SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act Of 1934

For The Quarterly Period Ended September 30, 2014

Commission File Number: 0-52589

FlexShopper

FLEXSHOPPER, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-5456087**
(State of jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

2700 N. Military Trail Suite 200 **Boca Raton FL**	**33431**
(Address of Principal Executive Offices)	(Zip Code)

(561) 367-1504
(Registrant's telephone number)

10801 Johnston Road, Suite 210, Charlotte, NC 28226
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Date File required to be submitted pursuant to Rule 405 of Regulation S-T during the 12 preceding months (or such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [X]

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

As of September 30, 2014, the Company had a total of 34,769,866 shares of Common Stock outstanding, excluding 342,219 outstanding shares of Series 1 Preferred Stock convertible into 1,950,648 shares of Common Stock.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This report contains certain "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995, and are including this statement for purposes of these safe harbor provisions. "Forward-looking statements," which are based on certain assumptions and describe our future plans, strategies and expectations, may be identified by the use of such words as "believe," "expect," "anticipate," "should," "planned," "estimated" and "potential." Examples of forward-looking statements, include, but are not limited to, estimates with respect to our financial condition, results of operations and business that are subject to various factors that could cause actual results to differ materially from these estimates and most other statements that are not historical in nature. These factors include, but are not limited to, general and local economic conditions, changes in interest rates, deposit flows, demand for commercial, mortgage, consumer and other loans, real estate values, competition, changes in accounting principles, policies or guidelines, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting our operations, pricing, products and services. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect our financial results, is included in our other filings with the Securities and Exchange Commission.

FLEXSHOPPER, INC.

Form 10-Q Quarterly Report
Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FLEXSHOPPER, INC
CONSOLIDATED BALANCE SHEETS
ASSETS

	September 30, 2014	December 31, 2013
CURRENT ASSETS:		
Cash	$ 4,499,914	$ 960,032
Accounts receivable, net of allowance for doubtful accounts of $593,180 in 2014	25,641	119
Prepaid expenses	156,929	50,188
Lease merchandise, net	2,572,850	8,004
Assets of discontinued operations	30,448	5,363,728
Total current assets	7,285,782	6,382,071
PROPERTY AND EQUIPMENT, net	164,828	58,079
OTHER ASSETS:		
Intangible assets – patent costs	30,760	30,760
Security deposits	57,253	9,485
	88,013	40,245
	$ 7,538,623	$ 6,480,395

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2014	December 31, 2013
CURRENT LIABILITIES:		
Accounts payable	$ 164,938	$ 20,349
Accrued payroll and related taxes	169,194	68,140
Accrued expenses	127,481	3,693
Liabilities of discontinued operations	140,508	3,331,955
Total current liabilities	602,121	3,424,137
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
PREFERRED STOCK, net of issuance costs of $1,209,383	610,459	671,409
COMMON STOCK	3,477	2,115
ADDITIONAL PAID IN CAPITAL	15,335,324	8,548,162
ACCUMULATED DEFICIT	(9,012,758)	(6,165,428)
	6,936,502	3,056,258
	$ 7,538,623	$ 6,480,395

The accompanying notes to the consolidated financial statements are an integral part of these consolidated statements.

Table of Contents

FLEXSHOPPER, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	(Unaudited) For the three months ended September 30,		(Unaudited) For the nine months ended September 30,	
	2014	2013	2014	2013
REVENUE:				
LEASE REVENUE AND FEES	$ 1,346,552	$ -	$ 2,015,628	$ -
LEASE MERCHANDISE SOLD	266,988		391,162	
	1,613,540		2,406,790	
COST OF REVENUE:				
COST OF LEASE REVENUE AND FEES	874,863	-	1,319,709	-
COST OF LEASE MERCHANDISE SOLD	222,120		332,670	
	1,096,983	-	1,652,379	-
GROSS PROFIT	516,557	-	754,411	-
GENERAL AND ADMINISTRATIVE EXPENSES	1,881,180	-	4,564,478	-
INCOME TAXES	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	(1,364,623)	-	(3,810,067)	-
INCOME (LOSS) FROM DISCONTINUED OPERATIONS (including income from the sale of discontinued assets of $445,474 in 2014) (See note 3)	137,118	(265,173)	962,737	(227,453)
NET (LOSS)	$ (1,227,505)	$ (265,173)	$ (2,847,330)	$ (227,453)
BASIC (LOSS) EARNINGS PER COMMON SHARE:				
LOSS FROM CONTINUING OPERATIONS	$ (0.04)	$ -	$ (0.15)	$ -
INCOME FROM DISCOUNTINUED OPERATIONS	0.00		0.04	
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (0.04)	$ -	$ (0.11)	$ -
DILUTED (LOSS) EARNINGS PER COMMON SHARE:				
LOSS FROM CONTINUING OPERATIONS	$ (0.04)	$ -	$ (0.15)	$ -
INCOME FROM DISCOUNTINUED OPERATIONS	0.00		0.04	
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (0.04)	$ -	$ (0.11)	$ -
WEIGHTED AVERAGE SHARES				
Basic	32,128,770	18,634,369	25,994,442	18,634,369
Dilutive	32,128,770	18,634,369	25,994,442	18,634,369

The accompanying notes to the consolidated financial statements are an integral part of these consolidated statements

FLEXSHOPPER, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the nine months ended September 30, 2014
(unaudited)

	Preferred stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2013	376,387	$ 671,409	21,148,862	$ 2,115	$ 8,548,162	$ (6,165,428)	$ 3,056,258
Provision for compensation expense related to issued stock options	-	-	-	-	271,700	-	271,700
Provision for compensation expense related to issued warrants	-	-	-	-	11,200	-	11,200
Exercise of stock options	-	-	33,333	3	11,634	-	11,637
Sale of common stock, net of issuance costs of $39,000	-	-	11,574,731	1,158	5,431,879	-	5,433,037
Conversion of officers loans to common stock	-	-	1,818,182	182	999,818	-	1,000,000
Conversion of preferred shares to common stock	(34,168)	(60,950)	194,758	19	60,931	-	-
Net loss	-	-	-	-	-	(2,847,330)	(2,847,330)
Balance, September 30, 2014	342,219	$ 610,459	34,769,866	$ 3,477	$ 15,335,324	$ (9,012,758)	$ 6,936,502

The accompanying notes to the consolidated financial statements are an integral part of these consolidated statements

FLEXSHOPPER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30,

	(Unaudited) 2014	(Unaudited) 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,847,330)	$ (227,453)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
(Income) loss from discontinued operation	(962,737)	227,453
Depreciation and amortization	42,124	-
Depreciation of lease merchandise	1,019,709	
Impairment of lease merchandise	300,000	
Compensation expense related to issuance of stock options	271,700	-
Compensation expense related to issuance of warrants	11,200	-
Provision for uncollectible accounts	593,180	-
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(618,702)	-
(Increase) in prepaid expenses and other	(106,742)	-
(Increase) in lease merchandise	(3,884,555)	-
(Increase) in security deposits	(47,768)	-
Increase in accounts payable	144,589	-
Increase in accrued payroll and related taxes	101,053	-
Increase in accrued expenses	123,788	-
Net cash used in operating activities - continuing operations	(5,860,491)	-
Net cash provided) by operating activities - discontinued operations	6,306,171	2,018,294
Net cash provided by operating activities	445,680	2,018,294
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(148,873)	-
Net cash used in investing activities – continuing operations	(148,873)	-
Net cash used in investing activities- discontinued operations	-	(83,393)
Net cash used in investing activities	(148,873)	(83,393)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans from shareholders	1,000,000	-
Proceeds from exercise of stock options	11,667	
Proceeds from sale of common stock	5,472,008	-
Payment of costs related to issuance of common stock	(39,000)	-
Net cash provided by financing operations – continuing operations	6,444,675	-
Net cash used in financing operations - discontinued operations	(3,201,600)	(1,283,879)
Net cash provided by (used in) financing activities	3,243,075	(1,283,879)
INCREASE IN CASH	3,539,882	651,022
CASH, beginning of period	960,032	610,439
CASH, end of period	$ 4,499,914	$ 1,261,461

The accompanying notes to the consolidated financial statements are an integral part of these consolidated statements.

FLEXSHOPPER, INC.
Notes To Consolidated Financial Statements
For the Three and Nine months ended September 30, 2014 and 2013
(Unaudited)

The Consolidated Balance Sheet as of September 30, 2014, the Consolidated Statements of Operations for the three and nine months ended September 30, 2014 and September 30, 2013 and Consolidated Statement of Changes In Stockholders' Equity for the nine months ended September 30, 2014, and the Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013 have been prepared by us without audit. In the opinion of Management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly in all material respects our financial position as of September 30, 2014, results of operations for the three and nine month periods ended September 30, 2014 and 2013 and cash flows for the nine month periods ended September 30, 2014 and 2013, and are not necessarily indicative of the results to be expected for the full year.

This report should be read in conjunction with our Form 10-K for our fiscal year ended December 31, 2013.

1. BACKGROUND AND DESCRIPTION OF BUSINESS:

The consolidated financial statements include the accounts of FlexShopper, Inc. (formerly Anchor Funding Services, Inc. the "Company") and its wholly owned subsidiary, FlexShopper, LLC ("FlexShopper"). FlexShopper, Inc. is a Delaware holding corporation. FlexShopper, Inc. has no operations; substantially all operations of the Company are the responsibility of FlexShopper.

FlexShopper is a North Carolina Limited Liability Company formed in September 2013 that provides certain types of durable goods to consumers on a lease-to-own basis and also provides lease-to-own terms to consumers of third party retailers and e-tailers. The Company has been generating revenues from this new line of business since December 2013. Management believes that the introduction of FlexShopper's lease-to-own (LTO) programs support broad untapped expansion opportunities within the U.S. consumer e-commerce and retail marketplaces. FlexShopper and its online LTO products provide consumers the ability to acquire durable goods, including electronics, computers and furniture on an affordable payment, lease basis. Concurrently, e-tailers and retailers that work with FlexShopper may increase their sales by utilizing FlexShopper's online channels to connect with consumers that want to acquire products on an LTO basis.

During 2013, the Company decided to concentrate its efforts on the operations of FlexShopper and subsequently, the Company entered into an agreement with a financial institution to sell substantially all of the operating assets of its wholly owned subsidiary, Anchor Funding Services, LLC ("Anchor") which provided accounts receivable funding to business located throughout the United States. The sale was finalized in June 2014 (See Note 3). The consolidated statements of operations for the three and nine months ended September 30, 2014 and the consolidated statements of cash flows for the nine months ended September 30, 2014 and 2013 reflect the historical operations of Anchor as discontinued operations. The 2014 consolidated balance sheet contains amounts attributable to Anchor which are classified as discontinued. Accordingly, we have generally presented the notes to our consolidated financial statements on the basis of continuing operations. In addition, unless stated otherwise, any reference to statement of operations items in these financial statements refers to results from continuing operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of FlexShopper, Inc. and, its wholly owned subsidiary FlexShopper, LLC. The company's wholly owned subsidiary, Anchor Funding Services, LLC ("Anchor") is reflected in the consolidated statements of operations and the consolidated statements of cash flows as discontinued operations for the three and nine months ended September 30, 2014 and 2013.

Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Lease Purchase Transaction -The lease purchase transaction is a flexible alternative for consumers to obtain use and enjoyment of brand name merchandise with no long-term obligation. Key features of the lease purchase transaction in our program include:

Brand name merchandise. We offer the ability to acquire on-line or in participating retailers well-known brands of home electronics, appliances, computers and/or tablets; and furniture.

Convenient payment drafting. We charge our customers' bank account or debit card primarily on a weekly basis and will accommodate bi-weekly requests. Lease payments together with applicable fees, constitute our primary revenue source.

Flexible options to obtain ownership. Ownership of the merchandise generally transfers to the customer if the customer has completed the payments required in the lease purchase agreement to own the merchandise, generally 52 weeks, or exercises the 90 day same as cash early purchase option. Under this option, if within 90 days of the lease the customer pays the cash price inclusive of a nominal processing fee, ownership transfers to the customer. After 90 days, the customer may also choose an early payment option to acquire ownership which would be less expensive than making 52 weekly payments.

Revenue Recognition - Merchandise is leased to customers pursuant to lease purchase agreements which provide for weekly and bi-weekly lease terms with non-refundable lease payments. Generally the customer has the right to acquire title either through a 90 day same as cash option or through payments of all required lease payments for ownership. Lease revenues are recognized in the month they are due on the accrual basis of accounting. Merchandise sales revenue is recognized when the customer exercises the purchase option and pays the purchase price. Revenue from processing fees earned upon exercise by the customer of the 90 day purchase option is recorded upon recognition of the related merchandise sales, such fees amounted to approximately $15,000 and $22,000 for the three and nine month period ended September 30, 2014, respectively. Revenue for lease payments received prior to their due date is deferred. Our revenue recognition accounting policy matches the lease revenue with the corresponding costs, mainly depreciation associated with the leased merchandise.

Lease Merchandise – Until all payment obligations are satisfied under the agreement, the Company maintains ownership of the lease merchandise. Lease merchandise consists primarily of residential furniture, consumer electronics, computers, appliances and household accessories and is recorded at cost. The Company depreciates leased merchandise using the straight line method over the applicable agreement period for a consumer to acquire ownership generally twelve months with no salvage value. When indicators of impairment exist the Company records an impairment reserve against the carrying value of the leased merchandise with a corresponding charge to cost of lease revenue. The Company is developing historical charge off information to assess recoverability and estimate of the impairment reserve. The net leased merchandise balances consisted of the following as of September 30, 2014.

Lease merchandise – at cost	$ 3,892,682
Accumulated depreciation	(1,019,832)
Impairment reserve	(300,000)
Lease merchandise – net	$ 2,572,850

Intangible Assets - Patent costs, are stated at cost less any accumulated amortization and any provision for impairment. Patent costs are amortized by using the straight line method over the shorter of their legal (20 years) or useful lives from the time they are first available for use.

Cost of Lease Merchandise Sold – Cost of merchandise sold represents the net book value of rental merchandise at the time of sale.

General and Administrative Expenses – General and Administrative expenses include all corporate overhead expenses such as salaries, payroll taxes and benefits, stock based compensation, occupancy, administrative, provision for doubtful accounts, advertising and other expenses.

Advertising Costs – The Company charges advertising costs to expense as incurred. Total advertising costs were approximately $228,100 and $416,300 for the three months and nine months ended September 30, 2014. Prior year advertising costs are included in discontinued operations.

Per Share Data (EPS) – Basic net (loss) income per share is computed by dividing the net (loss) income for the period by the weighted average number of common shares outstanding during the period. Dilutive earnings per share include the potential impact of dilutive securities, such as convertible preferred stock, stock options and stock warrants. The dilutive effect of stock options and warrants is computed using the treasury stock method, which assumes the repurchase of common shares at the average market price.

Under the treasury stock method, options and warrants will have a dilutive effect when the average price of common stock during the period exceeds the exercise price of options or warrants. Also when there is a loss from continuing operations, potential common shares are not included in the computation of diluted loss per share, since they have an anti-dilutive effect.

In computing diluted loss per share, no effect has been given to the issuance of common stock upon conversion or exercise of the following securities as their effect is anti-dilutive:

	Three months ended September 30,		Nine months ended September 30,	
	2014	**2013**	**2014**	**2013**
Convertible preferred stock	2,090,954	1,919,573	2,163,623	1,919,573
Options	3,650,121	2,992,692	3,461,284	2,891,783
Warrants	3,342,504	3,342,504	3,342,504	3,342,504
	9,083,579	8,254,769	8,967,411	8,153,860

Stock Based Compensation - The fair value of transactions in which the Company exchanges its equity instruments for employee services (share-based payment transactions) is recognized as an expense in the financial statements as services are performed.

Compensation expense is determined by reference to the fair value of an award on the date of grant and is amortized on a straight-line basis over the vesting period. We have elected to use the Black-Scholes-Merton (BSM) pricing model to determine the fair value of all stock option awards.

See Note 8 to our financial statements for the impact on the operating results for the three and nine months ended September 30, 2014 and 2013.

Fair Value of Financial Instruments – The carrying value of cash equivalents, accounts payable and accrued liabilities due to their short term nature approximate fair value.

Income Taxes – The Company is a "C" corporation for income tax purposes. In a "C" corporation income taxes are provided for the tax effects of transactions reported in the financial statements plus deferred income taxes related to the differences between financial statement and taxable income.

The primary differences between financial statement and taxable income for the Company are as follows:

- Expense related to the issuance of equity instruments
- Use of the reserve method of accounting for bad debts
- Net operating loss carryforwards.

The deferred tax asset represents the future tax return consequences of utilizing these items. Deferred tax assets are reduced by a valuation reserve, when management cannot conclude that it is more likely than not that if the net deferred tax assets will ever be realized.

The Company applied the provisions of ASC 740-10-50, "Accounting for Uncertainty in Income Taxes", which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. The Company applied this guidance to all its tax positions, including tax positions taken and those expected to be taken. For the nine months ended September 30, 2014 and 2013, the Company concluded that it had no material uncertain tax positions.

The Company classifies interest accrued on unrecognized tax benefits with interest expense. Penalties accrued on unrecognized tax benefits are classified with operating expenses.

Recent Accounting Pronouncements –

The FASB amended the Comprehensive Income topic of the ASC in February 2013 with ASU No. 2013-02. The amendment addresses reporting of amounts reclassified out of accumulated other comprehensive income. Specifically, the amendment does not change the current requirements for reporting net income or other comprehensive income in the financial statements. However, the amendment does require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, in certain circumstances an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The guidance became effective for the Company in the first quarter of fiscal year 2014. This amendment did not have any effect on the Company's financial statements.

In April 2014, the FASB issued ASU No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity". ASU No. 2014-08 changes the definition of a discontinued operation to include only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results. ASU No. 2014-08 is effective prospectively for fiscal years beginning after December 15, 2014 with early adoption permitted. The Company has early adopted this update in the second quarter of 2014.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. This new standard provides guidance for the recognition, measurement and disclosure of revenue resulting from contracts with customers and will supersede virtually all of the current revenue recognition guidance under U.S. GAAP. The standard is effective for the first interim period within annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact of the provisions of this new standard on its financial position and results of operations.

In June 2014, FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period ("ASU 2014-12"). ASU 2014-12 requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. ASU 2014-12 is effective for annual reporting periods beginning after December 15, 2015, with early adoption permitted. The Company is evaluating the potential impacts of the new standard on its existing stock-based compensation plans.

In August 2014, the FASB issued ASU 2014-15 “Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. In connection with preparing financial statements for each annual and interim reporting period, an entity’s management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued. Management’s evaluation should be based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued. Substantial doubt about an entity’s ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. The term probable is used consistently with its use in Topic 450, Contingencies. The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter.

3. DISCONTINUED OPERATIONS:

During 2013, the Company decided to concentrate its efforts on the operations of FlexShopper and subsequently on April 30, 2014, Anchor entered into an Asset Purchase and Sale Agreement (the “Purchase Agreement”) with a Bank, pursuant to which Anchor sold to the Bank substantially all of its assets (the “Anchor Assets”), consisting primarily of its factoring portfolio (the “Portfolio Accounts”). The purchase price for the Anchor Assets was equal to (1) 110% of the total funds outstanding associated with the Portfolio Accounts plus (2) an amount equal to 50% of the factoring fee and interest income earned by the Portfolio Accounts during the 12 month period following acquisition (“Earnout Payments”). The Earnout Payments totaled $183,443 for the three and nine months ended September 30, 2014. The sale of the Anchor Assets was made in a series of closings through June 16, 2014. In connection with each closing, Anchor used the proceeds thereof to pay the Bank all amounts due for factor advances associated with the Portfolio Accounts acquired pursuant to such closing under Anchor’s Rediscount Facility Agreement with the Bank dated November 30, 2011 (the “Rediscount Facility Agreement”). In accordance with the Purchase Agreement, following the final closing thereunder all obligations of Anchor under the Rediscount Facility Agreement (and the associated Validity Warranty) were paid and satisfied in full and the agreement was terminated to have no further force and effect. Anchor recorded a gain of $445,474 on the sale of these assets for the nine months ended September 30, 2014 which is included in income from discontinued operations. Such gain excludes the contingent Earnout Payments which are being recorded as income when earned.

The assets and liabilities of the discontinued operations are presented separately under the captions “Assets of discontinued operations” and “Liabilities of discontinued operations” in the accompanying Balance Sheets at September 30, 2014 and December 31, 2013 and consist of the following:

	September 30, 2014	December 31, 2013
Assets of discontinued operations:		
Retained interest in purchased accounts receivable	$ 8,150	$ 4,966,338
Earned but uncollected fees	-	141,077
Due from client	22,298	256,313
	$ 30,448	$ 5,363,728
Liabilities of discontinued operations:		
Accounts payable	$ 62,015	$ 26,966
Accrued expenses	39,151	51,719
Due to financial institution	39,342	3,240,942
Deferred revenue	-	12,328
	$ 140,508	$ 3,331,955

Major classes of income and expenses shown as income from discontinued operations in the Consolidated Statement of Operations are as follows:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Finance revenues	$ 25,490	$ 546,872	$ 735,357	$ 1,853,081
Interest expense-financial institution	(532)	(87,656)	(109,878)	(298,069)
Benefit (Provision) for credit losses	-	45,675	24,904	(59,325)
Net finance revenues	24,958	504,891	650,383	1,495,687
Operating expenses	(196,056)	(770,064)	(441,336)	(1,723,140)
Commissions on sale and other income	308,216	-	308,216	-
Gain on sale of discontinued assets	-	-	445,474	-
Net income (loss) from discontinued operations	$ 137,118	$ (265,173)	$ 962,737	$ (227,453)

4. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	Estimated Useful Lives	September 30, 2014	December 31, 2013
Furniture and fixtures	2-5 years	$ 99,982	$ 64,945
Computers and software	3-7 years	365,361	251,525
		465,343	316,470
Less: accumulated depreciation		(300,515)	(258,391)
		$ 164,828	$ 58,079

Depreciation expense was $23,717 and $7,023 for the quarters ended September 30, 2014 and 2013, respectively and $42,125 and $19,681 for the nine months ended September 30, 2014 and 2013, respectively.

5. LOANS PAYABLE SHAREHOLDERS:

On March 19, 2014 upon approval of the Board of Directors, FlexShopper entered into two Promissory Notes totaling $1,000,000, one with CEO Morry Rubin and the other with a major shareholder and Director of the Company. Each demand Promissory Note was for $500,000 and earned interest (payable monthly) at 10% per annum. The Promissory Notes were to assist FlexShopper in purchasing merchandise for lease to support FlexShopper's growth. In May 2014 these loans were converted into shares of the Company's Common Stock at a price of $0.55 per share. (See Note 6).

6. CAPITAL STRUCTURE:

The Company's capital structure consists of preferred and common stock as described below:

Preferred Stock – The Company is authorized to issue 10,000,000 shares of $.001 par value preferred stock. The Company's Board of Directors determines the rights and preferences of its preferred stock.

On January 31, 2007, the Company filed a Certificate of Designation with the Secretary of State of Delaware. Effective with this filing, 2,000,000 preferred shares became Series 1 Convertible Preferred Stock. Series 1 Convertible Preferred Stock will rank senior to Common Stock.

Series 1 Convertible Preferred Stock was convertible into 5.1 shares of the Company's Common Stock, subject to certain anti-dilution rights. As a result of the Common Stock offering described below and the sale of Common Stock to officers and/or directors as set forth under Note 7, each share of Series 1 Preferred Stock is currently convertible into 5.8 shares of the Company's Common Stock. The holder of the Series 1 Convertible Preferred Stock has the option to convert the shares to Common Stock at any time. Upon conversion all accumulated and unpaid dividends will be paid as additional shares of Common Stock.

The dividend rate on Series 1 Convertible Preferred Stock was 8%. Dividends were paid between 2007 and 2009 annually on December 31st in the form of additional Series 1 Convertible Preferred Stock unless the Board of Directors approved a cash dividend. Dividends on Series 1 Convertible Preferred Stock ceased to accrue on the earlier of December 31, 2009, or on the date they were converted to Common Shares. Thereafter, the holders of Series 1 Convertible Preferred Stock have the same dividend rights as holders of Common Stock, as if the Series 1 Convertible Preferred Stock had been converted to Common Stock.

During the nine months ended September 30, 2014, 34,168 preferred shares were converted into 194,758 common shares. As of September 30, 2014 there were 342,219 shares of Series 1 Convertible Preferred Stock outstanding.

Common Stock – The Company is authorized to issue 65,000,000 shares of $.0001 par value Common Stock. Each share of Common Stock entitles the holder to one vote at all stockholder meetings. Dividends on Common Stock will be determined annually by the Company's Board of Directors.

During the fourth quarter of 2013, the Company raised $1,000,000 from the sale of its restricted Common Stock at $.40 per share. An aggregate of 2,500,000 shares of Common Stock were sold under Rule 506 and/or Section 4(2) of the Securities Act of 1933 as amended. The Company also issued 14,493 shares to consultants for services rendered.

From May through October 2014, the Company received gross proceeds of $6,501,101 from the sale of 11,820,187 shares offered through three co-placement agents in a private placement offering at an offering price of $.55 per share. During the second and third quarters of 2014, the Company received net proceeds from this offering of $5,472,008 from the sale of 11,574,730 shares of its Common Stock under Rule 506 and/or Section 4(2) of the Securities Act of 1933 as amended. The foregoing excludes the issuance at the final closing date of October 9, 2014 of seven year warrants to purchase 15% of the number of shares sold in the offering, which warrants were issued to the placement agents. As of September 30, 2014, the placement agents have earned warrants to purchase 1,766,209 shares. The forgoing does not include warrants to purchase 6,818 warrants which were earned at the final closing on October 9, 2014, bringing the total number of placement agent warrants to 1,773,027, each at an exercise price of $.55 per share.

In addition, pursuant to the terms of the private placement offering, George Rubin and Morry F. Rubin, officers, directors and founders of the Company, each completed the funding of their $500,000 loan to the Company and converted these loans into shares of the Company's Common Stock at the same offering price per share as that paid by investors in the offering. An aggregate of 1,818,182 shares of the Company's Common Stock were issued to the Rubins from the conversion of their notes totaling $1,000,000.

7. RELATED PARTY TRANSACTIONS:

Options granted to officers and directors.

On March 20, 2012, M. Rubin and B. Bernstein were each granted 10 year options to purchase 250,000 shares of common stock each for a total of 500,000 shares. These options were fully vested in 2013. See Note 8.

On March 24, 2014, B. Bernstein was granted 10 year options to purchase 250,000 shares of common stock. These options vested on the date of grant.

On July 25, 2014, a new Director of the Company was granted 10 year options to purchase 180,000 shares of common stock. These options vest one third annually commencing at the date of grant.

See the last paragraph of Note 6.

8. STOCK OPTIONS

On January 31, 2007, the Board adopted our 2007 Omnibus Equity Compensation Plan (the "Plan"), with 2,100,000 common shares authorized for issuance under the Plan. In October 2009, the Company's stockholders approved an increase in the number of shares covered by the Plan to 4,200,000 shares.

The general purpose of the plan is to provide an incentive to the Company's employees, directors and consultants by enabling them to share in the future growth of the business.

Activity in stock options for the nine months ended September 30, 2014 is:

Outstanding at January 1, 2014	3,015,000
Granted	871,000
Canceled	(146,667)
Exercised	(33,333)
Outstanding at September 30, 2014	3,706,000

The following table summarizes information about outstanding stock options as of September 30, 2014:

Exercise Price	Number Outstanding	Remaining Contractual Life	Number Exercisable
$ 1.25	1,605,000	4 years	1,605,000
$ 1.00	45,000	6 years	45,000
$ 0.62	500,000	6 years	500,000
$ 0.17	500,000	9 years	500,000
$ 0.80	550,000	10 years	550,000
$ 0.25	120,000	10 years	120,000
$ 0.30	50,000	10 years	16,667
$ 0.45	25,000	10 years	8,333
$ 0.75	55,000	10 years	-
$ 0.83	25,000	10 years	-
$ 0.90	30,000	10 years	7,500
$ 0.89	180,000	10 years	60,000
$ 0.79	1,000	10 years	333
$ 0.55	20,000	10 years	-
	3,706,000		3,412,833

- The Company measured the fair value of each option award on the date of grant using the Black Scholes option pricing model (BSM) with the following assumptions:

	2014
Exercise price	$0.75 to $0.90
Term	10 years
Volatility	0.37
Dividends	0%
Discount rate	2.43% to 2.70%

- The fair value amounts recorded for these options in the statements of operations was $37,200 and $7,250 for the three months ended September 30, 2014 and 2013, respectively and $271,700 and $54,623 for the nine months ended September 30, 2014 and 2013, respectively.

9. WARRANTS:

The Company has outstanding warrants to one of its placement agents to purchase 1,342,500 shares of the Company's common stock, which warrants were due to expire on January 31, 2014 but were extended by the Company through January 31, 2018. These warrants are now exercisable at $1.10 per share. The following information was input into BSM (Black Scholes Model) to compute a per warrant price of $.104:

Exercise price	$ 1.10
Term	4 years
Volatility	37%
Dividends	0%
Discount rate	.09%

For the three and nine months ended September 30, 2014 and 2013, the Company recorded compensation expense of $4,200 and $1,916 and $7,000 and $1,916 respectively, related to the issuance of these warrants.

The following table summarizes information about outstanding stock warrants as of September 30, 2014:

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Number Exercisable
$ 1.10	1,342,500	4 years	1,342,500
$ 1.00	2,000,004	7 years	2,000,004
	3,342,504		

The foregoing table does not include seven-year warrants to purchase 1,773,027 shares of the Company's Common Stock at an offering price of $.55 per share issued in October 2014 to the placement agents of the Company's private placement offering which had a series of closings from May 2014 through October 2014.

10. SUPPLEMENTAL DISCLOSURES OF CASH FLOW:

Non-cash financing and investing activities consisted of the following:

For the three and nine months ended September 30, 2014

Conversion of shareholders' loans to common stock - $1,000,000
Conversion of convertible preferred stock to common stock - $ 60,950

For the three and nine months ended September 30, 2013

None

11. INCOME TAXES:

As of September 30, 2014, the Company had approximately $4.3 million of net operating loss carryforwards ("NOL") for income tax purposes. The NOL's expire in various years from 2022 through 2025. The Company's use of operating loss carryforwards is subject to limitations imposed by the Internal Revenue Code. Management believes that the deferred tax assets as of September 30, 2014 do not satisfy the realization criteria and has recorded a valuation allowance for the entire net tax asset. By recording a valuation allowance for the entire amount of future tax benefits, the Company has not recognized a deferred tax benefit for income taxes in its statements of operations.

12. COMMITMENTS AND CONTINGENCIES:

Lease Commitments

The Company has lease agreements for office space in Charlotte, NC, and Boca Raton, FL. All lease agreements are with unrelated parties.

The Company has two Charlotte leases for adjoining space that expired May 31, 2014. The monthly rent for the combined space is approximately $2,340. The Company renewed the leases for an additional year at the same terms.

On August 1, 2013, FlexShopper entered into a 39 month lease for office space in Boca Raton, FL to accommodate the FlexShopper business and its additional employees. The monthly rent was approximately $6,800. This lease agreement was amended in January 2014 to reflect a 63 month term for a larger suite in an adjoining building. Upon commencement the monthly base rent including operating expenses for the first year will be approximately $15,800 with annual three percent increases throughout the lease term.

Anchor had a lease for office space in Medley, FL, which was to expire on May 12, 2014. Anchor terminated this lease in 2013 and forfeited its security deposit.

The rental expense for the nine months ended September 30, 2014 and 2013 was approximately $116,000 and $42,000, respectively. At September 30, 2014, The future minimum annual lease payments are approximately as follows:

2015	$	135,800
2016		120,600
2017		124,400
2018		128,100
2019		109,500
	$	618,400

Contingencies

We are not a party to any pending material legal proceedings except as described below. To our knowledge, no governmental authority is contemplating commencing a legal proceeding in which we would be named as a party.

On October 22, 2010, Anchor filed a complaint in the Superior Court of Stamford/Norwalk, Connecticut against the Administrators of the Estate of David Harvey ("Harvey") to recoup a credit loss incurred by the Company's former subsidiary, Brookridge Funding Services, LLC. Harvey was the owner of a Company that caused the credit loss and the Company is pursuing its rights under the personal guarantee that Harvey provided. The Complaint is demanding principal of approximately $485,000 plus interest and damages.
On September 9, 2014 the Company received $124,774 from Harvey as a final settlement, which is included in discontinued operations.

13. SUBSEQUENT EVENTS

In October 2014, the Company received gross proceeds of $135,000 from the sale of 245,456 shares of the Company's Common Stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes appearing at the end of our Form 10-K for the fiscal year ended December 31, 2013. Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-Q, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. The “Risk Factors” section of our Form 10-K for the fiscal year ended December 31, 2013 should be read for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Executive Overview

The results of operations below principally reflect the operations of FlexShopper, LLC which provides certain types of durable goods to consumers on a lease-to-own basis and also provides lease-to-own terms to consumers of third party retailers and e-tailers. The Company began generating revenues from this new line of business in December 2013. Management believes that the introduction of FlexShopper's Lease-to-own (LTO) programs support broad untapped expansion opportunities within the U.S. consumer e-commerce and retail marketplaces. FlexShopper and its online LTO platforms provide consumers the ability to acquire durable goods, including electronics, computers and furniture on an affordable payment, lease basis. Concurrently, e-tailers and retailers that work with FlexShopper may increase their sales by utilizing FlexShopper's online channels to connect with consumers that want to acquire products on an LTO basis. FlexShopper’s sales channels include 1) serving as the financial and technology partner for durable goods retailers and etailers 2) selling directly to consumers via the online FlexShopper LTO Marketplace featuring thousands of durable goods and 3) utilizing FlexShopper’s , patent pending LTO payment method at check out on e-commerce sites.

During 2013, the Company decided to concentrate its efforts on the operations of FlexShopper and subsequently on April 30, 2014, Anchor entered into an Asset Purchase and Sale Agreement (the “Purchase Agreement”) with a Bank, pursuant to which Anchor sold to the Bank substantially all of its assets (the “Anchor Assets”), consisting primarily of its factoring portfolio (the “Portfolio Accounts”). The purchase price for the Anchor Assets was equal to (1) 110% of the total funds outstanding associated with the Portfolio Accounts plus (2) an amount equal to 50% of the factoring fee and interest income earned by the Portfolio Accounts during the 12 month period following acquisition (“Earnout Payments”). The sale of the Anchor Assets was made in a series of closings through June 16, 2014. In connection with each closing, Anchor used the proceeds thereof to pay to Bank all amounts due for factor advances associated with the Portfolio Accounts acquired pursuant to such closing under Anchor’s Rediscount Facility Agreement with the Bank dated November 30, 2011 (the “Rediscount Facility Agreement”). In accordance with the Purchase Agreement, following the final closing thereunder all obligations of Anchor under the Rediscount Facility Agreement (and the associated Validity Warranty) were paid and satisfied in full and the agreement was terminated to have no further force and effect.

The consolidated statements of operations for the three and nine months ended September 30. 2014 and the consolidated statements of cash flows for the nine months ended September 30, 2014 and 2013 reflect the historical operations of Anchor as discontinued operations. The 2014 consolidated balance sheet contains amounts attributable to Anchor and are classified as discontinued. Accordingly, we have generally presented the notes to our consolidated financial statements on the basis of continuing operations. In addition, unless stated otherwise, any reference to income statement items in these financial statements refers to results from continuing operations. (See Note 3)

We have moved our principal executive operations to Boca Raton, Florida, which also includes our sales and marketing functions.

Summary of Critical Accounting Policies

Management’s Discussion and Analysis of Financial Condition and Results of Operations discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to credit provisions, intangible assets, contingencies, litigation and income taxes. Management bases its estimates and judgments on historical experience as well as various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies, among others, reflect the more significant judgments and estimates used in the preparation of our financial statements.

Revenue Recognition - Merchandise is leased to customers pursuant to lease purchase agreements which provide for weekly and bi-weekly lease terms with non-refundable lease payments. Generally the customer has the right to acquire title either through a 90 day same as cash option or through payments of all required lease payments for ownership. Lease revenues are recognized in the month they are due on the accrual basis of accounting. Merchandise sales revenue is recognized when the customer exercises the purchase option and pays the purchase price. Revenue for lease payments received prior to their due date is deferred. Our revenue recognition accounting policy matches the lease revenue with the corresponding costs, mainly depreciation associated with the leased merchandise.

Lease Merchandise – Until all payment obligations are satisfied under the agreement, the Company maintains ownership of the lease merchandise. Lease merchandise consists primarily of residential furniture, consumer electronics, computers, appliances and household accessories and is recorded at cost. The Company depreciates leased merchandise using the straight line method over the applicable agreement period for a consumer to acquire ownership generally twelve months with no salvage value. When indicators of impairment exist the Company records an impairment reserve against the carrying value of the leased merchandise with a corresponding charge to cost of lease revenue. The Company is developing historical charge off information to assess recoverability and estimate of the impairment reserve. The net leased merchandise balances consisted of the following as of September 30, 2014.

Lease merchandise – at cost	$ 3,892,682
Accumulated depreciation	(1,019,832)
Impairment reserve	(300,000)
Lease merchandise – net	$ 2,572,850

Stock Based Compensation - The fair value of transactions in which the Company exchanges its equity instruments for employee services (share-based payment transactions) is recognized as an expense in the financial statements as services are performed.

Compensation expense is determined by reference to the fair value of an award on the date of grant and is amortized on a straight-line basis over the vesting period. We have elected to use the Black-Scholes-Merton (BSM) pricing model to determine the fair value of all stock option awards.

See Note 8 to our financial statements for the impact on the operating results for the three and nine months ended September 30, 2014 and 2013.

Income Taxes – The deferred tax asset represents the future tax return consequences of utilizing these items. Deferred tax assets are reduced by a valuation reserve, when management is uncertain if the net deferred tax assets will ever be realized.

The Company applied the provisions of ASC 740-10-50, “Accounting for Uncertainty in Income Taxes”, which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. The Company applied this guidance to all its tax positions, including tax positions taken and those expected to be taken, under the transition provision of the interpretation. For the nine months ended September 30, 2014 and 2013, the Company concluded that it had no material uncertain tax positions.

Results of Operations

FlexShopper did not have continuing operations for the three and nine months ended September 30, 2013.

The following table details the operating results from continuing operations for the three and nine months ended September 30, 2014.

	Three months ended September 30, 2014	Nine months ended September 30, 2014
Revenues	$ 1,613,540	$ 2,406,790
Cost of sales	1,096,983	1,652,379
Gross profit	516,557	754,411
Operating expenses	(1,881,180)	(4,564,478)
Loss from continuing operations before income taxes	(1,364,623)	(3,810,067)
Income tax (provision) benefit	-	-
Net loss from continuing operations	$ (1,364,623)	$ (3,810,067)

Lease revenues for the three and nine months ended September 30, 2014 were $1,613,540 and $2,406,790. FlexShopper began originating leases in late December 2013 and therefore had no revenues for the three and nine months ended September 30, 2013. The Company originated 3,924 and 6,825 leases in the three and nine months ended September 30, 2014, its first periods of meaningful operations.

Cost of sales for the three and nine months ended September 30, 2014 was comprised of depreciation expense on lease merchandise of $677,863 and $1,019,709 respectively, the net book value of merchandise sold of $222,120 and $332,670 respectively and a reserve for inventory impairment of $117,000 and 300,000 respectively. FlexShopper had no continuing operations for the three and nine months ended September 30, 2013.

Operating expenses for the three and nine months ended September 30, 2014 were $1,881,180 and $4,564,478 respectively. Key operating expenses for the three and nine months ended September 30, 2014 included the following:

	Three months ended September 30, 2014	Nine months ended September 30, 2014
Payroll, benefits and contract labor	$ 753,268	$ 2,135,217
Legal and professional fees	8,282	251,186
Stock compensation expense	41,400	282,900
Bad debts	451,657	593,180
Advertising	228,152	416,332
Total	$ 1,482,759	$ 3,678,815

The Company had a net loss from continuing operations of $1,364,623 and $3,810,067 for the three and nine months ended September 30, 2014. The net loss is the result of operating expenses associated with starting and operating the new FlexShopper business.

Sale of Anchor

On April 30, 2014, Anchor entered into an Asset Purchase and Sale Agreement (the “Purchase Agreement”) with a Bank, pursuant to which Anchor agreed to sell to the Bank substantially all of its assets consisting primarily of its factoring portfolio. The sale of the Anchor Assets was made in a series of closings through June 16, 2014.

Plan of Operation

We plan to promote our FlexShopper products and services through print advertisements, internet sites, and direct response marketing, all of which are designed to increase our lease transactions and name recognition. Our advertisements emphasize such features as instant spending limit, affordable weekly payments and free delivery. We believe that as the FlexShopper name gains familiarity and national recognition through our advertising efforts, we will continue to educate our customers and potential customers about the lease-to-own payment alternative as well as solidify our reputation as a leading provider of high quality branded merchandise and services.

For each sales channel FlexShopper has a marketing strategy that includes but is not limited to the following:

Online Lease-to-Own (LTO) Marketplace targeting consumers:
- Direct mail
- Search engine optimization; pay-per click
- Online affiliate networks
- Radio and television campaigns

Patent pending LTO Payment Method targeting durable goods e-tailers:
- Direct to e-tailers of durable goods
- Partnerships with e-commerce payment aggregators

Technology and LTO Funding Source targeting durable goods retailers:
- Introductions from outside consultants
- As a bundled channel for partners using FlexShopper’s Online LTO Marketplace or LTO Payment Method.

Management is anticipating a rapid development of our FlexShopper business over the next two years as we are able to penetrate each of our sales channels. To support our anticipated growth, the Company will need the availability of substantial capital resources on terms satisfactory to the Company. As of the filing date of this Form 10-Q, the Company has completed the following transactions, each of which has provided or is expected to provide immediate liquidity and cash resources to the Company.

1. A private placement offering which concluded with the Company's placement agents on October 9, 2014 resulting in gross proceeds to the Company of $6,501,100 before offering costs of approximately $912,100.

2. The sale of certain assets of Anchor Funding Services through an Asset Purchase Agreement. This transaction was completed in a series of closings through June 16, 2014.

3. The receipt of $1 million in funding from George Rubin and Morry F. Rubin through the funding of promissory notes in like principal amount and the conversion of these notes into shares of the Company's Common Stock at $.55 per share.

The funds derived from the sale of the Company's Common Stock in the transactions described above and from the sale of Anchor's factoring operations will provide substantial liquidity and capital resources for the Company to purchase durable goods pursuant to lease-to-own transactions and to support the Company's current general working capital needs. The Company is also actively working to secure a senior line of credit to provide additional funds for the purchase of durable goods. However, as the FlexShopper business grows, the Company will need to obtain additional financing from the sale of its equity or debt securities to support its growth over the next 12 – 15 months.

Liquidity

Cash Flow Summary

Cash Flows from Operating Activities

Net cash used by continuing activities was $5,860,491 for the nine months ended September 30, 2014 and was primarily due to our net loss for the period combined with cash used for the purchases of leased merchandise. Net cash provided by discontinued operations from our Anchor operations was $6,306,171, resulting in net cash provided by operations of $445,680.

Net cash used by discontinued operations for the nine months ended September 30, 2013 was $2,018,294 and was primarily due to decreases in retained interest in purchased accounts receivable offset by increases in due from client.

Cash Flows from Investing Activities

For the nine months ended September 30, 2014 net cash used in investing activities was $148,873 used for the purchase of property and equipment.

For the nine months ended September 30, 2013, net cash used in discontinued investing activities was $83,393 for the purchase of property and equipment and patent filings.

Cash Flows from Financing Activities

Net cash provided by financing activities was $3,243,075 for the nine months ended September 30, 2014, and was primarily due to a $1,000,000 promissory note with the certain shareholders, proceeds from the issuance of the Company's common stock of $5,472,008 from continuing operations offset by $3,201,600 of cash used by financing activities of discontinued operations.

Net cash used by discontinued financing activities was $1,283,879 for the nine months ended September 30, 2013, and was primarily due to payments to a financial institution.

Capital Resources

On March 19, 2014 upon approval of the Board of Directors, FlexShopper entered into two Promissory Notes totaling $1,000,000, one with CEO Morry Rubin and the other with a major shareholder and Director of the company. Each demand Promissory Note was for $500,000 and earned interest (payable monthly) at 10% per annum. The Promissory Notes were to assist FlexShopper in purchasing merchandise for lease to support FlexShopper's growth. The Notes were converted into 1,818,182 shares of the Company's Common Stock.

During the second and third quarter of 2014, the Company received net proceeds of $5,472,007 from the sale of 11,574,730 shares of its Common Stock under Rule 506 and/or Section 4(2) of the Securities Act of 1933 as amended.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level at the end of our most recent quarter. There have been no changes in the Company's disclosure controls and procedures or in other factors that could affect the disclosure controls subsequent to the date the Company completed its evaluation. Therefore, no corrective actions were taken.

There were no changes in the Company’s internal controls over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS:

We are not a party to any pending material legal proceedings except as described in Note 12 of the financial statements. To our knowledge, no governmental authority is contemplating commencing a legal proceeding in which we would be named as a party.

On October 22, 2010, Anchor filed a complaint in the Superior Court of Stamford/Norwalk, Connecticut against the Administrators of the Estate of David Harvey (“Harvey”) to recoup a credit loss incurred by the Company’s former subsidiary, Brookridge Funding Services, LLC. Harvey was the owner of a Company that caused the credit loss and the Company is pursuing its rights under the personal guarantee that Harvey provided. The Complaint is demanding principal of approximately $485,000 plus interest and damages. On September 9, 2014 the Company received $124,774 from Harvey as a final settlement.

As of September 30, 2014, Anchor was owed $100,000 from a Food Service Company from whom Anchor had purchased invoices. In July 2013, Anchor determined that the Food Service Company had misdirected certain payments due to Anchor, and Anchor ceased funding this client. On August 8, 2013, the Food Service Company filed Chapter 11 Bankruptcy. At the time of the bankruptcy filing, Anchor's total funding employed to the Food Service Company was approximately $1,450,000. Under a Court Order approved settlement with the Food Service Company, Anchor collected approximately $1,153,000 of the Food Service Company’s accounts receivable through December 31, 2013, leaving a remaining balance of $503,500. Anchor was paid an additional $203,500 in the last quarter of 2013 and by Court Order, the final balance of $300,000 was to be paid to Anchor in twelve monthly installments of $25,000 beginning November 8, 2013. As of September 30, 2014, the Food Service Company was current with the payments.

Item 1A. RISK FACTORS:

The Company's 2013 Annual Report includes a detailed discussion of the Company's "risk factors." The information below amends, updates and should be read in conjunction with the risk factors disclosed in the 2013 Annual Report and previous Quarterly Reports.

In deciding whether to provide a spending limit to customers, we rely on the accuracy and completeness of information furnished to us by or on behalf of our customers. If we and our systems are unable to detect any misrepresentations in this information, this could have a material adverse effect on our results of operations and financial condition. In deciding whether to provide a customer with a spending amount, we rely heavily on information furnished to us by or on behalf of our customers and our ability to validate such information through third-party services, including personal financial information. If a significant percentage of our customers intentionally or negligently misrepresent any of this information, and we or our systems do not or did not detect such misrepresentations, it could have a material adverse effect on our ability to effectively manage our risk, which could have a material adverse effect on our results of operations and financial condition.

If we fail to timely contact delinquent customers, then the number of delinquent customer receivables eventually being charged off could increase. We contact customers with delinquent account balances soon after the account becomes delinquent. During periods of increased delinquencies it is important that we are proactive in dealing with these customers rather than simply allowing customer receivables to go to charge-off. During periods of increased delinquencies, it becomes extremely important that we are properly staffed and trained to assist customers in bringing the delinquent balance current and ultimately avoiding charge-off. If we do not properly staff and train our collections personnel, or if we incur any downtime or other issues with our information systems that assist us with our collection efforts, then the number of accounts in a delinquent status or charged-off could increase. In addition, managing a substantially higher volume of delinquent customer receivables typically increases our operational costs. A rise in delinquencies or charge-offs could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Our management information systems may not be adequate to meet our evolving business and emerging regulatory needs and the failure to successfully implement them could negatively impact the business and its financial results. We are investing significant capital in new information technology systems to support our growth plan. These investments include redundancies, and acquiring new systems and hardware with updated functionality. The Company is taking appropriate actions to ensure the successful implementation of these initiatives, including the testing of new systems, with minimal disruptions to the business. These efforts may take longer and may require greater financial and other resources than anticipated, may cause distraction of key personnel, may cause disruptions to our systems and our business, and may not provide the anticipated benefits. The disruption in our information technology systems, or our inability to improve, integrate or expand our systems to meet our evolving business and emerging regulatory requirements, could impair our ability to achieve critical strategic initiatives and could adversely impact our sales, collections efforts, cash flows and financial condition.

If we fail to maintain adequate systems and processes to detect and prevent fraudulent activity, our business could be adversely impacted. Criminals are using increasingly sophisticated methods to engage in illegal activities such as paper instrument counterfeiting, fraudulent payment or refund schemes and identity theft. As we make more of our services available over the internet and other media we subject ourselves to consumer fraud risk. We use a variety of tools to protect against fraud; however, these tools may not always be successful.

Our failure to maintain an effective system of internal controls could result in inaccurate reporting of financial results and harm our business. We are required to comply with a variety of reporting, accounting and other rules and regulations. As such, we maintain a system of internal control over financial reporting, but there are limitations inherent in internal control systems. A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be appropriate relative to their costs. Furthermore, compliance with existing requirements is expensive and we may need to implement additional finance and accounting and other systems, procedures and controls to satisfy our reporting requirements. If our internal control over financial reporting is determined to be ineffective, such failure could cause investors to lose confidence in our reported financial information, negatively affect the market price of our common stock, subject us to regulatory investigations and penalties, and adversely impact our business and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS:

(a) The following sales of unregistered securities took place during the nine months ended September 30, 2014.

Date of Sale	Title of Security	Number Sold	Consideration Received	Purchasers	Exemption from Registration Claimed
March-May 2013	Promissory Notes	$1,000,000	$1,000,000; no commissions paid	Accredited Investors	Section 4(2)_
May 2014	Common Stock	4,657,456	$ 2,561,600, before placement agent compensation of $333,008	Accredited Investors	Section 4(2) and/or Rule 506 promulgated thereunder
May 2014	Common Stock	1,818,181	$1,000,000	Accredited Investors	Section 3(a)(9)
June 2014	Common Stock	2,068,183	$1,137,500, before placement agent compensation of $168,208	Accredited Investors	Section 4(2) and/or Rule 506 promulgated thereunder
July 2014	Common Stock	1,803,182	$991,750, before placement agent compensation of $128,927	Accredited Investors	Section 4(2) and/or Rule 506 promulgated thereunder

August 2014	Common Stock	1,665,909	$916,250, before placement agent compensation of $119,112	Accredited Investors	Section 4(2) and/or Rule 506 promulgated thereunder
September 2014	Common Stock	1,380,000	$759,000, before placement agent compensation of $98,670	Accredited Investors	Section 4(2) and/or Rule 506 promulgated thereunder

During the nine months ended September 30, 2014 there were no repurchases of the Company’s Common Stock

ITEM 3. DEFAULTS UPON SENIOR SECURITIES:

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

Table of Contents

ITEM 5. OTHER INFORMATION:

Not applicable.

ITEM 6. EXHIBITS:

The following exhibits are all previously filed in connection with our Form 10-SB, as amended, unless otherwise noted.

2.1	Exchange Agreement
3.1	Certificate of Incorporation-BTHC,INC.
3.2	Certificate of Merger of BTHC XI, LLC into BTHC XI, Inc.
3.3	Certificate of Amendment
3.4	Designation of Rights and Preferences-Series 1 Convertible Preferred Stock
3.5	Certificate of Amendment dated October 16, 2013(11)
3.6	Amended and Restated By-laws
4.1	Form of Placement Agent Warrant issued to Fordham Financial Management
10.1	Directors' Compensation Agreement-George Rubin
10.2	Employment Contract-Morry F. Rubin
10.3	Employment Contract-Brad Bernstein
10.4	Agreement-Line of Credit
10.5	Fordham Financial Management-Consulting Agreement
10.6	Facilities Lease – Florida
10.7	Facilities Lease – North Carolina
10.8	Loan and Security Agreement (1)
10.9	Revolving Note (1)
10.10	Debt Subordination Agreement (1)
10.11	Guaranty Agreement (Morry Rubin) (1)
10.12	Guaranty Agreement (Brad Bernstein)(1)
10.13	Continuing Guaranty Agreement (1)
10.14	Pledge Agreement (1)
10.16	Asset Purchase Agreement between Anchor and Brookridge Funding LLC (2)
10.17	Senior Credit Facility between Anchor and MGM Funding LLC (2)
10.18	Senior Credit Facility Guarantee - Michael P. Hilton and John A. McNiff III (4)
10.19	Employment Agreement - Michael P. Hilton (4)
10.20	Employment Agreement - John A. McNiff (4)
10.21	Accounts Receivable Credit Facility with Greystone Commercial Services LP (3)
10.22	Memorandum of Understanding - Re: Rescission Agreement*
10.23	Rescission Agreement and Exhibits Thereto (5)
10.24	Termination Agreement by and between Brookridge Funding Services LLC and MGM Funding LLC.(5)
10.25	First Amendment to Factoring Agreement (6)
10.26	Promissory Note dated April 26, 2011 between Anchor Funding Services, Inc. and MGM Funding, LLC (7)
10.27	Rediscount Facility Agreement with TAB Bank (8)
10.28	Form of Validity Warranty to TAB Bank (8)
10.29	Amendment to Employment Agreement of Morry F. Rubin (10)
10.30	Asset Purchase Agreement dated April 30, 2014 (12)
31.1	Rule 13a-14(a) Certification – Principal Executive Officer *
31.2	Rule 13a-14(a) Certification – Principal Financial Officer*
32.1	Section 1350 Certification – Principal Executive Officer *

32.2	Section 1350 Certification – Principal Financial Officer *
99.1	2007 Omnibus Equity Compensation Plan
99.2	Form of Non-Qualified Option under 2007 Omnibus Equity Compensation Plan
99.3	Amendment to 2007 Omnibus Equity Compensation Plan increasing the Plan to 4,200,000 shares (9)
99.4	Press Release –Third Quarter of 2014 Results of Operations *
101.INS	XBRL Instance Document,XBRL Taxonomy Extension Schema *
101.SCH	Document, XBRL Taxonomy Extension *
101.CAL	Calculation Linkbase, XBRL Taxonomy Extension Definition *
101.DEF	Linkbase,XBRL Taxonomy Extension Labels *
101.LAB	Linkbase, XBRL Taxonomy Extension *
101.PRE	Presentation Linkbase *

* Filed herewith.

(1) Incorporated by reference to the Registrant’s Form 8-K filed November 24, 2008 (date of earliest event November 21, 22008).

(2) Incorporated by reference to the Registrant's Form 8-K filed December 8, 2009 (date of earliest event - December 4, 2009).

(3) Incorporated by reference to the Registrant's Form 8-K filed December 2, 2009 (date of earliest event -November 30, 2009).

(4) Incorporated by reference to the Registrant's Form 10-K for the fiscal year ended December 31, 2009.

(5) Incorporated by reference to the Registrant's Form 8-K filed October 12, 2010 (date of earliest event - October 6, 2010).

(6) Incorporated by reference to the Registrant's Form 10-K for the fiscal year ended December 31, 2010.

(7) Incorporated by reference to the Registrant's Form 8-K filed April 28, 2011 (date of earliest event - April 26, 2011).

(8) Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended September 30, 2011.

(9) Incorporated by reference to the Registrant's Form 10-K for the fiscal year ended December 31, 2011.

(10) Incorporated by reference to the Registrant's Form 10-K for the fiscal year ended December 31, 2012.

(11) Incorporated by reference to the Registrant’s Form 8-K dated October 16, 2013.

(12) Incorporated by reference to the Registrant’s Form 8-K dated April 30, 2014.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

FLEXSHOPPER, INC.

Date: November 14, 2014	By:	/s/ Morry F. Rubin Morry F. Rubin Chief Executive Officer
Date: November 14, 2014	By:	/s/ Brad Bernstein Brad Bernstein President and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Morry F. Rubin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FlexShopper, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: November 14, 2014

By: /s/ **MORRY F. RUBIN**
Morry F. Rubin
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brad Bernstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FlexShopper, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: November 14, 2014

By: /s/ **BRAD BERNSTEIN**
Brad Bernstein
President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18U.S.C. SECTION 1350

In connection with the Quarterly Report of FlexShopper, Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Morry Rubin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ **MORRY F. RUBIN**
Morry F. Rubin
Chief Executive Officer
November 14, 2014

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18U.S.C. SECTION 1350

In connection with the Quarterly Report of FlexShopper, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brad Bernstein, President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ **BRAD BERNSTEIN**
Brad Bernstein,
President and Chief Financial Officer
November 14, 2014

Exhibit 99.4

FLEXSHOPPER, INC.

REPORTS THIRD QUARTER 2014 RESULTS, ACCELERATING LEASE ORIGINATIONS AND GROWING ECOMMERCE BUSINESS

Boca Raton, FL (November 14, 2014) - FlexShopper, Inc. (OTCQB: FPAY) announced today its results of operations for the three and nine months ended September 30, 2014. For the three and nine months ended September 30, 2014, lease revenues were $1,613,540 and $2,406,790, respectively. FlexShopper began originating lease-to-own transactions of durable goods in late December 2013 and, therefore, had no revenues for the comparable periods of 2013. FlexShopper originated 765 leases in the first quarter of 2014, 2,136 leases in the second quarter and 3,924 leases in the third quarter, resulting in 6,825 lease originations for the nine months ended September 30, 2014. FlexShopper’s current lease portfolio is in excess of 8,100 leases.

FlexShopper had a net loss from continuing operations of $1,364,623 and $3,810,067 for the three and nine months ended September 30, 2014, respectively. The net loss from continuing operations is primarily the result of operating expenses of $1,881,180 and $4,564,478 associated with starting and operating the new FlexShopper business for the three and nine months ended September 30, 2014, respectively.

In the second quarter, FlexShopper successfully sold its Anchor Funding Services business. The sale of the Anchor assets was completed on June 16, 2014 and resulted in income from discontinued operations of $137,118 and $962,737 for the three and nine months ended September 30, 2014, respectively. This income combined with the net losses from continuing operations resulted in net losses of $1,227,505 and $2,847,330 for the three and nine months ended September 30, 2014, respectively.

As described in the company’s Form 10-Q, The Company raised from May 2014 through October 2014, approximately $6.5 million through the sale of its restricted Common Stock at $.55 per share pursuant to a private placement offering. The foregoing does not include $1 million of debt converted into common stock at $.55 per share from two directors/principal stockholders of the Company. The aforementioned transactions are expected to provide liquidity and capital resources for the company to purchase durable goods pursuant to lease-to-own transactions and to support the company’s current general working capital needs.

Brad Bernstein, President, stated, “We are pleased with the quarterly growth in lease originations that we are experiencing since our launch. We are also pleased that our lease-to-own ecommerce marketplace now features over 70,000 items and increasing, including brand name electronics, computers and appliances. Online orders are also growing, representing approximately 79 % of our lease originations in October. Our direct response television advertising test launched in September is performing very well, and is accelerating lease originations. While fulfilling our vision of enabling lease to own consumers to shop online for what they want, where they want, we are also positioning ourselves as the only platform that can provide retailers and etailers with three ways of increasing their sales: in the store, online and on our marketplace. We enable merchants to sell to more than 50 million consumers that don't have sufficient credit or cash to buy from them. We believe the market for our services is over $20 billion."

About FlexShopper

FlexShopper, LLC, a wholly owned subsidiary of FlexShopper, Inc. (FPAY) is a financial and technology company that provides brand name durable goods to consumers on a lease to own (LTO) basis through its ecommerce marketplace (FlexShopper.com) and also provides the technology for retailers and etailers to enter into transactions with consumers that want to obtain durable goods, but do not have sufficient cash or credit. FlexShopper also funds the LTO transactions by paying merchants for the goods and collecting from consumers under an LTO contract.

Management believes that the introduction of FlexShopper's LTO programs support broad untapped expansion opportunities within the U.S. consumer e-commerce and retail marketplaces. FlexShopper and its online LTO products will provide consumers the ability to acquire durable goods, including electronics, computers and furniture, on an affordable payment, lease basis. Concurrently, etailers and retailers that work with FlexShopper may substantially increase their sales by utilizing FlexShopper's online channels to connect with consumers that want to acquire products on an LTO basis.

Forward-Looking Statements

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995.

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including those risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our most recently filed Annual Report on Form 10-K and our subsequently filed Quarterly Reports of Form 10-Q. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Contact:
FlexShopper, Inc.
Morry F. Rubin
Co-Chairman & CEO
561-353-1349
Morry.Rubin@flexshopper.com

Brad Bernstein, CPA
President & CFO
561-367-1504
Brad.Bernstein@flexshopper.com