

iTalk Inc.  
Form 10-Q  
August 25, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

**For the Quarterly Period Ended May 31, 2015**

**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 number: 000-54664**



As of August 24, 2015, there were 1,808,001,287 shares of registrant's common stock outstanding.

iTALK, INC.

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**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****iTALK, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	May 31, 2015 (unaudited)	August 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash	\$34,300	\$42,870
Inventory and other current assets	5,494	71,318
Total current assets	39,794	114,188
Property and equipment, net	\$-	74,106
Other assets:		
Customer lists, net	141,419	164,838
Domain rights	-	125,400
Acquisition	122,650	
Debt issue costs	-	28,588
Total other assets	264,069	318,826
Total assets	\$303,863	\$507,120
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$208,760	\$232,907
Deferred revenue	104,565	104,565
Accrued salary – related parties	252,500	102,500
Convertible note payable – net of discount of \$17,666	605,705	990,825
Note payable	325,000	-
Stock based payable	-	14,725
Settlement payable	-	348,000
Advances payable	50,000	50,000
Advances payable, related party	3,300	3,300
Loans payable, related party	37,100	36,965
Derivative liability	448,215	476,429

Total current liabilities	2,035,145	2,360,216
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock; \$0.001 par value; 50,000,000 and 50,000,000 shares authorized; 50,000,000 and 50,000,000 shares issued and outstanding as of May 31, 2015 and August 31, 2014; respectively		
Series A Preferred Stock, \$0.001 par value; 5 and -0- shares designated, 5 and -0- shares issued and outstanding as of May 31, 2015 and August 31, 2014, respectively	-	-
Series B Preferred Stock, \$0.001 par value; 49,999,995 and 49,999,995 shares designated, 49,999,995 and 49,999,995 shares issued; 49,999,995 and 49,999,995 shares outstanding as of May 31, 2015 and August 31, 2014, respectively	50,000	50,000
Common stock, \$0.001 par value 1,875,000,000 shares authorized; 1,424,196,407 and 111,249,454 shares issued and outstanding as of May 31, 2015 and August 31, 2014, respectively	1,424,196	111,249
Additional paid in capital	476,552	1,212,815
Accumulated deficit	(3,682,030)	(3,227,161)
Total stockholders' deficit	(1,731,282)	(1,853,096)
Total liabilities and stockholders' deficit	\$303,863	\$507,120

See the accompanying notes to the unaudited condensed consolidated financial statements

**iTALK, INC.****CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

	Three months ended May 31,		Nine months ended May 31,	
	2015	2014	2015	2014
<b>REVENUES:</b>				
Sales	\$ 181,475	\$ 218,146	\$ 521,313	\$ 564,098
Cost of sales	155,382	168,822	394,143	501,673
Gross (loss) profit	26,093	49,324	127,170	62,425
<b>OPERATING EXPENSES:</b>				
Selling, general and administrative	107,632	293,645	408,950	1,091,407
Research and development expenses	-	7,000	-	35,000
Depreciation and amortization	67,718	35,068	92,072	98,065
Total operating expenses	175,350	335,713	501,022	1,224,472
Loss from operations	(149,257 )	(286,389 )	(373,852 )	(1,162,047 )
Other income (expense):				
Gain(loss) on change in fair value of derivatives	392,220	(296,271 )	28,214	141,755
Gain on settlement of debt	(1,000 )	3,471	-	3,471
Impairment of assets	(32,120 )	-	(32,120 )	-
Interest expense	(23,917 )	(284,249 )	(76,111 )	(1,541,624 )
Total other income (expenses)	335,183	(577,049 )	(81,017 )	(1,396,128 )
Net Income (loss)	\$ 185,926	\$ (863,438 )	(454,870 )	(2,841,955 )
Net income (loss) per common share, basic	\$(0.01 )	\$(0.01 )	\$(0.00 )	\$(0.05 )
Weighted average number of common shares outstanding, basic and diluted	278,509,766	74,672,452	231,593,499	57,263,988

See the accompanying notes to the unaudited condensed consolidated financial statements



**iTALK, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW****(Unaudited)**

	Nine months ended May 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$(454,870)	\$(2,841,955)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	25,008	98,065
Debt issuance expense	28,588	-
Amortization of debt discount	65,000	1,310,064
Bad debt expense	-	80,065
Impairment of assets	104,106	-
Liability for registration rights	-	155,080
(Gain) loss on change in derivative liabilities	(28,214 )	141,755
Stock based compensation	-	203,839
Changes in operating assets and liabilities:		
Accounts receivable	-	(80,065 )
Prepaid expense	65,824	(61,721 )
Accounts payable and accrued expenses	(126,647)	188,226
Accrued salaries – related parties	252,500	
Deferred revenue		28,261
Net cash used in operating activities	(68,705 )	(788,386 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment towards acquisition of WQN		(5,488 )
Purchase of equipment	-	(625 )
Net cash used in investing activities	-	(6,113 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from common stock subscriptions	-	262,157
Proceeds from notes payable	-	155,000
Proceeds from advances – related party	135	-
Proceeds from convertible note payable	60,000	340,000
Net cash provided by financing activities	60,135	757,157
Net decrease in cash	(8,570 )	(27,342 )
Cash, beginning of period	42,870	42,370
Cash, end of period	\$34,400	\$15,028

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

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Interest paid	\$-	\$-
Income taxes paid	\$-	\$-
Non cash investing and financing activities:		
Common stock issued in payment of settlement payable	\$-	\$115,522
Common stock issued in connection with issuance of convertible debt	\$306,240	\$145,000
Common stock issued in connection with legal proceedings		\$4,939

See the accompanying notes to the unaudited condensed consolidated financial statements

**ITALK, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying unaudited condensed consolidated financial statements follows:

Business and Basis of Presentation

ITALK, INC. (the “Company”) was formed on July 10, 2006 under the laws of the State of Nevada as Sopac Cellular Solutions, Inc. On December 18, 2012, the Company changed its name iTALK, INC. affected by way of a merger with its wholly-owned subsidiary iTalk, Inc which was created solely to facilitate the name change. The Company was formed to sell wireless technology and cell phone service to medium and large corporations, involving a large array of cellular service plans, cell phones, software and accessories.

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, iTalk, Inc. and RocketVoL, Inc. All significant inter-company transactions and balances have been eliminated in consolidation.

Development Stage Company

The Company has elected to adopt Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. The adoption of this ASU allows the Company to remove the inception to date information and all references to development stage.

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of May 31, 2015, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended May 31, 2015 are not necessarily indicative of results that may be expected for the year ended August 31, 2015. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended August 31, 2013 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on December 16, 2014.

### Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company has reported net losses of \$454,870 and \$2,841,955 for the nine month periods ended May 31, 2015 and 2014, respectively, accumulated deficit of \$3,682,030 and total current liabilities in excess of current assets of \$1,995,351 as of May 31, 2015.

The Company has minimal revenues from operations and will be dependent on raising funds to satisfy its ongoing capital requirements for the next 12 months. The Company will require additional financing in order to execute its operating plan and continue as a going concern. The Company cannot predict whether this additional financing will be in the form of equity or debt, or by in another form. The Company may not be able to obtain the necessary additional capital on a timely basis, or on acceptable terms, or at all. In any of these pressures, any of these circumstances would have a material adverse effect on its business, prospects, financial condition and results of operations.

The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability of assets and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

### Revenue Recognition

The Company follows the guidance in Staff Accounting Bulletin (SAB) No. 104, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements. SAB 104 states that revenue is realized or realizable and earned when all of the following criteria are met: persuasive evidence of an arrangement exists, services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonably assured.

Revenues are primarily derived from fees charged to terminate voice services over the Company's network and from related monthly recurring charges. Variable revenue is earned based on the number of minutes during a call and is recognized upon completion of a call. Revenue from each customer is calculated from information received through the Company's network switches. The Company tracks the information received from the switch and analyzes the call detail records and applies the respective revenue rate for each call. Fixed revenue is earned from monthly recurring services provided to customers that are fixed and recurring in nature, and are connected for a specified period of time. Revenues are recognized as the services are provided and continue until the expiration of the contract or until cancellation of the service by the customer. Cash fees received prior to call completion are recorded on the Company's consolidated balance sheets as unearned revenue. As of May 31, 2015 and August 31, 2014, the Company recorded unearned revenue of \$104,565 and \$104,565, respectively.

### Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the useful life of fixed assets and assumptions used in the fair value of stock-based compensation.

### Derivative Instrument Liability

The Company accounts for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged.

In accordance with this authoritative guidance, the Company recognized certain reset conversion features embedded in an issued a settlement agreement, convertible notes payable and registration rights agreement as derivative instruments at fair value.

Accounting for changes in the fair value of the derivative instruments depend on whether the derivative qualifies as hedge relationships and the types of relationships designated are based on the exposures hedged. At May 31, 2015 and August 31, 2014, the Company did not have any derivative instruments that were designated as hedges.

#### Net Income (loss) per Common Share

The Company computes net income (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share (“ASC 260-10”). Basic net income (loss) per common share is computed by dividing net loss by the weighted average number of shares of common stock. Diluted net income (loss) per share is computed using the weighted average number of common and common stock equivalent shares outstanding during the period.

Research and development

In accordance with ASC 730, "Research and Development", the Company expenses all research and development costs as incurred. The Company had incurred \$7,000 for the nine months ended May 31, 2014. None was incurred for the nine months ended May 31, 2015.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all cash on hand, in banks, certificates of deposit and other highly liquid debt instruments with a maturity of three months or less at the date of purchase, to be cash and cash equivalents.

Property and equipment

Property and equipment are stated at cost, LIGN="bottom"> 449 \$22.27 388,500

Nov. 1, 2006	Nov. 30, 2006		
39,005	22.91	38,000	350,500
Dec. 1, 2006	Dec. 31, 2006		
40,500	24.10	40,500	310,000
Total			
79,954	\$23.51	78,500	310,000

Notes to these tables:

- (1) On February 24, 2006, the Board of Directors of the Corporation adopted a new stock repurchase program (the 2006 Program ) under which the Corporation may repurchase up to 450,000 shares of the Corporation's common stock, not to exceed \$10 million. The 2006 Program was publicly announced in a Press Release dated February 24, 2006. There is no expiration date on the 2006 Program and the Corporation has no plans for an early termination of the 2006 Program. All shares purchased through the 2006 Program were accomplished in open market transactions.

- (2) In October 2006, 449 shares were purchased by the Corporation's deferred compensation plan and in November 2006, 1,005 shares were purchased by the Corporation's Thrift Plan through open market transactions by the Corporation's Wealth Management Division investment personnel.

**ITEM 6. SELECTED FINANCIAL DATA**

The information required by this Item 6 is incorporated by reference to the information appearing under the caption "Selected Financial Data" in the financial section of the Corporation's Annual Report to Shareholders for the year ended December 31, 2006 at page 1.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OPERATIONS (MD&A)**

The information required by this Item 7 is incorporated by reference to the information appearing under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the financial section of the Corporation's Annual Report to Shareholders for the year ended December 31, 2006 at pages 2 to 15.



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**ITEM 7A. QUANTATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The quantitative and qualitative disclosures about market risks are included in the MD&A, in various sections beginning with Net Interest Income through Contractual Cash Obligations of the Corporation in the Corporation's Annual Report to Shareholders at pages 6 to 14.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The financial statements and the auditor's report thereon and supplementary data required by this Item 8 are incorporated by reference to the financial section of the Corporation's Annual Report to Shareholders for the year ended December 31, 2006 at pages 16 to 41.

**ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer, Frederick C. Peters II and Chief Financial Officer, J. Duncan Smith, CPA, of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2006 pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures as of December 31, 2006, are effective in timely alerting them to material information relating to the Corporation (including its consolidated subsidiaries) required to be included in the Corporation's periodic SEC filings.

**Changes in Internal Control over Financial Reporting**

As of the date of this Report, there have not been any significant changes in the Corporation's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

**Management's Report on Internal Control over Financial Reporting**

The information required in this Item 9A is incorporated by reference to the financial section of the Corporation's Annual Report to Shareholders for the year ended December 31, 2006 at page 16

**Report of Independent Registered Public Accounting Firm**

**The Board of Directors and Shareholders Bryn Mawr Bank Corporation:**

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that Bryn Mawr Bank Corporation and subsidiaries (the Corporation) maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Bryn Mawr Bank Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Corporation's internal control over financial reporting based on our audit.

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We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

In our opinion, management's assessment that Bryn Mawr Bank Corporation maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, Bryn Mawr Bank Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Bryn Mawr Bank Corporation as of December 31, 2006 and 2005, and the related consolidated statements of income, cash flows, changes in shareholders' equity and comprehensive income, for each of the years in the three-year period ended December 31, 2006, and our report dated March 9, 2007 expressed an unqualified opinion on those consolidated financial statements.

Philadelphia, Pennsylvania

March 9, 2007

### **ITEM 9B. OTHER INFORMATION**

None

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The information with respect to Directors of the Corporation is incorporated by reference to the definitive proxy statement of the Corporation filed with the SEC pursuant to Regulation 14A at pages 5 to 12.

The information with respect to Committees of the Corporation's Board of Directors are incorporated by reference to the definitive proxy statement of the Corporation filed with the SEC pursuant to Regulation 14A at pages 6 to 12.

Each member of the Audit Committee is independent and financially literate as defined by Nasdaq GM. The Board of Directors of the Corporation has determined that Scott M. Jenkins and Britton H. Murdoch are financial experts as defined by SEC regulations.

The Boards of Directors of the Corporation and the Bank have determined that all of its members are independent and meet the independence requirements of the Nasdaq GM, except for Frederick C. Peters, II. Because Mr. Peters is the President and Chief Executive Officer of the Corporation and the Bank, he is not independent. Mr. Peters also serves as Chairman of the Corporation and the Bank.

**Executive Officers of the Corporation and the Bank**

Below is certain information with respect to the executive officers of the Corporation and Bank as of March 1, 2007:

<b>NAME</b>	<b>AGE AS OF MARCH 1, 2006</b>	<b>OFFICE WITH THE CORPORATION AND/OR BANK</b>
Frederick C. Peters II	57	President and Chief Executive Officer and Chairman of Corporation and Bank
J. Duncan Smith, CPA	48	Treasurer and Chief Financial Officer of Corporation and Executive Vice President, Treasurer & Chief Financial Officer of Bank
Alison E. Gers	49	Executive Vice President of Bank - Community Banking Division, Marketing, Technology and Information, Services and Operations
Joseph G. Keefer	48	Executive Vice President of Bank - Chief Lending Officer
Robert J. Ricciardi	58	Secretary of Corporation and Executive Vice President, Secretary and Chief Credit Policy Officer of the Bank
Matthew G. Waschull	45	Executive Vice President of Bank - Wealth Management Division

**Mr. Peters** was elected President and Chief Executive Officer and a Director of the Corporation and the Bank on January 22, 2001. Mr. Peters was elected the Chairman of the Board of the Bank and Corporation, effective August 5, 2002. Prior to that, Mr. Peters was founder, President and Chief Executive Officer of the 1<sup>st</sup> Main Line Bank, a division of National Penn Bank, from May 1995 to January 2001.

**Mr. Smith** was employed by the Corporation in April 2005 as Treasurer and Chief Financial Officer of the Corporation and as Executive Vice President, Treasurer and Chief Financial Officer of the Bank. From March, 1993 through March 2005, Mr. Smith was the Principal Accounting Officer for First Chester County Corporation which is headquartered in West Chester, PA. During his tenure at First Chester County Corporation he held a variety of positions, where his last position was as Executive Vice President and Chief Financial Officer.

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**Ms. Gers** was employed by the Bank in 1998 as Senior Vice President of Marketing. Ms. Gers was appointed Executive Vice President of the Bank in 2001. Since joining the Bank, Ms. Gers has held various positions. As of September 2005 Ms. Gers was responsible for the Community Banking Division, marketing, technology and information services and operations.

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**Mr. Keefer** was employed by the Bank in 1991 as Vice President and Commercial Lending manager. Mr. Keefer was made the Bank's Chief Lending Officer in December 1997. In December 2002 Mr. Keefer assumed responsibility for the Bank's Credit Division. In February 2001, Mr. Keefer was designated Executive Vice President and Chief Lending Officer of the Bank.

**Mr. Ricciardi** was employed by the Bank in 1971. In January 2001, Mr. Ricciardi was named Secretary of the Corporation and the Bank, and was responsible for the Credit Division, the Community Banking Division and the Risk Management Division. In December 2002, Mr. Ricciardi relinquished responsibility for the Credit Division. As of September 2005, Mr. Ricciardi was responsible for the Risk Management Division, the Human Resources/Facilities Division and Insurance Counsellors of Bryn Mawr.

**Mr. Waschull** was appointed Executive Vice President of the Bank in charge of the Wealth Management Division in February 2007. Prior to joining Bryn Mawr Trust, Mr. Waschull served as Managing Director for a substantial segment of the private wealth management business at Wilmington Trust Company in Wilmington, Delaware.

None of the above executive officers has any family relationship with any other executive officer or with any director of the Corporation or Bank.

The Corporation has adopted a Code of Business Conduct and Ethics (the Code) which amended, restated and combined into one code its Code of Ethics for Officers and Directors and its Employee Code of Ethics. The Code is available on the Corporation's website at [www.bmtc.com](http://www.bmtc.com) under the Code of Ethics caption and printed copies are available to any shareholder upon request. The Code meets the requirements for a code of ethics for the Corporation's principal executive officer, principal financial officer or persons performing similar functions under Item 406 of Regulation S-K of the SEC. Any amendments to the Code, or any waivers of the Code for directors or executive officers will be disclosed promptly on a Form 8-K filed with the SEC or by any other means approved by the SEC.

The information with respect to compliance with Section 16 of SEC Exchange Act of 1934 is incorporated by reference to the definitive proxy statement of the Corporation filed with the SEC pursuant to Regulation 14A at page 28.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required for Item 11 is incorporated by reference to the executive compensation section and the Corporation's compensation committee report section of the definitive proxy statement of the Corporation, filed with the SEC pursuant to Regulation 14A at pages 12 to 27.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The information required for Item 12 is incorporated by reference to the Corporation's definitive proxy statement, filed with the SEC pursuant to Regulation 14A at pages 2 to 3.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The information required for Item 13 is incorporated by reference to the Corporation's definitive proxy statement, filed with the SEC pursuant to Regulation 14A at page 27.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

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The information required for Item 14 is incorporated by reference to the Corporation's definitive proxy statement, filed with the SEC pursuant to Regulation 14A at pages 27 to 28.

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**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(a) The following exhibits are filed as a part of this report.

**EXHIBIT TABLE**

**3 - Articles of Incorporation and By-Laws**

- (A) (i) Articles of Incorporation, effective August 8, 1986, are incorporated by reference to Form S-4 of the Registrant, No. 33-9001.
  - (ii) Amendment to the Articles of Incorporation, effective April 23, 1998 is incorporated by reference to the Corporation's Proxy Statement dated March 6, 1998 and filed with the SEC.
  - (iii) Articles of Merger / Consolidation, effective April 1, 1999 are incorporated by reference to the SEC's Form 10-K filed with the Commission on March 23, 2003 as Exhibit 3(A)III.
- (B) Amended and Restated By-Laws of the Registrant are incorporated by reference to the Corporation's 10-K filed with the SEC on March 23, 2003 as Exhibit B.

**4 - Instruments defining the rights of security holders**

- (A) Articles of Incorporation and By-Laws: See Item 3(A) & (B) above.
- (B) Shareholders Rights Plan: incorporated by reference to 8-K filed with the SEC on November 25, 2003.

**10 - Material Contracts**

- (A) License Agreement dated December 30, 1994, between Bryn Mawr Bank Corporation and FIServ Cir, Inc. is incorporated by reference to the Corporation's 10-K, filed with the SEC on March 31, 1995.
- (B) The Bryn Mawr Bank Corporation 1998 Stock Option Plan, is hereby incorporated by reference to the Corporation's Proxy Statement dated March 2, 1998 and filed with the SEC as Exhibit A to the Proxy Statement.
- (C) Agreement dated January 1, 1999 between Bryn Mawr Brokerage Company, Inc. and UVEST Financial Services Group, Inc., to provide brokerage support services to BM Brokerage is incorporated by reference to the Corporation's Form 10-K filed with the SEC on March 30,

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1999.

- (D) Employment Agreement dated January 11, 2001 between Bryn Mawr Bank Corporation and Frederick C. Peters II is incorporated by reference to the Corporation's Form 10-K, filed with the SEC on March 30, 2001.
- (E) The Bryn Mawr Bank Corporation 2001 Stock Option Plan, is hereby incorporated by reference to the Corporation's Proxy Statement dated March 8, 2001 and filed with the SEC on March 8, 2001 as Appendix B to the Proxy Statement.
- (F) Addendum, dated August 15, 2001, to the License agreement between Bryn Mawr Bank Corporation and Fiserv Solutions, Inc. dated December 30, 1994 is incorporated by reference to the Corporation's Form 10-K, filed with the SEC on March 30, 2002.
- (G) Amendment dated August 8, 2002 to the Agreement between Bryn Mawr Brokerage Company, Inc. and UVEST Financial Services, Group, Inc. dated January 1, 1999 and incorporated by reference to the Corporation's Form 10-K filed with the SEC on March 30, 1999, to include The Bryn Mawr Trust Company as Subscriber to the original contract is incorporated by reference to the Corporation's Form 10-K, filed with the SEC on March 26, 2003.
- (H) Bryn Mawr Bank Corporation 2004 Stock Option Plan is incorporated by reference to the Form S-8, filed with the Securities and Exchange Commission on March 15, 2004.
- (I) Master Services agreement dated September 16, 2003, effective August 1, 2004 and an amendment to the master services agreement dated March 2, 2004, between SEI Investment Management Corporation and The Bryn Mawr Trust Company to provide data processing services for the Bank's trust accounts incorporated by reference to the Corporation's Form 10-K filed with the SEC on March 7, 2005.
- (J) Agreement dated September 16, 2003, effective August 1, 2004, between The Bryn Mawr Trust Company and SEI Private Trust Company, to provide mutual fund clearing services for the Bank's trust customers is incorporated by reference to the Corporation's Form 10-K, filed with the SEC on March 7, 2005.
- (K) Executive Severance and Change of Control Agreement for Frederick C. Peters, II, is attached herewith as Exhibit 10(K).



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- (L) Executive Severance and Change of Control Agreement for J. Duncan Smith is incorporated by reference to the Corporation's Form 8-K filed with the SEC on April 6, 2004.
- (M) Executive Severance and Change of Control Agreement for Alison E. Gers is attached herewith as Exhibit 10(M).
- (N) Executive Severance and Change of Control Agreement for Joseph G. Keefer is attached herewith as Exhibit 10(N).
- (O) Executive Severance and Change of Control Agreement for Robert J. Ricciardi is attached herewith as Exhibit 10(O).
- (P) Executive Severance and Change of Control Agreement for Matthew G. Waschull is attached herewith as Exhibit 10(P).
- (Q) Form of Key Employee Non-Qualified Stock Option Agreement is incorporated by reference to the Corporation's Form 10-Q filed with the SEC on March 10, 2005.
- (R) Form of Non-Qualified Stock Option Agreement for Non-Employee Directors is incorporated by reference to the Corporation's Form 10-Q filed with the SEC on May 10, 2005.
- (S) Deferred Payment Plan for Directors of Bryn Mawr Bank Corporation dated January 1, 2000 is attached herewith as Exhibit 10(S).
- (T) Deferred Payment Plan for Directors of the Bryn Mawr Trust Company effective January 1, 2000 is attached herewith as Exhibit 10(T).
- (U) Deferred Bonus Plan for Executives of Bryn Mawr Bank Corporation dated January 1, 1999 is attached herewith as Exhibit 10(U).

**13 - Annual Report to Security Holders**

The Registrant's 2006 Annual Report to Shareholders is attached herewith as Exhibit 13.

**21 - Subsidiaries of the Registrant**

**Subsidiaries of the Corporation:**

Name	State of Incorporation	Status
The Bryn Mawr Trust Company	Pennsylvania	Active
Bryn Mawr Financial Services, Inc.	Pennsylvania	Inactive
Bryn Mawr Advisors, Inc.	Pennsylvania	Inactive
Bryn Mawr Brokerage Co., Inc.	Pennsylvania	Inactive
Joseph W. Roskos Co., Inc.	Pennsylvania	Inactive
Bryn Mawr Asset Management, Inc.	Pennsylvania	Inactive
Bryn Mawr Finance, Inc.	Delaware	Inactive

**Subsidiaries of the Bank:**

<b>Name</b>	<b>State of Incorporation</b>	<b>Status</b>
Insurance Counsellors of Bryn Mawr, Inc.	Pennsylvania	Active
BMT Settlement Services, Inc.	Pennsylvania	Active
BMT Mortgage Services, Inc.	Pennsylvania	Active
BMT Leasing, Inc.	Delaware	Active

**23 - Consent of Independent Registered Public Accounting Firm**

.1 - Consent of KPMG LLP filed herewith as Exhibit 23.1.

**31 - Certification of Annual Report**

.1 - Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

.2 - Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

**32 - Certification Pursuant to 18 U.S.C. Section 1350**

.1 - Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

.2 - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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**99 Additional Exhibits**

(A) Registrant's Proxy Statement for its 2007 Annual Meeting to be held on April 25, 2007, was expected to be filed with the Securities and Exchange Commission on or around March 15, 2007 and is incorporated by reference as Exhibit 99(A).

(B)(b) **INDEX TO FINANCIAL STATEMENTS, SCHEDULES AND EXHIBITS:**

**Report of Independent Registered Public Accounting Firm**

The report of Independent Registered Public Accounting Firm, KPMG LLP, as pertaining to the Consolidated Financial Statements of Bryn Mawr Bank Corporation for 2006 and related notes is incorporated by reference to the Corporation's 2006 Annual Report to Shareholders at page 17.

**Consolidated Financial Statements and Related Notes**

The Consolidated Financial Statements and related Notes are incorporated by reference to the financial section of the Corporation's 2006 Annual Report to Shareholders: See the index to the financial statements for the specific page references.

**Supplementary Data**

Quarterly Results of Operations are incorporated by reference to the information under the caption "Selected Quarterly Financial Data (Unaudited)", in Note 22 of the financial section of the Corporation's Annual Report to Shareholders for the fiscal years ended December 31, 2006 and 2005.

Financial Statement Schedules are omitted because of the absence of the conditions under which they are required or because the information called for is included in the Consolidated Financial Statements or Notes thereto.

**Exhibits:**

For information regarding exhibits, including those incorporated by reference, see pages 14 through 16 of this report.

**SIGNATURES**

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

(Registrant) Bryn Mawr Bank Corporation

By (Signature and Title) /s/ J. Duncan Smith, Treasurer and Chief Financial Officer

Date March 15, 2007

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

NAME	TITLE	DATE
/s/ FREDERICK C. PETERS II <b>Frederick C. Peters II</b>	Chairman, President and Chief Executive Officer (Principal Executive Officer) and Director	March 13, 2007
/s/ J. DUNCAN SMITH, CPA <b>J. Duncan Smith</b>	Treasurer and Chief Financial Officer (Principal Financial and Principal Accounting Officer)	March 13, 2007
<b>David E. Lees</b>	Director	March __, 2007
/s/ ANDREA F. GILBERT <b>Andrea F. Gilbert</b>	Director	March 14, 2007
<b>Wendell F. Holland</b>	Director	March __, 2007
/s/ FRANCIS J. LETO <b>Francis J. Leto</b>	Director	March 14, 2007
/s/ B. LOYALL TAYLOR, JR. <b>B. Loyall Taylor, Jr.</b>	Director	March 13, 2007
/s/ NANCY J. VICKERS <b>Nancy J. Vickers</b>	Director	March 14, 2007
/s/ THOMAS A. WILLIAMS <b>Thomas A. Williams</b>	Director	March 13, 2007
<b>Britton H. Murdoch</b>	Director	March __, 2007
/s/ SCOTT M. JENKINS <b>Scott M. Jenkins</b>	Director	March 14, 2007