

**Governance Holdings Co.**  
**d/b/a GMI Ratings**

<b>Balance Sheets</b>	<b>As of December 31, 2010</b>	<b>As of December 31, 2011</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash on hand and in Banks	1,654,860	1,232,247
Accounts Receivable - net	1,079,810	984,883
Other Current Asses	272,980	82,840
<b>Total Current Assets</b>	<b>3,007,650</b>	<b>2,299,970</b>
<b>Fixed Assets</b>		
Furniture, Fixtures & Equipment - net	241,565	193,416
Leasehold Improvements - net	55,023	43,291
Capitalized Software - net	966,501	1,092,632
<b>Total Fixed Assets</b>	<b>1,263,089</b>	<b>1,329,339</b>
<b>Other Assets - Security Deposit/Escrows</b>	<b>243,001</b>	<b>223,308</b>
<b>TOTAL ASSETS</b>	<b>4,513,740</b>	<b>3,852,617</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	199,644	107,970
Accrued expenses	316,868	490,185
Deferred Income	4,062,308	3,682,146
<b>Total Current Liabilities</b>	<b>4,578,820</b>	<b>4,280,301</b>
Deferred Compensation	150,000	150,000
Deferred Rent	118,640	95,973
<b>Total Liabilities</b>	<b>4,847,460</b>	<b>4,526,274</b>
<b>Equity</b>		
Total Capital Stock	14,374	14,374
Paid in Capital	25,478,209	25,512,879
Retained Earnings	(24,938,490)	(25,826,303)
Year to Date Earnings	(887,813)	(374,607)
<b>Total Equity</b>	<b>(333,720)</b>	<b>(673,657)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,513,740</b>	<b>3,852,617</b>