Annual Report for the Year Ended December 31, 2010

Tivus, Inc.

(A Development Stage Enterprise)

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PART A: GENERAL COMPANY INFORMATION

Item 1 Exact name of the issuer and the address of its principal executive offices.

Tivus, Inc.
(formerly MaxWiFi Communications, Inc. until August 31, 2009)
(formerly Prime Link Systems, Inc. until August 4, 2008,)
(formerly Pacesetter Ostrich Farm, Inc. until February 2000)

Item 2 Address of the issuer's principal executive offices.

Tivus, Inc.
15418 Weir Street, Suite 108
Omaha, Nebraska 68137
Telephone: 402-953-5322
Fax: 770-531-1632
Website: www.tivus.com

Item 3 Jurisdiction and date of incorporation.

Tivus, Inc., a Delaware corporation ("Tivus" or the "Company") was originally incorporated on February 4, 1992 in Delaware.

PART B: SHARE STRUCTURE

Item 4 Exact title and class of securities outstanding.

Tivus has 300,000,000 shares of common stock authorized. Our common stock trades under the symbol "TIVU" on the Pink OTC Markets quotation system and has the CUSIP number 888728 102.

Item 5 Par or stated value and description of the security.

The par value of our common stock is $0.001.

The par value of our Series A Preferred Stock is $0.01.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

Class of shares	No. of Shares Authorized	Shares Outstanding	Public Float	Total No. of Shareholders	Total No. of Beneficial Shareholders
At December 31, 2010					
Common stock	300,000,000	37,083,681	18,497,783	195	3
Preferred stock	1,000,000	None[1]	None	None	None

[1] See Note 8 to the financial statements regarding the issuance of certain Series A Convertible Preferred shares.

PART C: BUSINESS INFORMATION

Item 7 The name and address of the transfer agent.

Guardian Registrar & Transfer, Inc.
7951 SW 6th Street Suite 216 Plantation, FL 33324
(954) 915-0105 Phone
(954) 449-0582 Fax

Guardian Registrar & Transfer, Inc. is registered under the Exchange Act and is regulated by the Securities and Exchange Commission.

Item 8 The nature of the issuer's business.

A. Business Development.

This section discusses Tivus' development and material events during the last three years.

Form of organization

Tivus, Inc., a Delaware corporation ("Tivus", the "Company", "us" or "we") was originally incorporated on February 4, 1992 in Delaware under the name Pacesetter Ostrich Farm, Inc. In February 2000, the Company changed its name to Prime Link Systems, Inc. ("Prime Link"), with the primary purpose of delivering high quality secure wireless fidelity internet access to the hospitality industry (hotels and motels).

On July 22, 2008, the Company entered into a definitive agreement whereby MaxWiFi, Inc. ("MaxWiFi") would acquire a controlling interest in the Company in return for cash and a promissory note. Upon executing this agreement, the Company undertook a 250:1 reverse stock split and issued 20,000,000 (post-reverse) shares to MaxWiFi Communications, Inc., effecting what is commonly known as a "reverse merger". In connection with the reverse merger, the Company's name was changed to MaxWiFi Communications, Inc.

MaxWifi defaulted on the promissory note during January 2009. As a result, the former owners foreclosed on the shares owned by MaxWiFi during which time MaxWiFi was unable to exercise voting control over the shares.

In July 2009, Tivus, Inc. was incorporated in the State of Nebraska. On August 31, 2009, Tivus merged with MaxWiFi Communications, Inc. In connection with this reverse merger, the Company changed its name to its present name, Tivus, Inc.

State and date of incorporation

Tivus was incorporated in the State of Delaware on February 4, 1992 under the name Pacesetter Ostrich Farm, Inc.

Fiscal year end date

Our fiscal year ends on December 31.

Bankruptcy proceedings

We have not been involved in any bankruptcy proceedings.

Material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets

See above – "*Form of organization.*"

Defaults on notes, leases or other obligations

In January 2009, MaxWifi defaulted on the promissory note that it issued to take control of the Company. As a result, the former owners foreclosed on the shares owned by MaxWiFi during which time MaxWiFi was unable to exercise voting control over the shares.

In addition, as of December 31, 2010, we are in default on nine promissory notes with an aggregate principal amount of $107,275 and unpaid interest of $8,062.

Change of control

See above – "*Form of organization*."

Increase in 10% or more of the same class of outstanding equity securities

On July 22, 2008, the Company entered into a definitive agreement whereby MaxWiFi, Inc. ("MaxWiFi") would acquire a controlling interest in the Company in return for cash and a promissory note. Upon executing this agreement, the Company undertook a 250:1 reverse stock split which resulted in 140 post-split shares outstanding immediately after the reverse split. The Company then issued 20,000,000 (post-reverse) shares to MaxWiFi Communications, Inc., effecting what is commonly known as a "reverse merger". In connection with the reverse merger, the Company's name was changed to MaxWiFi Communications, Inc. These 20,000,000 shares were recorded as founders' shares and recorded at no value.

MaxWiFi defaulted on the promissory note during January 2009. As a result, the former owners foreclosed on the shares owned by MaxWiFi during which time MaxWiFi was unable to exercise voting control over the shares. On January 27, 2010, upon receiving control back after the default of MaxWiFi, the Company effected an additional 300:1 reverse split.

In July 2009, Tivus, Inc. was incorporated in the State of Nebraska. On August 31, 2009, Tivus merged with MaxWiFi Communications, Inc. In connection with this reverse merger, the Company changed its name to its present name, Tivus, Inc.

During 2009, we issued 16,667 (5,000,000 pre-9/4/08 shares) shares to a consultant for services. We valued the shares at the closing price on the grant date ($1.50) and charged General and Administrative expenses with $25,024.

During the year ended December 31, 2010, we issued the following shares:

- We issued 12,000,000 shares to our current Board Chairman and Chief Executive Officer, Shiva Prakash, to effect control of the Company after the American Arbitration Association settlement in January 2010. We again recorded these shares as founders' share since their purpose was to effect control of the Company and recorded these shares at no value.
- We issued 5,400,000 shares of common stock in partial settlement of a promissory note from September 2008. We valued the shares at the closing price on the date of the agreement ($448,000 in the aggregate), retired debts in the amount of $115,000, and recorded a loss on retirement of debt in the amount of $333,000.
- We issued 2,000,000 shares upon conversion of two promissory notes and their accrued interest. We valued the shares at the agreed-upon conversion price and retired interest and principal of $22,752.
- We issued 10,500,000 of common stock in partial settlement of a promissory note from July 2008. We valued these shares at the price agreed upon by the Company and the promissory note holder ($0.02 per share, $84,000 in the aggregate) and retired $84,000 of outstanding unpaid principal.
- We issued 6,333,261 common shares to accredited investors for cash in the amount of $250,000.

Stock splits, recapitalizations, stock dividends and other reorganizations

See above – "*Increase in 10% or more of the same class of outstanding equity securities*".

De-listings from securities exchanges

None.

Legal proceedings

On January 13, 2010, the American Arbitration Association arbitrated our dispute with Belmont Partners, LLC, among other parties. An arbitration award was entered against us in the amount of $169,810, representing the unpaid purchase price of MaxWiFi, Inc. of $137,500; $28,560 in accrued interest and $3,750 representing the current value of the equity portion of the sales price.

Our business

Tivus is an entertainment technology services company offering ad-supported, revenue sharing IPTV and wireless Internet solutions to the hotel/hospitality industry; IP-based networks, and onsite hardware and software. Tivus is also planning to build a centralized network operations center ("NOC") to deliver programming and targeted advertising through proprietary hardware and software feeds by satellite and/or fiber connections.

TIVUS® IPTV unique advertising revenue-sharing concept provides ultra-modern, high-definition (HD) flat-screen televisions ("TVs") at no capital expenditure to the hotel (hotels can also use or purchase their own TVs), and return a net-positive share of the advertising revenue back to the hotel. For the first time in the industry, the hotel's entertainment system becomes a significant new revenue source, instead of a large, but necessary, liability.

Tivus protects, maintains, and anonymously remembers each guest's unique settings and preferences and are securely available at any hotel property in the world with Tivus IPTV. Running on an integrated network, Tivus delivers guest services such as shuttle scheduling, valet, bellman, housekeeping, room service, messaging, folio review, express checkout, energy management, and many other personalized services. Guests enjoy HD services such as Free-to-Guest, premium Pay-per-Use, & Video-On-Demand Programming, a secure, high-speed, TV-based broadband internet browser, wireless internet access, gaming, and many other interactive services.

On September 15, 2010, we entered into our first agreement to provide our product and service to Westboy, LLC, which owns the Doubletree Hotel & Executive Meeting Center which is located at 1616 Dodge Street, Omaha, Nebraska.

In December 2010, we entered into a memorandum of understanding ("MOU") to provide high-definition IPTV ("HD IPTV") and content-on-demand to Host Hotels & Resorts, Inc. ("Host") properties. After successful completion of the MOU, Host can elect to execute a 60-month revenue-sharing agreement for numerous Host properties. As of December 31, 2010, we had installed approximately 25 rooms in the Host property in downtown Philadelphia. By April 30, 2011, that number has increased to about 900 (or 60% completion).

Our SIC code is 4841.

Employees
We have one full-time employee, our Chief Executive Officer, Shiva Prakash.

Shell company status
We are not, nor have we ever been, a shell company as defined in Rule 405 promulgated under the Securities Act.

Item 9 The nature of products or services offered.

Principal products or services, and their markets

Tivus is an entertainment technology services company offering ad-supported, revenue sharing IPTV and wireless Internet solutions to the hotel/hospitality industry; IP-based networks, and onsite hardware and software. Tivus is also planning to build a centralized network operations center ("NOC") to deliver programming and targeted advertising through proprietary hardware and software feeds by satellite and/or fiber connections.

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Distribution methods of the products or services

The Company's IPTV and Internet services are delivered through a third-party provider. Advertisements are placed by a major provider of equipment and services to the cable industry.

Status of any publicly announced new product or service

In December 2010, we entered into a memorandum of understanding ("MOU") to provide high-definition IPTV ("HD IPTV") and content-on-demand to Host Hotels & Resorts, Inc. ("Host") properties. After successful completion of the MOU, Host can elect to execute a 60-month revenue-sharing agreement for numerous Host properties. As of December 31, 2010, we had installed approximately 25 rooms in the Host property in downtown Philadelphia. By April 30, 2011, that number has increased to about 900 (or 60% completion).

Competitive business conditions, the issuer's competitive position in the industry, and methods of competition

There are many providers of TV and Internet service for the hotel and hospitality industry. However, our competitive advantage is that we share advertising revenue generated from the ads that we place with the hotels we service. As a result, TV and Internet service becomes a profit center rather than a large, but necessary, liability. Nonetheless, our limited capital can prevent us from competing effectively in the industry.

Sources and availability of raw materials and the names of principal suppliers

None.

Dependence on one or a few major customers

We only have two customers: Westboy, LLC, which owns the Doubletree Hotel & Executive Meeting Center in Omaha, Nebraska; and Host Hotels & Resorts, Inc., which operates a hotel in downtown Philadelphia.

Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration

None.

The need for any government approval of principal products or services and the status of any requested government approvals

None.

Item 10 The nature and extent of the issuer's facilities.

Because the nature of our business involves on-site installation and in order to keep overhead expenses as low as possible, the Company does not maintain a fixed physical office. Our Omaha address is a post office box located in a mail center. Tivus personnel stay on-site at installation locations free of charge during installations.

PART D: MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 11 Chief executive officer, members of the board of directors, and control persons

Officers and directors

Shiva Prakash, Chairman and Chief Executive Officer
Mailing Address:
15418 Weir Street #108
Omaha, Nebraska 68137

Mr. Prakash has been president of Tivus since its founding in July 2009. From February 2004 to July 2009, he was the president of MaxWiFi. The Company pays Mr. Prakash an annual salary of $136,800.

Mr. Prakash owns 12,282,000 shares of Tivus' common stock, which constitutes 33% of the Company's outstanding common stock as of December 31, 2010.

Habib Murshed, Director
Mailing Address:
15418 Weir Street #108
Omaha, Nebraska 68137

Mr. Murshed has been the owner and president of Sumana Hospitality, Inc. ("Sumana") since 1991. Sumana owns and operates hotel properties in Nebraska and Texas.

Mr. Murshed does not own any stock of the Company.

Legal/Disciplinary History

During the past five years, neither of our officers or directors has not been the subject of:

1. a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities, which finding or judgment has not been reversed, suspended, or vacated; or

4. the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

Family Relationships

There are no family relationships between any of the Company's directors, officers, or 5% shareholders.

Related Party Transactions

During 2010, the Company paid Mr. Prakash $178,126 more than what was owed to him under his current and accrued salaries. We have accounted for these payments as advances to Mr. Prakash.

Conflicts of Interest

There are no conflicts of interest between our officers and directors and the Company.

Item 12 Financial Statements.

NEWTON
COLLABORATION, LLC

CORPORATE GOVERNANCE AND ACCOUNTING SOLUTIONS
The Lyric Center
440 Louisiana, Suite 1400
Houston, Texas 77002

To the Board of Directors
Tivus, Inc.

We have compiled the accompanying balance sheet of Tivus, Inc. (a Delaware corporation) as of December 31, 2010 and 2009, and the related statements of income, stockholders' deficits and cash flows for the nine and years then ended, and the accompanying notes to the financial statements which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

/s/ Randall Newton
Randall Newton CPA

May 3, 2010

Tivus, Inc.
(A Development Stage Enterprise)
(Formerly MaxWiFi, Inc. and Prime Link Systems, Inc.)
Balance Sheets
(Unaudited)

		12/31/10		12/31/09
ASSETS				
Cash and cash equivalents	$	14,969	$	1,991
Advances to affiliates		178,126		-
Total current assets		193,095		1,991
Capitalized network operations center costs		62,000		-
Hotel installations in progress		552,323		-
Less: accumulated depreciation		-		
Total non-current assets		614,323		-
TOTAL ASSETS	**$**	**807,418**	**$**	**1,991**
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Accounts payable and accrued expenses	$	587,125	$	137,500
Related party accounts payable		-		226,601
Convertible notes and accrued interest payable, net of discounts of $291,018 and $91,479, respectively		468,894		238,357
Derivative liabilities		1,430,981		420,583
Total current liabilities		2,487,000		1,023,041
TOTAL LIABILITIES		**2,487,000**		**1,023,041**
SHAREHOLDER DEFICIT				
Preferred stock		-		-
Common stock, par value $0.001, 300,000,000 authorized, 37,083,681 and 850,420 issued and outstanding at December 31, 2010 and 2009, respectively		37,084		850
Additional paid in capital		4,104,082		3,335,564
Accumulated development stage losses		(5,820,748)		(4,357,464)
TOTAL SHAREHOLDERS' DEFICIT		(1,679,582)		(1,021,050)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$**	**807,418**	**$**	**1,991**

The accompanying notes form an integral part of these financial statements.

Tivus, Inc.
(A Development Stage Enterprise)
(Formerly MaxWiFi, Inc. and Prime Link Systems, Inc.)
Statements of Operations
(Unaudited)

	Year Ended December 31, 2010	Year Ended December 31, 2009	Inception (7/22/08) to 12/31/10
REVENUES			
Revenues	$ -	$ -	$ -
Total Revenues	-	-	-
OPERATING EXPENSES			
General and administrative	262,579	199,908	4,188,377
Interest expense	401,233	38,358	606,975
Total operating expenses	663,812	238,266	4,795,352
OTHER			
Gain (loss) on derivative valuations	(466,473)	(134,290)	(692,396)
Loss on retirement of debt	(333,000)	-	(333,000)
Net loss	**$ (1,463,285)**	**$ (372,556)**	**$ (5,820,748)**
Weighted average number of shares outstanding - basic and fully diluted	16,237,908	4,970,739	
Net loss per share	$ (0.09)	$ (0.07)	

The accompanying notes form an integral part of these financial statements.

Tivus, Inc.
(A Development Stage Enterprise)
(Formerly MaxWiFi, Inc. and Prime Link Systems, Inc.)
Statement of Shareholders' Deficit
(Unaudited)

	Date	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Accumulated Development Stage Losses	Total Shareholders' Deficit
Balances at inception, 7/21/08	07/21/08	140	$ -	$ -	$ -	$ -
Founders' shares	09/04/08	267	-	-		-
	09/05/08	282,000	282	(282)		-
Shares issued for services	08/26/08	13	-	80		80
	09/05/08	551,333	551	3,310,759		3,311,310
Net loss				-	(3,984,908)	(3,984,908)
Balances, December 31, 2008		833,753	833	3,310,557	(3,984,908)	(673,518)
Shares issued for services	03/04/09	16,667	17	25,007		25,024
Net loss					(372,555)	(372,555)
Balances, December 31, 2009		850,420	$ 850	$ 3,335,564	$ (4,357,463)	$ (1,021,049)

The accompanying notes form an integral part of these financial statements.

Tivus, Inc.
(A Development Stage Enterprise)
(Formerly MaxWiFi, Inc. and Prime Link Systems, Inc.)
Statement of Shareholders' Deficit
(Unaudited)
(Continued)

		Common Stock				
	Date	Shares	Amount	Additional Paid In Capital	Accumulated Development Stage Losses	Total Shareholders' Deficit
Founders' shares	04/13/10	12,000,000	$ 12,000	$ (12,000)	$	$ -
Shares issued for retirement of debt	05/06/10	4,400,000	4,400	303,600		308,000
	09/30/10	1,000,000	1,000	139,000		140,000
	10/01/10	4,000,000	4,000	28,000		32,000
	10/12/10	4,000,000	4,000	28,000		32,000
	11/30/10	2,500,000	2,500	17,500		20,000
Shares issued for cash	10/06/10	1,000,000	1,000	49,000		50,000
	11/01/10	2,000,000	2,000	98,000		100,000
	12/03/10	3,333,261	3,333	96,667		100,000
Conversion of convertible debt	08/19/10	2,000,000	2,001	20,751		22,752
Net loss					(1,463,285)	(1,463,285)
Balances, December 31, 2010		37,083,681	$ 37,084	$ 4,104,082	$ (5,820,748)	$ (1,679,582)

The accompanying notes form an integral part of these financial statements.

Tivus, Inc.
Formerly MaxWiFi, Inc. and Prime Link Systems, Inc.
Statements of Cash Flows
(Unaudited)

	Year Ended 12/31, 2010	Year Ended 12/31, 2009	Inception (7/22/08) to 12/31/10
OPERATING ACTIVITIES:			
Net loss	$ (1,463,285)	$ (372,556)	$ (5,820,748)
Adjustments to reconcile net loss to cash flows from operations:			
Amortization of discounts on notes payable	343,761	35,796	379,557
Gain / loss on revaluation of derivative liabilities	467,098	134,290	760,406
Loss on settlement of debt with common stock	417,000	-	417,000
Stock-based compensation	-	25,024	3,336,414
Operating assets and liabilities:			
Interest payable	24,528	2,561	127,089
Accounts payable and accrued expenses	449,626	-	449,625
Related-party accounts payable	(404,727)	69,601	(178,126)
Cash used in operating activities	(165,999)	(105,284)	(528,783)
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(614,323)	-	(614,323)
Cash used in investing activities	(614,323)	-	(614,323)
FINANCING ACTIVITIES:			
Proceeds from issuance of notes payable	543,300	107,275	975,575
Principal payments on notes payable	-	-	(67,500)
Proceeds from issuance of common stock	250,000	-	250,000
Cash provided by financing activities	793,300	107,275	1,158,075
Net increase (decrease) in cash during the period	12,978	1,991	14,969
Cash at beginning of period	1,991	-	-
Cash at end of period	$ 14,969	$ 1,991	$ 14,969
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Cash paid for interest	-	-	-
Cash paid for income taxes	-	-	-
Purchases of property, plant and equipment with notes payable	62,000	-	62,000
Principal and interest converted to equity from notes payable	22,752		22,752

The accompanying notes form an integral part of these financial statements.

Tivus, Inc.
(Formerly Known As MaxWiFi Communications, Inc.
And Prime Link Systems, Inc.)
A Development Stage Enterprise
Notes to Financial Statements

Note 1. Basis of Presentation

History

Tivus, Inc., a Delaware corporation ("Tivus", the "Company", "us" or "we") was originally incorporated on February 4, 1992 in Delaware under the name Pacesetter Ostrich Farm, Inc. In February 2000, the Company changed its name to Prime Link Systems, Inc. ("Prime Link"), with the primary purpose of delivering high quality secure wireless fidelity internet access to the hospitality industry (hotels and motels).

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In July 2009, Tivus, Inc. was incorporated in the State of Nebraska. On August 31, 2009, Tivus merged with MaxWiFi Communications, Inc. In connection with this reverse merger, the Company changed its name to its present name, Tivus, Inc.

Nature of Operations

Tivus is an entertainment technology services company offering ad-supported, revenue sharing IPTV and wireless Internet solutions to the hotel/hospitality industry; IP-based networks, and onsite hardware and software. Tivus is also planning to build a centralized network operations center ("NOC") to deliver programming and targeted advertising through proprietary hardware and software feeds by satellite and/or fiber connections.

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On September 15, 2010, we entered into our first agreement to provide our product and service to Westboy, LLC which owns the Doubletree Hotel & Executive Meeting Center which is located at 1616 Dodge Street, Omaha, Nebraska (see Note 7).

Development Stage

The Company has not earned revenue from planned principal operations since inception (July 22, 2008). Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as provided for in guidance governing Development Stage Enterprises (“ASC 915”). Among the disclosures required by the guidance in ASC 915 are that the Company's financial statements be identified as those of a development stage company, and that the statements of operations, stockholders' equity (deficit) and cash flows disclose activity since the date of the Company's inception.

Basis of Presentation and Summary of Significant Accounting Policies

In the opinion of management, the accompanying financial statements includes all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for the years ended December 31, 2010 and 2009. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Use of Estimates

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

Cash and Cash Equivalents

For financial statement presentation purposes, the Company considers those short-term, highly liquid investments with original maturities of three months or less to be cash or cash equivalents. As of December 31, 2010, there were no cash equivalents.

Property and Equipment

New property and equipment are recorded at cost. Depreciation is computed once the asset is placed in service and is calculated using the straight-line method over the estimated useful lives of the assets, generally 5 years. Expenditures for renewals and betterments are capitalized. Expenditures for minor items, repairs and maintenance are charged to operations as incurred. Gain or loss upon sale or retirement due to obsolescence is reflected in the operating results in the period the event takes place. Neither our investment in our Network Operations Center, nor our hotel installations have been put into services as of December 31, 2010. We have therefore taken no depreciation as of that point.

Intangible Assets and Impairments

The Company amortizes intangible assets over their estimated useful lives unless such lives are deemed indefinite. Amortizable intangible assets are tested for impairment based on undiscounted cash flows, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested annually for impairment and written down to fair value as required. No impairment of intangible assets has been recorded during any of the periods presented.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an agreement exists, services have been rendered, the sales price of a unit is fixed or determinable, and collectability is reasonably assured. Since our inception on July 22, 2008, the Company has had no revenues.

Valuation of Long-Lived Assets

We review the recoverability of our long-lived assets including equipment, goodwill and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. Our primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Stock Based Compensation

Stock-based awards to non-employees are accounted for using the fair value method in accordance with the guidance provided by Accounting Standards Codification ("ASC") Topic No. 718 ("ASC 718"), dealing with compensation and stock-based compensation. This guidance requires that companies measure and recognize compensation expense at an amount equal to the fair value of share-based payments granted under compensation arrangements.

We adopted the guidance of ASC 718 using the "modified prospective" method, which results in no restatement of prior period amounts. Under this method, the provisions of ASC 718 apply to all awards granted or modified after the date of adoption. In addition, compensation expense must be recognized for any unvested stock option awards outstanding as of the date of adoption on a straight-line basis over the remaining vesting period. ASC 718 also requires the benefits of tax deductions in excess of recognized compensation expense to be reported in the Statement of Cash Flows as a financing cash inflow rather than an operating cash inflow. In addition, ASC 718 requires a modification to the Company's calculation of the dilutive effect of stock option awards on earnings per share. For companies that adopt ASC 718 using the "modified prospective" method, disclosure of pro forma information for periods prior to adoption must continue to be made.

Accounting for Obligations and Instruments Potentially to Be Settled in the Company's Own Stock

We account for obligations and instruments potentially to be settled in the Company's stock in accordance with the guidance provided by ASC Topic 815 ("ASC 815"), which addresses derivatives and hedging. This issue addresses the initial balance sheet classification and measurement of contracts that are indexed to, and potentially settled in, the Company's own stock.

Fair Value of Financial Instruments

ASC 825 – Financial Instruments requires disclosure of fair value information about financial instruments. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2010. The respective carrying value of certain on-balance sheet financial instruments approximated their fair values.

These financial instruments include cash and cash equivalents, accounts payable and accrued expenses, promissory notes principal and interest payable, and certain derivative liabilities resulting from these promissory notes payable (see Note 4 for a discussion of the Company's derivative liabilities) .

Earnings per Common Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed using the weighted average number of common and dilutive equivalent shares outstanding during the period. Dilutive common equivalent shares consist of options to purchase common stock (only if those options are exercisable and at prices below the average share price for the period) and shares issuable upon the conversion of our preferred stock. Due to the net losses reported, dilutive common equivalent shares were excluded from the computation of diluted loss per share, as inclusion would be anti-dilutive for the periods presented.

Income Taxes

We must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

Deferred income taxes are recorded in accordance with the guidance found in ASC Topic 740 ("ASC 740") addressing income taxes. Under this guidance, deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of assets and liabilities using the tax rates and laws in effect when the differences are expected to reverse.

ASC 740 provides for the recognition of deferred tax assets if realization of such assets is more likely than not to occur. Realization of our net deferred tax assets is dependent upon our generating sufficient taxable income in future years in appropriate tax jurisdictions to realize benefit from the reversal of temporary differences and from net operating loss, or NOL, carry-forwards. We have determined it more likely than not that these timing differences will not materialize and have provided a valuation allowance against substantially all of our net deferred tax asset. Management will continue to evaluate the realizability of the deferred tax asset and its related valuation allowance. If our assessment of the deferred tax assets or the corresponding valuation allowance were to change, we would record the related adjustment to income during the period in which we make the determination. Our tax rate may also vary based on our results and the mix of income or loss in domestic and foreign tax jurisdictions in which we operate.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and to the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we will reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We will record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

ASC 740 requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized.

Recent Accounting Pronouncements

In September 2006, the FASB issued ASC Topic 820 (“ASC 820”) which provides guidance for using fair value to measure assets and liabilities. It also responds to investors’ requests for expanded information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. ASC 820 applies whenever other standards required (or permit) assets or liabilities to be measured at fair value, and does not expand the use of fair value in any new circumstances. ASC 820 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

In February 2007, FASB issued ASC Topic 825 (“ASC 825”). ASC 825 permits entities to choose to measure many financial instruments and certain other items at fair values. ASC 825 is effective for fiscal years after November 15, 2007.

In December 2007, the Financial Accounting Standards Board issued ASC Topic 805 addressing the accounting issues associated with business combinations. ASC 805 provides additional guidance on improving the relevance, representational faithfulness, and comparability of the financial information that a reporting entity provides in its financial reports about a business combination and its effects. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

In December 2007, the Financial Accounting Standards Board issued ASC Topic 810 (“ASC 810”) addressing consolidations. ASC 810 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This Statement is effective for fiscal years and interim periods within those fiscal years, beginning on or after December 15, 2008.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, including an Amendment of SFAS 115," ("SFAS 159"). SFAS 159 establishes a fair value option that permits entities to choose to measure eligible financial instruments and certain other items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value options have been elected in earnings at each subsequent reporting date. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007, provided the entity elects to apply the provisions of SFAS 157. SFAS 159 is not expected to have a material impact on the Company's financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008 and is not expected to have a material impact on the Company's financial statements.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (“GAAP”) in the United States (the GAAP hierarchy). SFAS 162 becomes effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board (“PCAOB”) amendment to AU Section 411, “The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles” and is not expected to have a significant impact on our consolidated financial statements.

Note 2. Going Concern

The accompanying financial statements have been prepared assuming that Tivus, Inc. will continue as a going concern. As shown in the accompanying financial statements, we had negative cash flows from operations of $528,723 during the period from inception (July 22, 2008) to December 31, 2010, and a working capital deficit of $2,293,905 at December 31, 2010. These conditions raise substantial doubt as to our ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. Management intends to finance these deficits by issuing additional shareholder notes and seeking additional outside financing through either debt or sales of its common stock.

Note 3. Capital Structure

Common Stock

The Company was originally incorporated on February 4, 1992 in Delaware under the name Pacesetter Ostrich Farm, Inc. In February 2000, the Company changed its name to Prime Link Systems, Inc. ("Prime Link"), with the primary purpose of delivering high quality secure wireless fidelity Internet access to the hospitality industry (hotels and motels).

On July 22, 2008, the Company entered into a definitive agreement whereby MaxWiFi, Inc. ("MaxWiFi") would acquire a controlling interest in the Company in return for cash and a promissory note. Upon executing this agreement, the Company undertook a 250:1 reverse stock split which resulted in 140 post-split shares outstanding immediately after the reverse split. The Company then issued 20,000,000 (post-reverse) shares to MaxWiFi Communications, Inc., effecting what is commonly known as a "reverse merger". In connection with the reverse merger, the Company's name was changed to MaxWiFi Communications, Inc. These 20,000,000 shares were recorded as founders' shares and recorded at no value.

MaxWifi defaulted on the promissory note during January 2009. As a result, the former owners foreclosed on the shares owned by MaxWiFi during which time MaxWiFi was unable to exercise voting control over the shares. On January 27, 2010, upon receiving control back after the default of MaxWiFi, effected an additional 300:1 reverse split.

In July 2009, Tivus, Inc. was incorporated in the State of Nebraska. On August 31, 2009, Tivus merged with MaxWiFi Communications, Inc. In connection with this reverse merger, the Company changed its name to its present name, Tivus, Inc.

The following table shows shares outstanding immediately before the September 4, 2008 250:1 reverse split and traces their history through both the 250:1 reverse split on September 4, 2008 and the subsequent 300:1 reverse split on January 27, 2010.

Description	Pre- 9/4/08 shares	Restated by 250:1 split on 9/4/08	Restated by 300:1 split on 1/27/10
Shares outstanding at July 22, 2008	10,466,418	41,866	140
Shares issued subject to the 9/4/08 250:1 split			
Founders' shares	20,000,000	80,000	267
Shares issued for services	1,000,000	4,000	13
Balances immediately before the 9/4/08 split	31,466,418	125,866	420
Shares issued after the 9/4/08 split, but before 12/31/08			
Founders shares	-	84,600,000	282,000
Shares issued for services	-	165,400,000	551,333
Balances at December 31, 2008	31,466,418	250,125,866	833,753

During 2009, we issued 16,667 (5,000,000 pre-9/4/08 shares) shares to a consultant for services. We valued the shares at the closing price on the grant date ($1.50) and charged general and administrative expenses with $25,024.

The following table shows the shares outstanding from January 1, 2008 to December 31, 2008 along with the corresponding reverse stock splits:

Description	Pre- 9/4/08 shares	Restated by 250:1 split on 9/4/08	Restated by 300:1 split on 1/27/10
Forward from December 31, 2008	31,466,418	250,125,866	833,753
Shares issued during 2009			
Shares issued for services	-	5,000,000	16,667
Balance at December 31, 2009	31,466,418	255,125,866	850,420

All shares issued subsequent to December 31, 2008 were issued after the 300:1 reverse split.

During the year ended December 31, 2010, we issued the following shares:

- We issued 12,000,000 shares to our current Board Chairman and Chief Executive Officer, Shiva Prakash, to effect control of the Company after the American Arbitration Association settlement in January 2010. We again recorded these shares as founders' share since their purpose was to effect control of the Company and recorded these shares at no value.
- We issued 5,400,000 shares of common stock in partial settlement of a promissory note from September 2008. We valued the shares at the closing price on the date of the agreement ($448,000 in the aggregate), retired debts in the amount of $115,000, and recorded a loss on retirement of debt in the amount of $333,000.
- We issued 2,000,000 shares upon conversion of two promissory notes and their accrued interest. We valued the shares at the agreed-upon conversion price and retired interest and principal of $22,752.

- We issued 10,500,000 of common stock in partial settlement of a promissory note from July 2008. We valued these shares at the price agreed upon by the Company and the promissory note holder ($0.008 per share, $84,000 in the aggregate) and retired $84,000 of outstanding unpaid principal.
- We issued 6,333,261 common shares to accredited investors for cash in the amount of $250,000.

On October 5, 2010, we filed an amendment to our articles of incorporation to reduce our number of authorized shares from 2,000,000,000 to 300,000,000.

At December 31, 2010, we had 37,083,681 common shares issued and outstanding.

Potential Dilution

As is discussed in Note 4, the Company has financed virtually all of its operations by issuing promissory notes with beneficial conversion features and warrants attached. Most of the promissory notes contain provisions that will convert at a discount to a three-day average bid price on the date of conversion. Therefore, the number of shares that would be issuable upon conversion of the promissory to common stock is not calculable until the conversion occurs, giving rise to derivative liabilities which are discussed in Note 4. Most of the promissory notes contain a 50% discount to the three-day average bid price, but the discounts vary between of 40% and 70%. Moreover, the promissory notes contain warrants attached which convert at a price equal to 150% of the price attained upon conversion.

The promissory notes, if converted and all warrants exercised, would result in additional shares issued and dilution of existing shareholders at April 11, 2011[2] of 23,640,000 shares and 72%[3] at a share price of $0.10; approximately 47,300,000 shares and 57% at share price of $0.05 and approximately 236,400,000 shares and 21% at a share price of $0.01.

Based on the number of shares outstanding at April 1, 2011 (61,712,644), if the price of our stock were to fall lower than approximately $0.01 per share, the number of shares we would be required to issue would be greater than our authorized shares. If that were to occur, we would have to either increase the number of authorized shares or satisfy our obligation by purchasing shares in excess of our authorized amount in the open market.

Preferred Stock

The Company is authorized to issue up to 1,000,000 shares of preferred stock. There were no preferred shares issued or outstanding from inception to December 31, 2010.

On November 1, 2010, the Company's board of directors authorized for issuance 5,900 shares of Series A Convertible Preferred Stock (the "Preferred Stock") to our Chief Executive Officer, Shiva Prakash, and 1,007 shares of Series A Convertible Preferred Stock to two consultants. However, these shares have not yet been issued.

Note 4. Convertible Notes

From inception to December 31, 2010, the Company has financed virtually all of its operations through the issuance of convertible promissory notes with warrants attached. Most of the notes are convertible using a formula equal to a discount to a three-day average bid price on the date of conversion. Most of the promissory notes also contain attached warrants which can be exercised at a price equal to 150% of the conversion price. Therefore, the warrants are not exercisable until the promissory note is converted to common stock.

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[2] At April 11, 2011, there were 61,712,644 shares issued and outstanding.
[3] 23,640,000 + 61,712,644 = 85,352,644. 61,712,644 / 85,352,644 = 72%

Most of the promissory notes contain beneficial conversion features and warrants like the example below:

Nominal amount:	$5,000
Nominal interest rate:	6%
Beneficial conversion feature	Convertible at 50% discount to the three-day average bid price.
Warrants:	2-year option to purchase an equal number of shares as was obtained through conversion at a price equal to 150% of the price attained upon conversion of the promissory note to common stock.

In the above example, assuming a three-day average bid price of $0.05, the promissory note could be converted, at the holder's option, into 200,000 shares of common stock (average bid price of $0.05 times 50% = $0.025, $5,000 / $0.025 = 200,000 shares).

In addition, once the note is converted, the warrants may be exercised at 150% of the price obtained upon conversion. Therefore, an additional 200,000 shares would be issuable upon exercise (price obtained on conversion = $0.025 x 150% = $0.0375). The note holder could purchase 200,000 shares at $0.0375, upon exercise and payment by the holder of $7,500 in cash (200,000 shares x $0.0375).

The following table shows aggregate promissory note nominal amounts, accrued interest, discounts and derivative liabilities at December 31, 2009 and 2010).

	12/31/09	12/31/10
Note nominal amount	$ 227,275	$ 650,575
Accrued interest payable	102,561	109,337
Unamortized discount	(91,479)	(281,018)
Net note principal and interest	238,357	468,894
Derivative liabilities	420,583	1,430,981
Total promissory note liabilities	$ 1,261,398	$ 1,899,875

Derivative Liabilities

Embedded Derivative - Overview

Financial instruments often contain certain features which are considered derivative instruments that may require fair value accounting under Accounting Standards Codification ("ASC") 815 *Derivatives and Hedging* (pre-Codification FAS 133). The Master Glossary of the ASC defines an embedded derivative as "implicit or explicit terms that affect some or all of the cash flows or the value of other exchanges required by a contract in a manner similar to a derivative instrument" - these derivatives embedded in financing agreements may require asset or liability classification as a compound derivative.

An embedded derivative is a provision in a contract that modifies the cash flow of a contract by making it dependent on some underlying measurement. Like traditional derivatives, embedded derivatives can be based on a variety of instruments, from common stock to exchange rates and interest rates. Combining derivatives with traditional contracts or embedding derivatives changes the way that risk is distributed among the parties to the contracts.

A derivative is any financial instrument whose value depends on an underlying asset, price or index. An embedded derivative is the same as a traditional derivative; its placement, however, is different. Traditional derivatives stand alone and are traded independently. Embedded derivatives are incorporated into a contract, called the host contract. Together, the host contract and the embedded derivative form an entity known as a hybrid instrument.

The embedded derivative modifies the host contract by changing the cash flow that would otherwise be promised by the contract. For example, when you take out a loan, you agree to repay the funds plus interest. When you enter this contract, the lender worries that interest rates will go up, but your rate will be locked in at a lower rate. The lender can modify the loan agreement by embedding a derivative, so that interest payments depend on another measurement. They could, for example, be adjusted according to a benchmark interest rate or a stock index.

Embedded derivatives are found in many types of contracts. They are frequently used in leases and insurance contracts. Preferred stock and convertible bonds, or bonds which can be exchanged for stock, also host embedded derivatives. The specific accounting principles for embedded derivatives are complicated, but the basic concepts are that the embedded derivative must be accounted at fair value and that it should only be accounted separately from the host contract if it could stand alone as a traditional derivative.

A contract with an embedded derivative can substitute for another type of risk management; for example, some companies conduct business in more than one currency. By paying production costs in one currency and selling the product in another, they bear the risk of adverse fluctuations in the interest rate. Often, these companies participate in foreign exchange futures trading to hedge the risk they face. Another option is to embed the foreign exchange future into the sales contract. This differs from the original strategy in that the buyer now faces the risk, where a third party traded stand-alone futures with the corporation.

Convertible Debentures / Warrants

In 2008 and through the year ended December 31, 2010 (the "Dates of Issuance"), Tivus issued multiple convertible notes (the "Convertible Notes" or the "Notes") and warrants ("Warrants") with derivative liabilities to related and unrelated parties (the "Holders"), in the total Note amounts of $734,600 and Warrant options at conversion of the Notes to purchase shares of Common Stock. Some of those notes have been converted to common stock as of December 31, 2010. Our unpaid principal balance on these notes at December 31, 2010 is $650,575.

The Convertible Notes have maturity dates 12 months and have an annual interest rates ranging from 6% to 8% per annum. The Holders have the right from and after the Date of Issuance, and until any time until the Convertible Notes are fully paid, to convert any outstanding and unpaid principal portion of the Convertible Notes, and accrued interest, into fully paid and non-assessable shares of Common Stock with an ownership limit of 4.99%. The Convertible Notes have a variable conversion price and no reset feature. The percentage of market conversion rate is 20%, 40%, 50% or 70% of the average bid price of the Company's common stock on 3 consecutive trading days immediately preceding the date of conversion. The Holders were not issued warrants with the Convertible Notes. The Company shall issue to the Holder Warrants to purchase Common Stock equal to 100% of the Notes common shares converted into by Holder. The Warrants shall have a life of 2 years and have an exercise price equal to 150% of the conversion price. The embedded conversion feature in the Note should be accounted for as a derivative liability due to the full reset provision based on guidance in Accounting Standards Codification ("ASC") 815 *Derivatives and Hedging* (pre-Codification "FAS 133").

In the event of default for the Notes, the amount of principal and interest not paid when due bear interest at the rate of 12% per annum and the notes become immediately due and payable. Should that occur, the Company is liable to pay 100% of the then outstanding principal and interest.

The convertible debenture can be converted into common stock at conversion prices that are a percentage of the market price; therefore the number of shares that could be required to be delivered upon "net-share settlement" is essentially indeterminate. In accordance with FAS No. 133, we have bifurcated the beneficial conversion features embedded in the convertible debentures and have recorded the fair value of these beneficial conversion features as a current liability.

The promissory notes generally have derivative liabilities exceeding their nominal amounts as issuance. We have accounted for the initial value of the derivative at issuance as a discount on the nominal value of the promissory note, amortizing the discount to interest expense according to the Effective Interest Method.

Valuations at balance sheet dates subsequent to the promissory notes' issuances are recorded as a gain or loss on derivative valuations.

As of December 31, 2010, we are in default on nine of the promissory notes with an aggregate nominal amount of $107,275 and unpaid interest of $8,062.

Note 5. Property, Plant and Equipment

Development of our Network Operations Center

During the year ended December 31, 2010, we issued notes payable in the amount of $62,000 to a software development firm to develop guest user interfaces, business intelligence for our IPTV network, hotel customization and interactivity and property management software interfaces.

As these software platforms are intended to support our in-room IPTV operations, we have accounted for these costs as property, plant and equipment. We will begin depreciating these costs when our first hotel installation is complete.

Hotel Installations

As of December 31, 2010, we had incurred hotel installation costs of $552,323 on projects in progress. As of December 31, 2010, we had installed approximately 25 rooms in the Host property located in downtown Philadelphia. By April 30, 2011, that number has increased to about 900 (or 60% completion).

Note 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consists principally of liabilities resulting from our merger in 2008 and amounts owed for costs incurred in our hotel installations.

On July 22, 2008, the Company entered into a definitive agreement whereby MaxWiFi, Inc. ("MaxWiFi") would acquire a controlling interest in the Company in return for cash and a promissory note in the amount of $205,000. Upon executing this agreement, the Company undertook a 250:1 reverse stock split and issued 20,000,000 (post-reverse) shares to MaxWiFi Communications, Inc., effecting what is commonly known as a "reverse merger". In connection with the reverse merger, the Company's name was changed to MaxWiFi Communications, Inc.

MaxWifi defaulted on the promissory note during January 2009 after having paid $67,500 of principal. As such the former owners foreclosed on the shares owned by MaxWiFi during which time MaxWiFi was unable to exercise voting control over the shares.

On January 13, 2010, the American Arbitration Association arbitrated our dispute with Belmont Partners, LLC, among other parties. A judgment was entered against us in the amount of $169,810, representing the unpaid purchase price of MaxWiFi, Inc. of $137,500; $28,560 in accrued interest and $3,750 representing the current value of the equity portion of the sales price.

We owe approximately $495,480 of costs associated with our installation at the Host property in downtown Philadelphia. These costs were paid in 2011.

Note 7. Contract with Westboy, LLC

On September 15, 2010, we entered into a five-year agreement with Westboy, LLC which owns the Doubletree Hotel and Executive Meeting Center in Omaha, Nebraska (the "Hotel") to install and provide up to 450 IPTVs and content for a total monthly charge of approximately $20,500.

Additionally, the Hotel agrees to pay Tivus 85% of the revenues received by the Hotel for VOD/IPTV services at the Hotel. Additionally, Tivus agrees to pay to the Hotel 30% of any advertising sold by Tivus or its agents.

Tivus has guaranteed that the Hotel will earn at least $11,043 per month 60 days after the system is fully operational.

Note 8. Related Party Transactions

Our Chairman and Chief Executive Officer has earned a salary of $136,800 annually since August 2008. In addition to this salary, we accrued a $100,000 signing bonus.

Mr. Prakash has had salary accruals and cash payments as follows:

	Year Ended December 31,		
	2008	2009	2010
Beginning balance	$ -	$ 157,000	$ 226,601
Salary accruals	157,000	136,800	136,800
Cash payments	-	(94,284)	(657,820)
Cash deposits	-	27,084	116,293
Ending balance	$ 157,000	$ 226,601	$ (178,126)

The deficit balance in Mr. Prakash's salary accrual account has been reclassified to Advances to Affiliates.

Note 9. Subsequent Events

Additional Dilutive Securities Issued

In January and February 2011, the Company issued an additional nine promissory notes.

Three of these notes are issued essentially under the same terms as quoted in Note 4, for $27,500 in cash. The notes are convertible at 50% of a five-day average bid price and contain warrants to purchase the same number of shares at a price equal to 150% of the conversion price. They pay interest at 6%, with a default rate of 12%. The maturity dates on these notes is one year from issuance.

We also issued four promissory notes in the principal amount of $52,500 with interest at 12%. These notes mature in one year, and are convertible at prices ranging from $0.0365 to $0.05.

We issued two promissory notes with interest at 12%, payable in one year. They are convertible at a 45% discount to market or $0.015, whichever is lower.

Additional Shares of Common Stock Issued

Between January 1, 2011 and April 11, 2011, we issued an additional 24,628,963 shares for cash and conversion of promissory notes. At April 11, 2011, we had 61,712,644 shares issued and outstanding.

We have evaluated subsequent events through the date of issuance of this report.

Item 13 Financial information for the two preceding fiscal years.
Included in Item 12 above.

Item 14 Beneficial Owners

Common Stock

	No. of Shares Owned	Percent of Total
Shiva Prakash 15418 Weir Street, Suite 108 Omaha, Nebraska 68137	12,282,000	33%

Item 15 Name, address and telephone number of advisors.

1. Investment Banker

   None

2. Promoters

   None

3. Counsel

   Whitley LLP Attorneys at Law
   11767 Katy Freeway, Suite 425
   Houston, Texas 77079
   Telephone: (281) 206-0432
   Fax: (866) 512-7794
   swhitley@whitley-llp.com

4. Accountant or auditor

   Newton Collaboration, LLC
   440 Louisiana, Suite 1400
   Houston, Texas 77002
   rnewton@newton-collaboration.com

   Newton Collaboration, LLC prepares and compiles the Company's financial statements. It is management's responsibility to provide accurate information to permit the preparation and compilation of the financial statements.

   The principal of Newton Collaboration, LLC is Randall Newton, CPA. Mr. Newton is a certified public accountant in the State of Texas.

5. Public relations consultant

   Small Cap Support Services, LLC
   12951 Briar Forest, Suite 1225
   Houston, Texas 77077
   (832) 413-6206 telephone
   (832) 201-7913 fax
   shaag@smallcapss.com

6. Investor relations consultant

   Small Cap Support Services, LLC
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   Houston, Texas 77077
   (832) 413-6206 telephone
   (832) 201-7913 fax
   shaag@smallcapss.com

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement

   None.

Item 16 Management's discussion and analysis or plan of operation.

A. Plan of Operation.

Plan of Operation

i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;

During the next twelve months, the Company plans to install IPTV systems in three major metropolitan hotels. As of December 31, 2010, the installation for the Host property in downtown Philadelphia is in progress. We also began work on the Doubletree Omaha in February 2011. We expect that our capital requirements for these three installations will be approximately $2,200,000. We currently do not have the resources to undertake these projects. We will have to raise additional funds through debt or equity offerings in order to fund our business operations. We are currently seeking this financing.

ii. a summary of any product research and development that the issuer will perform for the term of the plan;

None.

iii. any expected purchase or sale of plant and significant equipment; and

We expect to purchase large quantities of television units and related equipment for our hotel installations.

iv. any expected significant changes in the number of employees.

None.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This section is not applicable as the Company is in the development stage and has not had significant revenues from operations in the last two fiscal years.

C. Off-Balance Sheet Arrangements.

According to the terms of our contract with Westboy, Tivus guarantees minimum advertising revenues for the Doubletree Hotel in the amount of $11,043 per month for five years. If Tivus is unsuccessful in obtaining additional advertising revenues, it could result in cash liabilities of up to $662,500 or termination of the contract with Westboy.

PART E: ISSUANCE HISTORY

Item 17 List of securities offerings and shares issued for services in the past two years

Convertible promissory notes

At various times during 2009, we issued convertible promissory notes in the principal amount of $87,200. The notes are convertible at 50% of a five-day average bid price and contain warrants to purchase the same number of shares at a price equal to 150% of the conversion price. They pay interest at 6%, with a default rate of 12%. The maturity dates on these notes is one year from issuance. These notes were issued to accredited investors. One of these notes was also issued to our transfer agent in order to satisfy outstanding invoices.

At various times during 2010, we issued convertible promissory notes in the principal amount of $543,300. The notes are convertible at 50% of a five-day average bid price and contain warrants to purchase the same number of shares at a price equal to 150% of the conversion price. They pay interest at 6%, with a default rate of 12%. The maturity dates on these notes is one year from issuance. These notes were issued to accredited investors.

In January 2011, we issued three promissory notes in the principal amount of $27,500. The notes are convertible at 50% of a five-day average bid price and contain warrants to purchase the same number of shares at a price equal to 150% of the conversion price. They pay interest at 6%, with a default rate of 12%. The maturity dates on these notes is one year from issuance. These notes were issued to a group of accredited investors.

In January 2011, we also issued four promissory notes in the principal amount of $52,500 with interest at 12%. These notes mature in one year and are convertible at prices ranging from $0.0365 to $0.05. These notes were issued to accredited and non-accredited investors.

In February 2011, we issued two promissory notes in the principal amount of $60,000 to an accredited investor with interest at 12%, payable in one year. They are convertible at a 45% discount to market or $0.015, whichever is lower.

Each of the above issuances of promissory notes was conducted pursuant to the exemption from registration afforded by Section 4(2) of the Securities Act, due to the limited number of purchasers, the sophistication of the purchasers in financial and business matters, and the private nature of the transactions.

Common stock

During 2009, we issued 16,667 (5,000,000 pre-9/4/08 shares) shares to a consultant for services. We valued the shares at the closing price on the grant date ($1.50) and charged general and administrative expenses with $25,024. The certificate for these shares carries a restrictive legend.

In January 2010, we issued 12,000,000 shares to our Chairman and Chief Executive Officer, Shiva Prakash, to effect control of the Company after the American Arbitration Association settlement. The certificate for these shares carries a restrictive legend.

On May 6, 2010 and September 30, 2010, we issued 5,400,000 shares of common stock in partial settlement of a promissory note from September 2008. We valued the shares at the closing price on the date of the agreement ($448,000 in the aggregate), retired debts in the amount of $115,000, and recorded a loss on retirement of debt in the amount of $333,000. This resulted in an average price per share of $0.021.

On August 19, 2010, we issued 2,000,000 shares upon conversion of two promissory notes and their accrued interest. We valued the shares at the agreed-upon conversion price and retired interest and principal of $22,752. This resulted in an average price per share of $0.011.

On October 1, 2010, October 12, 2010 and November 30, 2010, we issued 10,500,000 shares of common stock in partial settlement of a promissory note from July 2008. We valued these shares at the price agreed upon by the Company and the promissory note holder ($0.008 per share, $84,000 in the aggregate) and retired $84,000 of outstanding unpaid principal.

On October 6, 2010, October 30, 2010, December 6, 2010, we sold 6,333,261 common shares to accredited investors for cash in the amount of $250,000, resulting in an average sales price of approximately $0.039 per share. These sales were conducted pursuant to the exemption from registration afforded by Section 3(b) of the Securities Act and Rule 504 promulgated thereunder. The certificates issued for these shares did not carry a restrictive legend and are free-trading.

On January 25, 2011, we issued 10,000,000 shares upon the conversion of $80,000 of debt at a conversion price of $0.008 per share.

On March 1, 2011, we issued 2,747,368 shares upon the conversion of $52,200 in debt, resulting in an average sales price of $0.019 per share.

On February 24, 2011, February 28, 2011, March 15, 2011, and March 22, 2011, we sold 8,881,595 common shares to accredited investors for cash in the amount of $160,000, resulting in an average sales price of $0.018 per share. These sales were conducted pursuant to the exemption from registration afforded by Section 3(b) of the Securities Act and Rule 504 promulgated thereunder. The certificates issued for these shares did not carry a restrictive legend and are free-trading.

Conversions of notes into common stock were conducted pursuant to the exemption from registration afforded by Section 4(1) of the Securities Act and Rule 144 promulgated thereunder, due to the satisfaction of the conditions of Rule 144. The certificates issued for these shares did not carry a restrictive legend and are free-trading.

PART F: EXHIBITS

Item 18 Material Contracts.

- Contract with Westboy, LLC: Tivus was awarded its first in-room HD IPTV contract from the Doubletree® Hotel & Executive Meeting Center Downtown in Omaha, Nebraska. The 60-month contract, valued at more than $1,200,000, provides the Omaha Doubletree with Tivus' unique in-room HD IPTV entertainment solution for up to 450 rooms.

- Contract with Host Hotels & Resorts, Inc.: Tivus entered into a MOU to deploy its new IP based, in-room content-on-demand (COD) systems in Host properties, featuring ad-insertion HD IPTV. In the terms of the agreement, on successful completion of the 12-month MOU, Host can elect to execute a 60-month, revenue-sharing HD IPTV agreement for numerous properties.

Item 19 Articles of Incorporation and Bylaws.

The Articles of Incorporation of the Company (including amendments) can be found on the OTC Disclosure & News Service (posted May 10, 2011) and are hereby incorporated by reference.

The Bylaws of the Company can be found at http://www.otcmarkets.com/otciq/ajax/showFinancialReportById.pdf?id=32396 and are hereby incorporated by reference.

Item 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item 21 Certifications.

I, Shiva Prakash, certify that:

1. I have reviewed this annual disclosure statement of Tivus, Inc.;

2. Based on my knowledge, this annual disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/Shiva Prakash
Shiva Prakash
Chairman, Chief Executive Office and Chief Financial Officer

May 18, 2011
Date