000 decrease in website development expenses. We have reported a net loss of \$53,203 and \$39,189 respectively, for the periods ended September 30, 2009 and 2008.

**Liquidity and Capital Resources**

Since inception of the Company on October 12, 2005, to September 30, 2009, the Company has issued 7,889,000 common shares, of which 4,049,000 are outstanding, for total proceeds of approximately \$114,100.

At September 30, 2009 we had total assets of \$2,444. Current assets consisted of \$1,915 in cash, \$528 in computers net of depreciation, and technology rights valued at \$1. Total current liabilities at September 30, 2009 consisted of \$25,015 payable to a related party. We have been released of this liability as of December 3, 2009.

We do not anticipate any capital expenditures in the next twelve months.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

### **Item 8. Financial Statements and Supplementary Data.**

Our financial statements required to be included in Item 8 are set forth in the Index to Financial Statements set forth on page F-1 of this Annual Report.

### **Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A(T). Controls and Procedures.**

#### **Disclosure Controls and Procedures.**

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act ), as of September 30, 2009. Based on this evaluation, our Principal Executive Officer and our Principal Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, during the period and as of the end of the period covered by this Annual Report to ensure that information required to be disclosed by us in reports

that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures.

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls or procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within us have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Management's Report on Internal Control Over Financial Reporting.**

Our internal controls over financial reporting are designed by, or under the supervision of our Principal Executive Officer and Principal Financial Officer or persons performing similar functions, and effected by our board of directors and management, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

§

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

§

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

§

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition or disposition of our assets that could have a material effect on the financial statements.





Our management has evaluated the effectiveness of our internal control over financial reporting as of September 30, 2009, based on the control criteria established in a report entitled *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of September 30, 2009.

**Changes in Internal Control over Financial Reporting.**

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act during the fiscal year ended September 30, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

**Item 9B. Other Information.**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

**Executive Officers and Directors.**

Our business will be managed by our officers and directors. The following table sets forth certain information, as of February 10, 2010, with respect to our officers and directors:

| <u>Name</u> | <u>Age</u> | <u>Position</u> | <u>Since</u> |
|-------------|------------|-----------------|--------------|
|-------------|------------|-----------------|--------------|

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|                  |    |                                |                     |
|------------------|----|--------------------------------|---------------------|
| Harrysen Mittler | 57 | President, Secretary, Director | December 3,<br>2009 |
| Marinus Jellema  | 59 | Chief Financial Officer        | October 12, 2005    |

Effective December 3, 2009, Harrysen Mittler, was appointed as President and Secretary and as a member of the board of directors of Pacific Software, Inc. Mr. Mittler has over 25 years of experience in corporate finance, business administration, and commerce. He has served as a corporate and management consultant to various enterprises and commenced his career with Deloitte Haskins & Sells (now Deloitte LLP). Since 1995, Mr. Mittler has also served in a senior executive capacity with several public companies, most recently (between March 2004 and May 2005), as a Director and Chief Financial Officer of Nortia Capital Partners, Inc., a company that provided merchant banking-type services and managerial, accounting, and financial advice to micro-cap publicly traded companies and private companies seeking to become publicly traded.

From October 2005 until December 3, 2009, Marinus Jellema served as President, CFO, Secretary and as a member of the board of directors of Pacific Software, Inc. Mr. Jellema resigned his positions as President and Secretary of the Company on December 3, 2009, but continues to serve as CFO and a director. From 2002 until June 2007, Mr. Jellema was Manager of Utilities for Catalyst Papers Inc. a large integrated pulp and paper mill located in Crofton, British Columbia, Canada, where he was responsible for an annual operating budget of just under 100 million Canadian dollars. Prior to August 2002 he was Manager of Utilities at the Powell River division of Catalyst Papers Inc. also in British Columbia. He currently serves as a member of the board of directors of Gravity West Mining, a company that has shares listed for trading on the on the TSX Venture Exchange. Gravity West Mining is a mining exploration company. Mr. Jellema is a graduate of the University of British Columbia with a Diploma in Urban Land Economics.

**Involvement in Certain Legal Proceedings.**

To our knowledge, during the past five years, no present or former director or executive officer of our company: (1) filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or present of such a person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer within two years before the time of such filing; (2) was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting the following activities: (i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director of any investment company, or engaging in or continuing any conduct or practice in connection with such activity; (ii) engaging in any type of business practice; (iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodity laws; (4) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity; (5) was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law and the judgment in subsequently reversed, suspended or vacate; (6) was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

**Board of Directors.**

None of our directors receives any remuneration for acting as such. Directors may however be reimbursed their expenses, if any, for attendance at meetings of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees. No such committees have been appointed to date. Accordingly, we do not have an audit committee or an audit committee financial expert. We are presently not required to have an audit committee financial expert and do not believe we otherwise need one at this time due to our lack of material business operations. Similarly we do not have a nominating committee or a committee performing similar functions. Our entire board serves the functions of an audit committee and a nominating committee. We have not implemented procedures by which our security holders may recommend board nominees to us but expect to do so in the future, when and if we engage in material business operations.

We are not presently required to have independent directors. Neither of our two directors is independent. If we ever become a listed issuer whose securities are listed on a national securities exchange or on an automated inter-dealer quotation system of a national securities association, which has independent director requirements, we intend to comply with all applicable requirements relating to director independence.

**Employment Agreements.**

None.

**Compliance with Section 16(a) of the Exchange Act.**

Because we do not have a class of equity securities registered pursuant to Section 12 of the Exchange Act, our executive officers, directors and persons who beneficially own more than 10% of our common stock are not required to file initial reports of ownership and reports of changes in ownership with the SEC under Section 16(a) of the Exchange Act.

As of the date hereof, we have not entered into employment contracts with any of our officers and do not intend to enter into any employment contracts until such time as it profitable to do so.

**Compensation of Directors.**

None of our directors receive any compensation for serving as such, for serving on committees of the Board of Directors or for special assignments. During the fiscal year ended September 30, 2009, there were no other arrangements between us and our directors that resulted in our making payments to any of our directors for any services provided to us by them as directors.

**Indemnification.**

Under our bylaws, the Company will indemnify any person who was or is a party or is threatened to be made a party to any proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director, trustee, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Regarding indemnification for liabilities arising under the Securities Act, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

**Item 11. Executive Compensation.**

The following table sets forth information concerning the total compensation paid or accrued by us during the two years ended September 30, 2009 to our principal executive officer or anyone acting in a similar capacity during the last completed fiscal year:

| Name and Principal Position  | Year Ended | Annual Compensation |            |                                | Long Term Compensation Awards |  |              | All Other Compensation |
|--|------------|---------------------|------------|--------------------------------|-------------------------------|--|--------------|------------------------|
|  |            | Salary (\$)         | Bonus (\$) | Other Annual Compensation (\$) | Restricted Stock Awards (\$)  | Securities Underlying Options/SARs (#) | Payouts (\$) |                        |
| Marinus Jellema, President, Secretary, Chief Financial Officer, Director | 9-30-08    | 5,997               | 0          | 0                              | 0                             | 0                                      | 0            | 0                      |
|  | 9-30-09    | 4,725               | 0          | 0                              | 0                             | 0                                      | 0            | 0                      |

**Employment and Consulting Agreements.**

There were no employment contracts or consulting agreements with our directors or officers during the year ended September 30, 2009.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth information with respect to the beneficial ownership of our common stock known by us as of February 10, 2010 by (i) each person or entity known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our directors and executive officers as a group. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on such date and all shares of our common stock issuable to such holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by such person at said date which are exercisable within 60 days of such date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent such power may be shared with a spouse.

| Name and Address of<br>Beneficial Owner   | Amount and Nature of<br>Beneficial Relationship | Percentage of<br>Outstanding<br>Common Stock(1) |
|---|---|---|
| Harrysen Mittler<br>4040 Creditview Road Suite 11-183<br>Mississauga<br>Ontario, Canada L5C 3Y8 | 3,200,000                                       | 79%   |
| Marinus Jellema<br>2189 West 2 <sup>nd</sup> Avenue Suite 11<br>Vancouver, BC V6K 1H7           | 0   | 0%  |
| All officers and Directors, as a<br>group (two individuals)                                     | 3,200,000                                       | 79%   |

The percentage ownership is calculated based on 4,049,000 shares of our common stock issued and outstanding as of February 10, 2010.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

In December 2009, we entered into a Contribution Agreement with Marinus Jellema, our founder, executive officer, and member of our board of directors, pursuant to which he discharged and released us of our \$25,015 debt in his favor and contributed to our treasury for cancellation the 3,840,000 shares of our common stock that he owned of record or beneficially and we transferred to him substantially all of the assets that we had acquired from him on October 30, 2006. The assets consisted of the LargeFilesASAP software package, all rights, title and interest in and to

the LargeFilesASAP.com domain, and all intellectual property rights related to the LargeFilesASAP products and trademarks and the computer asset.

We also sold and issued 3,200,000 shares of our common stock to Harrysen Mittler, who is the President, Secretary, and a member of the board of directors of the Company.

We are not presently required to have independent directors. Neither of our two directors is independent. If we ever become a listed issuer whose securities are listed on a national securities exchange or on an automated inter-dealer quotation system of a national securities association, which has independent director requirements, we intend to comply with all applicable requirements relating to director independence.



**Item 14. Principal Accountant Fees and Services.****Audit Fees.**

The aggregate fees billed by our principal accountant for services rendered during the fiscal years ended September 30, 2009 and 2008, respectively, are set forth in the table below:

| Fee Category           | Year ended<br>September 30, 2009 | Year ended<br>September 30, 2008 |
|------------------------|----------------------------------|----------------------------------|
| Audit fees (1)         | \$ 9,200                         | \$ 20,000                        |
| Audit-related fees (2) | 0                                | 0                                |
| Tax fees (3)           | 0                                | 0                                |
| All other fees (4)     | 0                                | 0                                |
| Total fees             | \$ 9,200                         | \$ 20,000                        |

(1) Audit fees consists of fees incurred for professional services rendered for the audit of annual financial statements, for reviews of interim financial statements included in our quarterly reports on Form 10-Q and for services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees consists of fees billed for professional services that are reasonably related to the performance of the audit or review of our financial statements, but are not reported under Audit fees.

(3) Tax fees consists of fees billed for professional services relating to tax compliance, tax advice and tax planning, consisting of preparation of our corporate tax returns for the periods ended September 30, 2009 and 2008. Our principal accountants are currently preparing the tax returns for the years 2008 and 2009. All other fees consists of fees billed for all other services.

**Audit Committee's Pre-Approval Policies and Procedures.**

We do not at this time have an audit committee, therefore, no policies or procedures other than those required by SEC rules on auditor independence, have been implemented. The Board of Directors will have to pre-approve the engagement of our principal independent accountants to provide non-audit services. No non-audit services, except for the preparation of corporate tax returns, for which pre-approval has been obtained, were provided by our principal independent accountants in 2009 and 2008. Section 10A(i) of the Securities Exchange Act of 1934 prohibits our

auditors from performing audit services for us as well as any services not considered to be audit services unless such services are pre-approved by the board of directors (in lieu of the audit committee) or unless the services meet certain de minimus standards.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

The financial statements required by Item 8 are presented in the following order:

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**September 30, 2008 Financial Statements**

|                                   |      |
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Board of Directors

Pacific Software, Inc.

Carson City, Nevada

**Report of Independent Registered Public Accounting Firm**

We have audited the balance sheet of Pacific Software, Inc. as of September 30, 2009 and the related statements of operations, stockholders' equity and cash flows for the year ending September 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of accounts receivable is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of accounts receivable. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Software, Inc. as of September 30, 2009, the results of operations, stockholders' equity and its cash flows for the year ended September 30, 2009 in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred net losses since inception, which raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

/s/ R.R. Hawkins & Associates International, PSC

January 29, 2010

Los Angeles, CA

***Corporate Headquarters***

***5777 W. Century Blvd., Suite No. 1500***

***Los Angeles, CA 90045***

***T: 310.553.5707 F: 310.553.5337***

***[www.rrhawkins.com](http://www.rrhawkins.com)***

**PACIFIC SOFTWARE, INC.**

(A Development Stage Company)

**BALANCE SHEETS**

|   | September 30,<br>2009 | September 30,<br>2008 |
|---|-----------------------|-----------------------|
| <b><u>ASSETS</u></b>                                    |                       |                       |
| Current   |                       |                       |
| Cash  | \$ 1,915              | \$ 18,055             |
| Equipment Note 4  | 528                   | -                     |
| Technology rights Note 5                                | 1                     | 14,152                |
|   | \$ 2,444              | \$ 32,207             |
| <b><u>LIABILITIES</u></b>                               |                       |                       |
| Current   |                       |                       |
| Accounts payable and accrued liabilities                | \$ 6,865              | \$ -                  |
| Due to related party Notes 5 and 7                      | 18,150                | 1,575                 |
|   | 25,015                | 1,575                 |
| <b><u>STOCKHOLDERS EQUITY (DEFICIENCY)</u></b>          |                       |                       |
| Capital stock Note 6                                    |                       |                       |
| Authorized:   |                       |                       |
| 100,000,000 common shares authorized, \$0.001 par value |                       |                       |
| 10,000,000 preferred shares, \$0.001 par value          |                       |                       |
| Issued and outstanding                                  |                       |                       |
| 4,049,000 common shares (September 30, 2008 4,049,000)  | 4,049                 | 4,049                 |
| Additional paid-in capital                              | 110,051               | 110,051               |
| Deficit accumulated during the development stage        | (136,671)             | (83,468)              |
|   | (22,571)              | 30,632                |
|   | \$ 2,444              | \$ 32,207             |

Going concern Note 1





**PACIFIC SOFTWARE, INC.**

(A Development Stage Company)

## STATEMENTS OF OPERATIONS

|   | Year<br>Ended<br>September<br>30,<br>2009 | Year<br>Ended<br>September<br>30,<br>2008 | October 12,<br>2005<br>(inception)<br>to September<br>30,<br>2009 |
|---|---|---|---|
| Expenses  |   |   |   |
| Depreciation  | \$ 532                                    | \$ -                                      | \$ 532  |
| Impairment of technology rights                                 | 14,151                                    | -   | 14,151  |
| Interest  | 84  | 87  | 2,158   |
| Management fees   | 6,300                                     | 5,997                                     | 18,185  |
| Office and general  | 209                                       | 570                                       | 5,756   |
| Professional fees   | 29,565                                    | 23,455                                    | 84,447  |
| Transfer and filing fees  | 2,362                                     | 3,830                                     | 6,192   |
| Website development   | -   | 5,250                                     | 5,250   |
| Net loss  | \$ (53,203)                               | \$ (39,189)                               | \$ (136,671)  |
| Basic and diluted loss per share                                | \$ (0.01)                                 | \$ (0.01)                                 |   |
| Weighted average number of shares outstanding basic and diluted | 4,049,000                                 | 4,008,456                                 |   |

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**PACIFIC SOFTWARE, INC.**

(A Development Stage Company)

## STATEMENTS OF CASH FLOWS

|  | Year<br>Ended<br>September<br>30,<br>2009 | Year<br>Ended<br>September<br>30,<br>2008 | October 12,<br>2005<br>(inception)<br>to September<br>30,<br>2009 |
|--|---|---|---|
| <b>Operating Activities</b>  |   |   |   |
| Net loss   | \$ (53,203)                               | \$ (39,189)                               | \$ (136,671)  |
| Adjustments to reconcile net loss to net cash used in operating activities |   |   |   |
| Accrued interest payable   | -   | -   | -   |
| Depreciation   | 532                                       | -   | 532   |
| Impairment of technology rights  | 14,151                                    | -   | 14,151  |
| Management fees accrued  | 1,575                                     | -   | 3,150   |
| Foreign exchange   | -   | -   | 1,748   |
| Change in non-cash working capital items                                   |   |   |   |
| Accounts payable and accrued liabilities                                   | 6,865                                     | (6,580)                                   | 6,865   |
|  | (30,080)                                  | (45,769)                                  | (110,225)   |
| <b>Investing Activities</b>  |   |   |   |
| Purchase of equipment  | (1,060)                                   | -   | (1,060)   |
|  | (1,060)                                   | -   | (1,060)   |
| <b>Financing Activities</b>  |   |   |   |
| Proceeds from issuance of common stock                                     | -   | 104,500                                   | 114,100   |
| Advances from (repayments to) related party                                | 15,000                                    | (40,812)                                  | (900)   |
|  | 15,000                                    | 63,688                                    | 113,200   |
| Increase (decrease) in cash  | (16,140)                                  | 17,919                                    | 1,915   |
| Cash, beginning  | 18,055                                    | 136                                       | -   |
| Cash, ending   | \$ 1,915                                  | 18,055                                    | 1,915   |
| Supplementary disclosure of cash flow information:                         |   |   |   |
| Cash paid for:   |   |   |   |
| Interest   | \$ -                                      | 2,074                                     | \$ 2,074  |

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|              |    |   |    |   |    |   |
|--------------|----|---|----|---|----|---|
| Income taxes | \$ | - | \$ | - | \$ | - |
|--------------|----|---|----|---|----|---|

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**PACIFIC SOFTWARE, INC.**

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY (DEFICIENCY)

for the period October 12, 2005 (Inception) to September 30, 2009

|   | Common Shares |           | Additional | Deficit      |             |
|---|---------------|-----------|------------|--------------|-------------|
|   | Number        | Par Value | Paid-in    | Accumulated  | Total       |
|   |               |           | Capital    | During the   |             |
|   |               |           |            | Development  |             |
|   |               |           |            | Stage        |             |
| Balance, October 12, 2005 (Inception)         | -             | \$ -      | \$ -       | \$ -         | -           |
| Issued for cash:                              |               |           |            |              |             |
| Common stock August, 2006 at \$0.0013,200,000 |               | 3,200     | -          | -            | 3,200       |
| August, 2006 at \$0.01                        | 640,000       | 640       | 5,760      | -            | 6,400       |
| Net loss                                      | -             | -         | -          | (8,074)      | (8,074)     |
| Balance, September 30, 2006                   | 3,840,000     | 3,840     | 5,760      | (8,074)      | 1,526       |
| Net loss                                      | -             | -         | -          | (36,205)     | (36,205)    |
| Balance, September 30, 2007                   | 3,840,000     | 3,840     | 5,760      | (44,279)     | (34,679)    |
| Issued for cash;                              |               |           |            |              |             |
| Common stock December 2007 at \$0.50          | 209,000       | 209       | 104,291    | -            | 104,500     |
| Net loss                                      | -             | -         | -          | (39,189)     | (39,189)    |
| Balance, September 30, 2008                   | 4,049,000     | \$ 4,049  | \$ 110,051 | \$ (83,468)  | \$ 30,632   |
| Net loss                                      | -             | -         | -          | (53,203)     | (53,203)    |
| Balance, September 30, 2009                   | 4,049,000     | \$ 4,049  | \$ 110,051 | \$ (136,671) | \$ (22,571) |

**PACIFIC SOFTWARE, INC.**

(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

**Note 1**

**Nature and Continuance of Operations**

The Company was incorporated in the State of Nevada, United States of America on October 12, 2005 and its fiscal year end is September 30. The Company is in the development stage and has acquired the rights to a software package named LargeFilesASAP software and the LargeFilesASAP.com domain name. To date no revenues have been generated.

**Going Concern**

These financial statements have been prepared on a going concern basis. The Company has a negative working capital deficit of \$23,100 at September 30, 2009, and has accumulated a deficit of \$136,671 since inception and further losses are anticipated in developing the Company's business plans. The ability to continue as a going concern is dependent upon raising the necessary capital to develop its business, to meet its obligations and repay its liabilities arising from normal business operations when they come due and ultimately upon generating profitable operations. The outcome of these matters cannot be predicted with any certainty at this time. These factors raise substantial doubt that the Company will be able to continue as a going concern. Management plans to continue to provide for its capital needs by the issuance of common stock and related party advances. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

**Note 2**

**Summary of Significant Accounting Policies**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### **Development Stage Company**

The Company is a development stage company. All losses accumulated since inception have been considered as part of the Company's development stage activities.

### **Fair Value of Financial Instruments**

The carrying value of the Company's financial instruments consisting of cash and amounts due to related parties approximate their carrying value due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Equipment**

Equipment is stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which are generally 2 to 5 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of its equipment or whether the remaining balance should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

**Note 2**

**Summary of Significant Accounting Policies** (cont d)

**Use of Estimates**

The preparation of financial statements in conformity with United States generally accepted accounting principles 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring management's estimates and assumptions are the valuation of technology rights and deferred tax balances.

**Technology rights**

Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until commercial operations have commenced. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and changes in hardware and software technologies. Software development costs capitalized include direct labor and purchased software expenses incurred after technological feasibility has been established. Amortization of capitalized application software development costs begins upon the commencement of commercial operations. Capitalized costs will be amortized over the estimated product life of three to five years, using the greater of the straight-line method or the ratio of current product revenues to total projected future revenues. At the balance sheet date, management evaluates the net realizable value of the capitalized costs and adjusts the current period amortization for any impairment of the capitalized asset value. In October 2006, the Company capitalized direct costs incurred in the acquisition of its proprietary application software totaling \$14,152 (CAD \$15,900). The net book value of capitalized application software is reviewed annually for impairment.

**Impairment of Long-lived Assets**

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment charge is recognized for the amount, if any, which the carrying value of the asset exceeds the fair value.

**Foreign Currency Translation**

The Company's functional currency and reporting currency is the U.S. dollar. Foreign denominated monetary assets and liabilities are translated to their U.S. dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations.

### **Net Loss per Share**

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities diluted loss per share is equal to basic loss per share.

### **Income Taxes**

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry-forwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of a change in tax rules on deferred tax assets and liabilities is recognized in operations in the year of change. A valuation allowance is recorded when it is more likely-than-not that a deferred tax asset will not be realized.



**Note 2**

**Summary of Significant Accounting Policies** (cont d)

**Stock-based Compensation**

The Company has not adopted a stock option plan and has not granted any stock options. Accordingly no stock-based compensation has been recorded to date.

**Newly Adopted Accounting Pronouncements**

In June 2009, the Financial Accounting Standards Board ( FASB ) issued authoritative guidance which established the FASB Standards Accounting Codification ( Codification ) as the source of authoritative GAAP recognized by the FASB to be applied to nongovernmental entities, and rules and interpretive releases of the SEC as authoritative GAAP for SEC registrants. The Codification supersedes all the existing non-SEC accounting and reporting standards upon its effective date and, subsequently, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. The guidance is not intended to change or alter existing GAAP. The guidance became effective for the Company on September 15, 2009. The guidance did not have an impact on the Company's financial position, results of operations or cash flows. All references to previous numbering of FASB Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts have been removed from the financial statements and accompanying footnotes.

In May 2009, the FASB issued authoritative guidance for subsequent events. The guidance provides authoritative accounting literature related to evaluating subsequent events that was previously addressed only in the auditing literature. The guidance is similar to the current guidance with some exceptions that are not intended to result in significant change to current practice. The guidance defines subsequent events and also requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The Company adopted the disclosure provisions of the guidance as of June 15, 2009. The adoption did not have an impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued authoritative guidance for interim disclosures about fair value of financial instruments, which amended existing guidance. The guidance requires disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements. The Company adopted the disclosure provisions of the guidance as of September 30, 2009. See Note 3 for additional information related to the adoption of the guidance. The adoption did not have an impact on the Company's financial position, results of operations or cash flows.

In December 2008, the FASB issued authoritative guidance on disclosures by public entities (enterprises) about transfers of financial assets and interests in variable interest entities. This disclosure-only guidance improves the transparency of transfers of financial assets and an enterprise's involvement with variable interest entities, including qualifying special-purpose entities. The Company adopted the disclosure provisions of the guidance as of December 30, 2008. There was no impact on the Company's quarterly financial statements resulting from the adoption of this standard.

#### Recent Accounting Pronouncements

In September 2009, the FASB issued authoritative guidance for the accounting for revenue arrangements with multiple deliverables. The guidance establishes a selling price hierarchy for determining the selling price of a deliverable. The selling price used for each deliverable will be based on vendor-specific objective evidence if available, third-party evidence if vendor-specific objective evidence is not available, or estimated selling price if neither vendor-specific evidence nor third-party evidence is available. The guidance requires arrangements under which multiple revenue generating activities to be performed be allocated at inception. The residual method under the existing accounting guidance has been eliminated. The guidance expands the disclosure requirements related to multiple-deliverable revenue arrangements. The guidance becomes effective for revenue arrangements entered into or materially modified beginning in fiscal 2011, with early adoption permitted. The guidance applies on a prospective basis unless the Company specifically elects to apply the guidance retrospectively. The Company has determined that the guidance will have no effect on its financial position, results of operations or cash flows.

**Note 2**

**Summary of Significant Accounting Policies** (cont d)

Recent Accounting Pronouncements (cont d)

In June 2009 the FASB issued authoritative guidance which amended existing guidance for the accounting for transfers of financial assets. The objective of this guidance is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. This guidance is effective for the Company commencing October 1, 2009. Earlier application is prohibited. This guidance must be applied to transfers occurring on or after the effective date. The Company is assessing the effect that the implementation of this guidance will have on the financial statements.

In June 2009, the FASB issued authoritative guidance which amended the existing guidance for the consolidation of variable interest entities, to address the elimination of the concept of a qualifying special purpose entity. The guidance also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity, and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Additionally, the guidance requires any enterprise that holds a variable interest in a variable interest entity to provide enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise's involvement in a variable interest entity. The guidance is effective for the Company for the fiscal year commencing on October 1, 2009. The Company has determined that the guidance will have no effect on its financial position, results of operations or cash flows.

In December 2008, the FASB issued authoritative guidance for employers' disclosures about postretirement benefit plan assets. The guidance requires additional disclosures about plan assets related to an employer's defined benefit pension or other post-retirement plans to enable investors to better understand how investment decisions are made, the major categories of plan assets, the inputs and valuation techniques used to measure the fair value of plan assets, the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period, and the significant concentrations of risk within plan assets. The disclosure provisions of the guidance are effective for the Company for the fiscal year commencing on October 1, 2009. The Company has determined that the guidance will have no effect on its financial position, results of operations or cash flows.

In June 2008, the FASB ratified authoritative guidance for determining whether instruments granted in share-based payment transactions are participating securities. The guidance addresses whether instruments granted in share-based payment awards are participating securities prior to vesting and, therefore, must be included in the earnings allocation in calculating earnings per share under the two-class method. The guidance requires that unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend-equivalents be treated as participating securities in calculating earnings per share. The guidance is effective for the Company for the fiscal year commencing

on October 1, 2009, and shall be applied retrospectively to all prior periods. The Company has determined that the guidance will have no effect on its financial position, results of operations or cash flows.

In April 2008, the FASB issued authoritative guidance for determining the useful life of intangible assets. The guidance amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset. The guidance is effective for the Company for the fiscal year commencing on October 1, 2009. The Company has determined that the guidance will not have a material impact on its financial position, results of operations or cash flows.

In December 2007, the FASB revised the authoritative guidance for business combinations. The revised guidance retains the underlying concepts of the existing guidance in that business combinations are still accounted for at fair value. However, the accounting for certain other aspects of business combinations will be affected. Acquisition costs will generally be expensed as incurred. Restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date. In-process research and development will be recorded at fair value as an indefinite-lived intangible at the acquisition date until it is completed or abandoned and its useful life can be determined. Changes in deferred tax asset valuation allowances and uncertain tax positions after the acquisition date will generally impact income tax expense. The revised guidance also expands required disclosures surrounding the nature and financial effects of business combinations. The revised guidance is effective, on a prospective basis, for the fiscal year commencing October 1, 2009. The Company has determined that the guidance will have no effect on its financial position, results of operations or cash flows.

## Note 2

### Summary of Significant Accounting Policies (cont d)

#### Recent Accounting Pronouncements (cont d)

In December 2007, the FASB issued authoritative guidance for noncontrolling interests in consolidated financial statements. The guidance requires the recognition of a noncontrolling interest (minority interest prior to the adoption of the guidance) as equity in the Consolidated Financial Statements. The amount of net income attributable to the noncontrolling interest should be included in consolidated net income on the face of the Consolidated Statements of Operations. The guidance also amends certain existing consolidation procedures in order to achieve consistency with the requirements of the revised authoritative guidance for business combinations discussed above. The guidance also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. The guidance is effective for the Company for the fiscal year commencing on October 1, 2009. The Company has determined that the guidance will not have a material impact on its financial position, results of operations or cash flows.

## Note 3

### Financial Instruments

The Company adopted new authoritative guidance on October 1, 2008 for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the guidance expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 inputs are based upon significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The carrying value of the Company's financial assets and liabilities which consist of cash, accounts payable and accrued liabilities and promissory note payable, in management's opinion approximate their fair value due to the short maturity of such instruments. These financial assets and liabilities are valued using level 1 inputs. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, exchange or credit risks arising from these financial instruments.

**Note 4****Equipment**

Equipment consists of the following:

|                                | September 30<br>2009 | September 30<br>2008 |
|--------------------------------|----------------------|----------------------|
| Computer equipment             | \$ 1,060             | \$ -                 |
| Less: Accumulated depreciation | (532)                | -                    |
|                                | \$ 528               | \$ -                 |

**Note 5****Technology Rights**

Pursuant to an Assignment Agreement dated October 30, 2006 (the Agreement), the Company acquired from the president of the Company a 100% undivided right in and to a LargeFilesASAP software package, all rights, title and interest in and to the LargeFilesASAP.com domain, and all intellectual property rights related to LargeFilesASAP products and trademarks for \$14,152 (CAD\$15,900). The \$14,152 was paid by way of a promissory note bearing interest at 8% per annum and payable on demand. During the year ended September 30, 2008 the Company repaid the promissory note. During the year ended September 30, 2009, the Company recorded an impairment in value of \$14,151 resulting in the technology rights having a carrying value of \$1. (2008 - \$14,152)

The LargeFilesASAP software allows the transfer of large electronic files over the Internet by login on the Company's server and entering a recipient's e-mail address.

**Note 6****Capital Stock**

The total number of shares authorized to be issued by the Company is 100,000,000 common shares with a par value of \$0.001 and 10,000,000 preferred shares with a par value of \$0.001.

During the period from October 12, 2005 (inception) to September 30, 2006, the Company issued 3,840,000 shares of common stock for total cash proceeds of \$9,600.

During the year ended September 30, 2008, the Company issued 209,000 shares of common stock for total cash proceeds of \$104,500.

As at September 30, 2009, the Company has not granted any stock options and has not recorded any stock-based compensation.

**Note 7**

**Related Party Transactions**

At September 30, 2009, the President of the Company had made cash advances of \$15,000 (2008 - \$nil). These amounts were unsecured, without interest, with no specified repayment terms.

By agreement dated September 30, 2006, the President of the Company or his private company provided management services to the Company at \$424 per month including GST. On January 1, 2008 this agreement was renegotiated to the amount of \$525 including GST. During the year ended September 30, 2009, management services of \$6,300 (2008 - \$5,997) were charged to operations. At September 30, 2009, \$3,150 was owing to the President's private company (2008 - \$1,575).

These transactions were recorded at the exchange amount which is the amount agreed to by the related parties.



**Note 8****Income Taxes**

The provision for income taxes differs from the result which would be obtained by applying the statutory income tax rate of 34% to income before income taxes. The difference results from the following items

The significant components of the Company's deferred tax assets are as follows:

|  | September 30,<br>2009 | September 30,<br>2008 |
|--|-----------------------|-----------------------|
| Net loss before income taxes                     | \$ (53,203)-          | \$ (39,189)           |
| Statutory tax rate                               | 34%                   | 34%                   |
| Expected income tax recovery                     | (18,089)-             | (13,324)              |
| Items recognized for tax                         | 0-                    | (160)                 |
| Unrecognized current benefit of operating losses | (18,089)-             | 13,484                |
| Total income taxes                               | \$ -                  | \$ -                  |

The significant components of the Company's deferred tax assets (liabilities) are as follows:

|  | September 30,<br>2009 | September 30,<br>2008 |
|--|-----------------------|-----------------------|
| Net operating losses                     | \$ 53,203-            | \$ 28,699             |
| Technology rights in excess of tax value | 0-                    | (320)                 |
| Valuation allowance                      | (53,203)-             | (28,379)              |
| Net deferred tax asset                   | \$ -                  | \$ -                  |

The Company has approximately \$136,351 of net operating loss carry forwards which may be used to offset future taxable income that expire at various amounts between 2026 and 2029.

The Company has provided a valuation allowance against its deferred tax assets given that it is in the development stage and there is substantial uncertainty as to the Company's ability to realize future tax benefits through utilization of operating loss carry forwards.

Inherent uncertainties arise over tax positions taken with respect to transfer pricing, related party transactions, tax credits, tax based incentives and stock based transactions. Management has considered the likelihood and significance of possible penalties associated with its intended filing positions and has determined, based on their assessment, that such penalties, if any, would not be expected to be material.

## **Note 9**

### **Subsequent Events**

The Company evaluated subsequent events through the financial statements filing date of February 10, 2010.

Effective December 3, 2009, the Company entered into a Contribution Agreement with Marinus Jellema, the Company's founder, executive officer, and member of the board of directors, pursuant to which he discharged and released a \$25,015 debt in his favor and contributed to the Company's treasury for cancellation the 3,840,000 shares of the Company's common stock that he owned of record or beneficially and the Company transferred to him substantially all of the assets that the

Company had acquired from him on October 30, 2006. The assets consisted of the LargeFilesASAP software package, all rights, title and interest in and to the LargeFilesASAP.com domain, and all intellectual property rights related to the LargeFilesASAP products and trademarks.

On December 3, 2009, the Company sold and issued 3,200,000 shares of common stock to Harrysen Mittler and an aggregate of 640,000 shares to four otherwise unaffiliated persons, all at par value.

On December 29, 2009, the Company executed and delivered a non-binding Letter of Intent with Atlantis Internet Group Corp. ( AIGC ), pursuant to the terms of which the Company would acquire all of its outstanding capital stock in consideration of our issuing shares of our common stock to AIGC. The number of shares to be issued is to be determined by negotiations between AIGC and the Company prior to the closing of the transaction contemplated by the Letter of Intent. This Letter of Intent expired on January 31, 2010.

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors of Pacific Software Inc.

We have audited the accompanying balance sheets of Pacific Software Inc. (a development stage company) as of September 30, 2008 and 2007 and the related statements of operations, stockholders' equity and cash flows for the years ended September 30, 2008 and 2007 and the period from October 12, 2005 (inception) through September 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2008 and 2007 and the results of its operations and its cash flows for the years ended September 30, 2008 and 2007 and the period from October 12, 2005 (inception) through September 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, to date the Company has reported losses since inception from operations and requires additional funds to meet its obligations and fund the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

DMCL

/s/ DALE MATHESON CARR-HILTON LABONTE LLP

DALE MATHESON CARR-HILTON LABONTE LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada

November 28, 2008

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**PACIFIC SOFTWARE INC.**

(A Development Stage Company)

**BALANCE SHEETS**

|   | September 30,<br>2008 | September 30,<br>2007 |
|---|-----------------------|-----------------------|
| <b><u>ASSETS</u></b>                                    |                       |                       |
| Current   |                       |                       |
| Cash  | \$ 18,055             | \$ 136                |
| Technology rights Note 3                                | 14,152                | 14,152                |
|   | \$ 32,207             | \$ 14,288             |
| <b><u>LIABILITIES</u></b>                               |                       |                       |
| Current   |                       |                       |
| Accounts payable and accrued liabilities                | \$ -                  | \$ 6,580              |
| Due to related party Notes 3 and 5                      | 1,575                 | 42,387                |
|   | 1,575                 | 48,967                |
| <b><u>STOCKHOLDERS EQUITY (DEFICIENCY)</u></b>          |                       |                       |
| Capital stock Note 4                                    |                       |                       |
| Authorized:   |                       |                       |
| 100,000,000 common shares authorized, \$0.001 par value |                       |                       |
| 10,000,000 preferred shares, \$0.001 par value          |                       |                       |
| Issued and outstanding                                  |                       |                       |
| 4,049,000 common shares (September 30, 2007 3,840,000)  | 4,049                 | 3,840                 |
| Additional paid-in capital                              | 110,051               | 5,760                 |
| Deficit accumulated during the development stage        | (83,468)              | (44,279)              |
|   | 30,632                | (34,679)              |
|   | \$ 32,207             | \$ 14,288             |

Going concern Note 1



**PACIFIC SOFTWARE INC.**

(A Development Stage Company)

STATEMENTS OF OPERATIONS

|  | Year<br>Ended<br>September 30,<br>2008 | Year<br>Ended<br>September 30,<br>2007 | October 12,<br>2005<br>(inception)<br>to September 30,<br>2008 |
|--|--|--|--|
| Expenses   |  |  |  |
| Interest   | \$ 87                                  | \$ 1,987                               | \$ 2,074   |
| Office and general   | 570                                    | 4,403                                  | 5,547  |
| Management fees  | 5,997                                  | 5,088                                  | 11,885   |
| Professional fees  | 23,455                                 | 24,727                                 | 54,882   |
| Transfer and filing fees   | 3,830                                  | -                                      | 3,830  |
| Website development  | 5,250                                  | -                                      | 5,250  |
| Net loss   | \$ (39,189)                            | \$ (36,205)                            | \$ (83,468)  |
| Basic and diluted loss per share                                   | \$ (0.01)                              | \$ (0.01)                              |  |
| Weighted average number of shares outstanding<br>basic and diluted | 4,008,456                              | 3,840,000                              |  |

**PACIFIC SOFTWARE INC.**

(A Development Stage Company)

## STATEMENTS OF CASH FLOWS

|  | Year<br>Ended<br>September<br>30,<br>2008 | Year<br>Ended<br>September<br>30,<br>2007 | October 12,<br>2005<br>(inception)<br>to September<br>30,<br>2008 |
|--|---|---|---|
| <b>Operating Activities</b>  |   |   |   |
| Net loss   | \$ (39,189)                               | \$ (36,205)                               | \$ (83,468)   |
| Adjustments to reconcile net loss to net cash used in operating activities |   |   |   |
| Accrued interest payable   | -   | 1,987                                     | -   |
| Management fees accrued  | -   | 5,088                                     | 1,575   |
| Foreign exchange   | -   | 1,748                                     | 1,748   |
| Change in non-cash working capital items                                   |   |   |   |
| Accounts payable and accrued liabilities                                   | (6,580)                                   | (120)                                     | -   |
|  | (45,769)                                  | (27,502)                                  | (80,145)  |
| <b>Financing Activities</b>  |   |   |   |
| Proceeds from issuance of common stock                                     | 104,500                                   | -   | 114,100   |
| Advances from (repayments to) related party                                | (40,812)                                  | 19,412                                    | (15,900)  |
|  | 63,688                                    | 19,412                                    | 98,200  |
| Increase (decrease) in cash  | 17,919                                    | (8,090)                                   | 18,055  |
| Cash, beginning  | 136                                       | 8,226                                     | -   |
| Cash, ending   | \$ 18,055                                 | \$ 136                                    | \$ 18,055   |

## Other non-cash transaction:

During the year ended September 30, 2007, the Company acquired technology rights valued at \$14,152 by issuance of a promissory note.

## Supplementary disclosure of cash flow information:

Cash paid for:



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|              |    |       |    |   |    |       |
|--------------|----|-------|----|---|----|-------|
| Interest     | \$ | 2,074 | \$ | - | \$ | 2,074 |
| Income taxes | \$ | -     | \$ | - | \$ | -     |

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**PACIFIC SOFTWARE INC.**

(A Development Stage Company)

## STATEMENT OF STOCKHOLDERS EQUITY

for the period October 12, 2005 (Inception) to September 30, 2008

|   | Common Shares |           | Additional | Deficit     |          |
|---|---------------|-----------|------------|-------------|----------|
|   | Number        | Par Value | Paid-in    | Accumulated | Total    |
|   |               |           | Capital    | During the  |          |
|   |               |           |            | Development |          |
|   |               |           |            | Stage       |          |
| Balance, October 12, 2005 (Inception)         | -             | \$ -      | -          | -           | -        |
| Issued for cash:                              |               |           |            |             |          |
| Common stock August, 2006 at \$0.0013,200,000 |               | 3,200     | -          | -           | 3,200    |
| August, 2006 at \$0.01                        | 640,000       | 640       | 5,760      | -           | 6,400    |
| Net loss                                      | -             | -         | -          | (8,074)     | (8,074)  |
| Balance, September 30, 2006                   | 3,840,000     | 3,840     | 5,760      | (8,074)     | 1,526    |
| Net loss                                      | -             | -         | -          | (36,205)    | (36,205) |
| Balance, September 30, 2007                   | 3,840,000     | 3,840     | 5,760      | (44,279)    | (34,679) |
| Issued for cash;                              |               |           |            |             |          |
| Common stock December 2007 at \$0.50          | 209,000       | 209       | 104,291    | -           | 104,500  |
| Net loss                                      | -             | -         | -          | (39,189)    | (39,189) |
| Balance, September 30, 2008                   | 4,049,000     | \$ 4,049  | 110,051    | (83,468)    | 30,632   |

**PACIFIC SOFTWARE INC.**

(A Development Stage Company)

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2008

**Note 1**

**Nature and Continuance of Operations**

The Company was incorporated in the State of Nevada, United States of America on October 12, 2005 and its fiscal year end is September 30. The Company is in the development stage and has acquired the rights to a software package named LargeFilesASAP software and the LargeFilesASAP.com domain name. To date no revenues have been generated.

**Going Concern**

These financial statements have been prepared on a going concern basis. The Company has working capital of \$16,480 at September 30, 2008, and has accumulated a deficit of \$83,468 since inception and further losses are anticipated in developing the Company's business plans. The ability to continue as a going concern is dependent upon raising the necessary capital to develop its business, to meet its obligations and repay its liabilities arising from normal business operations when they come due and ultimately upon generating profitable operations. The outcome of these matters cannot be predicted with any certainty at this time. These factors raise substantial doubt that the Company will be able to continue as a going concern. Management plans to continue to provide for its capital needs by the issuance of common stock and related party advances. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

**Note 2**

**Summary of Significant Accounting Policies**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### **Development Stage Company**

The Company complies with Financial Accounting Standard Board Statement ( FAS ) No. 7 and the Securities and Exchange Commission Act Guide 7 for its characterization of the Company as development stage.

### ***Fair Value of Financial Instruments***

The carrying value of the Company's financial instruments consisting of cash and amounts due to related parties approximate their carrying value due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Use of Estimates**

The preparation of financial statements in conformity with United States generally accepted accounting principles 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring management's estimates and assumptions are the valuation of technology rights and deferred tax balances.

**Note 2**

**Summary of Significant Accounting Policies** (cont d)

***Technology rights***

In accordance with Statement of Position (SOP) No. 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use and Statement of Financial Accounting Standards ( SFAS ) No. 86, software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until commercial operations have commenced. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and changes in hardware and software technologies. Software development costs capitalized include direct labour and purchased software expenses incurred after technological feasibility has been established. Amortization of capitalized application software development costs begins upon the commencement of commercial operations. Capitalized costs will be amortized over the estimated product life of three to five years, using the greater of the straight-line method or the ratio of current product revenues to total projected future revenues. At the balance sheet date, management evaluates the net realizable value of the capitalized costs and adjusts the current period amortization for any impairment of the capitalized asset value. In October 2006, the Company capitalized direct costs incurred in the acquisition of its proprietary application software totalling \$14,152 (CAD \$15,900). The net book value of capitalized application software is reviewed annually for impairment.

***Impairment of Long-lived Assets***

Capital assets are reviewed for impairment in accordance with FAS No. 144, Accounting for the Impairment or Disposal of Long-lived Assets . Under FAS No. 144, these assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment charge is recognized for the amount, if any, which the carrying value of the asset exceeds the fair value.

***Foreign Currency Translation***

The Company's functional currency and reporting currency is the U.S. dollar. In accordance with SFAS No. 52, Foreign Currency Translation , foreign denominated monetary assets and liabilities are translated to their U.S. dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations.

## **Net Loss per Share**

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities diluted loss per share is equal to basic loss per share.

## Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 *Accounting for Income Taxes*, as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ( FIN 48 ), on October 1, 2007. Previously, the Company had accounted for tax contingencies in accordance with SFAS No. 5, *Accounting for Contingencies*. As required by Interpretation 48, which clarifies SFAS No. 109, *Accounting for Income Taxes*, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting this standard, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

**Note 2**

**Summary of Significant Accounting Policies** (cont d)

Income Taxes (Continued)

At the adoption date, the Company applied Interpretation 48 to all tax positions for which the statute of limitations remained open. The adoption of FIN 48 did not have a material impact in the financial statements during the year ended September 30, 2008

**Stock-based Compensation**

The Company has not adopted a stock option plan and has not granted any stock options. Accordingly no stock-based compensation has been recorded to date.

**Recent Accounting Pronouncements**

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles ( SFAS No. 162 ). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles for nongovernmental entities. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The Company does not expect there to be any significant impact of adopting SFAS 162 on its financial position, cash flows and results of operations.

In March 2008, the FASB issued Statement of Financial Accounting Standards ( SFAS ) No. 161, *Disclosures about Derivative Instruments and Hedging Activities* , an amendment of FASB Statement No. 133, which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. The adoption of SFAS No. 161 should have no effect on the financial position and results of operations of the Company.

In January 2008, Staff Accounting Bulletin ( SAB ) 110, Share-Based Payment was issued. Registrants may continue, under certain circumstances, to use the simplified method in developing estimates of the expected term of share options as initially allowed by SAB 107, Share-Based Payment . The adoption of SAB 110 should have no effect on the financial position and results of operations of the Company.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (Revised) Business Combinations . SFAS 141 (Revised) establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance will become effective for the fiscal year beginning after December 15, 2008. The adoption of SFAS No. 141 (Revised) should have no effect on the financial position and results of operations of the Company.

In December 2007, the FASB issued SFAS No. 160 Noncontrolling Interests in Consolidated Financial Statements-an amendment of ARB No. 51 . SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. The guidance will become effective for the fiscal year beginning after December 15, 2008. The adoption of SFAS No. 160 should have no effect on the financial position and results of operations of the Company.



**Note 3**

**Technology Rights**

Pursuant to an Assignment Agreement dated October 30, 2006 (the Agreement), the Company acquired from the president of the Company a 100% undivided right in and to a LargeFilesASAP software package, all rights, title and interest in and to the LargeFilesASAP.com domain, and all intellectual property rights related to LargeFilesASAP products and trademarks for \$14,152 (CAD\$15,900). The \$14,152 was paid by way of a promissory note bearing interest at 8% per annum and payable on demand. During the year ended September 30, 2008 the Company repaid the promissory note. As at September 30, 2008, the Company owed \$nil (September 30, 2007 - \$14,152 plus accrued interest of \$1,167) to the President of the Company.

The LargeFilesASAP software allows the transfer of large electronic files over the Internet by login on the Company's server and entering a recipient's e-mail address. The Company intends to continue to develop and market the software.

**Note 4**

**Capital Stock**

The total number of shares authorized to be issued by the Company is 100,000,000 common shares with a par value of \$0.001 and 10,000,000 preferred shares with a par value of \$0.001.

During the period from October 12, 2005 (inception) to September 30, 2006, the Company issued 3,840,000 shares of common stock for total cash proceeds of \$9,600.

During the year ended September 30, 2008, the Company issued 209,000 shares of common stock for total cash proceeds of \$104,500.

As at September 30, 2008, the Company has not granted any stock options and has not recorded any stock-based compensation.

**Note 5**

**Related Party Transactions**

As at September 30, 2008, the Company owed \$nil (September 30, 2007 - \$15,900 (CAD \$15,900)), to the President of the Company pursuant to the Assignment Agreement (Note 3). In addition, at September 30, 2008, the President of the Company had made cash advances of \$nil (September 30, 2007 - \$19,412). These amounts were unsecured, incurred interest at 8% per annum and were repayable on demand. During the year ended September 30, 2008, all advances plus accrued interests of \$2,074 were repaid in full.

By agreement dated September 30, 2006, the President of the Company or his private company provided management services to the Company at \$424 per month including GST. On January 1, 2008 this agreement was renegotiated to the amount of \$525 including GST. During the year ended September 30, 2008, management services of \$5,997 (September 30, 2007 - \$5,088) were charged to operations. At September 30, 2008, \$1,575 was owing to the President s private company (September 30, 2007 - \$5,088).

These transactions were recorded at the exchange amount which is the amount agreed to by the related parties.

**Note 6****Income Taxes**

The provision for income taxes differs from the result which would be obtained by applying the statutory income tax rate of 34% to income before income taxes. The difference results from the following items

The significant components of the Company's deferred tax assets are as follows:

|  | September 30,<br>2008 | September 30,<br>2007 |
|--|-----------------------|-----------------------|
|  | \$                    | \$                    |
| Net loss before income taxes                     | (39,189)              | (36,205)              |
| Statutory tax rate                               | 34%                   | 34%                   |
| Expected income tax recovery                     | (13,324)              | (12,310)              |
| Items recognized for tax                         | (160)                 | (160)                 |
| Unrecognized current benefit of operating losses | 13,484                | 12,470                |
| <br>Total income taxes                           |                       |                       |

The significant components of the Company's deferred tax assets (liabilities) are as follows:

|  | September 30,<br>2008 | September 30,<br>2007 |
|--|-----------------------|-----------------------|
|  | \$                    | \$                    |
| Net operating losses                     | 28,699                | 15,215                |
| Technology rights in excess of tax value | (320)                 | (160)                 |
| Valuation allowance                      | (28,379)              | (15,055)              |
| <br>Net deferred tax asset               |                       |                       |

The Company has approximately \$83,000 of net operating loss carry forwards which may be used to offset future taxable income that expire at various amounts between 2026 and 2028.

The Company has provided a valuation allowance against its deferred tax assets given that it is in the development stage and there is substantial uncertainty as to the Company's ability to realize future tax benefits through utilization of operating loss carry forwards.

Inherent uncertainties arise over tax positions taken with respect to transfer pricing, related party transactions, tax credits, tax based incentives and stock based transactions. Management has considered the likelihood and significance of possible penalties associated with its intended filing positions and has determined, based on their assessment, that such penalties, if any, would not be expected to be material.

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**INDEX TO EXHIBITS**

| <b><u>Exhibit</u></b> | <b><u>Description of Exhibit</u></b>   |
|-----------------------|--|
| 10.1*                 | Contribution Agreement, effective as of December 3, 2009, by and between Pacific Software Inc., a Nevada corporation, and Marinus Jellema.   |
| 23.1*                 | Consent of Dale Matheson Carr-Hilton Labonte, LLP.   |
| 31.1*                 | Certification of President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.  |
| 31.2*                 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.  |
| 32.1*                 | Certification of President pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.               |
| 32.2*                 | Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

\*

Filed herewith.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**PACIFIC SOFTWARE, INC.**

By: */s/ HARRYSEN MITTLER*  
Harrysen Mittler  
President, Secretary, and  
Director

Date: February 10, 2010

By: */s/ MARINUS JELLEMA*  
Marinus Jellema  
Treasurer and Director

Date: February 9, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| <b>Signature</b>                                | <b>Title</b>   | <b>Date</b>       |
|---|--|-------------------|
| <i>/s/ HARRYSEN MITTLER</i><br>Harrysen Mittler | President, Secretary, and Director<br>(Principal Executive Officer)    | February 10, 2010 |
| <i>/s/ MARINUS JELLEMA</i><br>Marinus Jellema   | Chief Financial Officer and Director<br>(Principal Accounting Officer) | February 10, 2010 |

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