

**EXHIBIT 16**

**Subject:** Re: Meeper Update  
**From:** Patrick Cannon (pcannon53590@yahoo.com)  
**To:** liz@meepertek.com;  
**Date:** Wednesday, August 17, 2016 8:20 AM

Liz

I can't seem to download the financials

could you please resend?

Thanks

On Tuesday, August 16, 2016 9:12 PM, Liz Eversoll <liz@meepertek.com> wrote:

Hi Pat, Here is the update for Meeper. Please let me know if you have questions. Thanks. Liz

### **Accomplishments**

Meeper has released a commercially viable product, meeperBOT 2.0, which is sold in 42 stores and carried in the Demco library catalog, selling a few thousand BOTS to date. We have hired a contract manufacturer who will source all components, assemble, pack and ship – this has been a lengthy process lining up our supply chain and manufacturing. We are ramping inventory for 35,000 BOTS and our goal is to drive to those sales this year. We have hired over 30 independent sales reps covering most of the US and have many inquiries for distribution of the meeperBOT. We are also working with Demco to develop STEM programming activities which will be promoted by Demco to libraries and schools and delivered in the BOT controller App.

### **Challenges**

Lining up our supply chain and manufacturing – and actually getting them to deliver on time has been a large challenge and delayed our sales ramp due to lack of inventory. We are also capital constrained with regards to building inventory and have run out of BOTS to sell multiple times.

### **Next Steps**

We have signed Heritage Ventures to lead our investment round of \$2.4M. We have strong interest and anticipate a first close of this in 60-90 days. Funding will be used to build inventory, make improvements to BOT2.0 and develop our next product for release in 1Q2017. We will also complete the buildout of a retail location in WW – we have been delayed due to lack of inventory for a retail location.

### **Loans**

We require the completion of our fundraiser for inventory to meet our backorders and drive to holiday sales to meet our goals. We'd like to bring current the loan interest/principal current and make regular payments thereafter upon completion of our first tranche close in an estimated 60-90 days.

### **Liz Eversoll, CEO**

Meeper Technology, LLC

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**Meeper Technology, LLC**  
**Profit and Loss**  
 January - December 2015

	<b>Total</b>
<b>Income</b>	
4000 - Grant Revenue	10,000.00
4001 - Product Sales	15,207.66
Returns	-832.44
<b>Total Income</b>	<b>\$ 24,375.22</b>
<b>Cost of Goods Sold</b>	
5000 - COGS Materials	26,075.22
5001 - Parts	6,904.97
<b>Total Cost of Goods Sold</b>	<b>\$ 32,980.19</b>
<b>Gross Profit</b>	<b>-\$ 8,604.97</b>
<b>Expenses</b>	
6000 - Supplies	1,470.06
6001 - Prototype Expense	3,009.84
6001 - Shipping	3,091.94
6002 - Packaging	1,051.26
6003 - Marketing & Design	5,679.65
6005 - Subcontractor Expense	7,551.33
6007 - Equipment expense	5,071.84
6100 - Payroll	
6101 - Wages & Salary	111,822.56
6102 - Payroll Taxes	7,413.73
<b>Total 6100 - Payroll</b>	<b>\$ 119,236.29</b>
6170 Merchant Fees	60.00
6200 - Travel Expenses	
6201 - Automobile	1,659.24
6203 - Meals & Entertainment	1,521.01
<b>Total 6200 - Travel Expenses</b>	<b>\$ 3,180.25</b>
6270 - Tooling Expense	12,476.50
6300 - Advertising & Promotion	1,352.10
6300 - Software, Internet, & Computer Expense	1,464.47
6301 - Rent & Utilities	8,156.96
6302 - Legal & Professional Fees	8,584.00
6800 - Miscellaneous	-0.42
6901 - Bank Service Fees	313.02
6903 - Taxes & Licenses	45.00
7000 - Interest Expense	10,687.87
<b>Total Expenses</b>	<b>\$ 192,481.96</b>
<b>Net Operating Income</b>	<b>-\$ 201,086.93</b>
<b>Other Expenses</b>	
7001 - Depreciation Expense	1,801.35
<b>Total Other Expenses</b>	<b>\$ 1,801.35</b>



Net Other Income

-\$ 1,801.35

Net Income

-\$ 202,888.28

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**Meeper Technology, LLC**  
**Profit and Loss**  
 January 1 - August 16, 2016

	<b>Total</b>
<b>Income</b>	
4001 - Product Sales	62,813.33
4002 - Product Return	-1,722.50
4003 - Shipping Income	1,065.53
<b>Total Income</b>	<b>\$ 62,156.36</b>
<b>Cost of Goods Sold</b>	
5000 - COGS Materials	35,992.61
5040 - COGS Merchant Fees	
5041 - Square Merchant Fees	102.78
5042 - Paypal Merchant Fees	83.14
<b>Total 5040 - COGS Merchant Fees</b>	<b>\$ 185.92</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 36,178.53</b>
<b>Gross Profit</b>	<b>\$ 25,977.83</b>
<b>Expenses</b>	
6000 - Supplies	4,477.55
6001 - Shipping	11,560.59
6002 - Packaging	8,115.19
6003 - Marketing & Design	17,489.92
6005 - Subcontractor Expense	26,356.98
6006 - Product Safety Testing	6,023.32
6100 - Payroll	
6101 - Wages & Salary	31,052.27
6102 - Payroll Taxes	2,785.12
<b>Total 6100 - Payroll</b>	<b>\$ 33,837.39</b>
6170 Merchant Fees	84.00
6200 - Travel Expenses	
6201 - Automobile	1,611.83
6203 - Meals & Entertainment	2,909.49
6204 - Lodging	3,930.76
6302 - Airfare	2,820.75
<b>Total 6200 - Travel Expenses</b>	<b>\$ 11,272.83</b>
6300 - Software, Internet, & Computer Expense	4,061.05
6301 - Rent & Utilities	2,485.05
6302 - Legal & Professional Fees	4,497.75
6303 - Insurance Expense	2,111.32
6901 - Bank Service Fees	269.67
6902 - Charitable Contributions	250.00
6903 - Taxes & Licenses	415.19
7000 - Interest Expense	6,365.62
Office Expenses	293.27
Purchases	705.00





<b>Total Expenses</b>	<b>\$</b>	<b>140,671.69</b>
<b>Net Operating Income</b>	<b>-\$</b>	<b>114,693.86</b>
<b>Other Expenses</b>		
7001 - Depreciation Expense		1,717.18
9999 - Ask Liz		500.00
<b>Total Other Expenses</b>	<b>\$</b>	<b>2,217.18</b>
<b>Net Other Income</b>	<b>-\$</b>	<b>2,217.18</b>
<b>Net Income</b>	<b>-\$</b>	<b>116,911.04</b>

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**Meeper Technology, LLC**  
**Balance Sheet**  
As of August 16, 2016

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1000 BUSINESS (XX 6575)	2,722.72
Bill.com Money Out Clearing	0.00
<b>Total Bank Accounts</b>	<b>\$ 2,722.72</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$ 0.00</b>
<b>Other current assets</b>	
1300 Finished Goods Inventory	0.00
1301 Raw Materials Inventory	19,024.67
1401 Prepaid Expenses	2,322.68
1800 - Loan Origination Fees	6,820.00
1801 - Amortized Loan Origination Fee	-1,153.12
<b>Inventory Asset</b>	1,580.00
<b>Total Other current assets</b>	<b>\$ 28,594.23</b>
<b>Total Current Assets</b>	<b>\$ 31,316.95</b>
<b>Fixed Assets</b>	
1600 - Equipment	16,318.15
1605 - Accumulated Depreciation	-3,518.53
<b>Total Fixed Assets</b>	<b>\$ 12,799.62</b>
<b>TOTAL ASSETS</b>	<b>\$ 44,116.57</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable	21,616.31
<b>Total Accounts Payable</b>	<b>\$ 21,616.31</b>
<b>Other Current Liabilities</b>	
2300 - Deferred Revenue	0.00
2301 - Sales Tax Payable	76.21
<b>Total Other Current Liabilities</b>	<b>\$ 76.21</b>
<b>Total Current Liabilities</b>	<b>\$ 21,692.52</b>
<b>Long-Term Liabilities</b>	
<b>2600 - Notes Payable</b>	
2601 - City of Whitewater	102,510.00
2601.1 - Accrued Interest City of WW	5,808.90
2602 - City of Whitewater CDA Loan	82,310.00
<b>Total 2600 - Notes Payable</b>	<b>\$ 190,628.90</b>
2700 - Convertible Debt	

2701 - City of Whitewater	102,000.00
2701.1 - Accrued Interest City of WW	7,638.67
2702 - Whitewater Bancorp	50,000.00
2702.1 Accrued Interest Whitewater Bancorp	2,452.80
<b>Total 2700 - Convertible Debt</b>	<b>\$ 162,091.47</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 352,720.37</b>
<b>Total Liabilities</b>	<b>\$ 374,412.89</b>
<b>Equity</b>	
3000 - Common Stock	10,000.00
3100 - Retained Earnings	-223,385.28
Opening Balance Equity	0.00
Net Income	-116,911.04
<b>Total Equity</b>	<b>-\$ 330,296.32</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 44,116.57</b>

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