

Mindful Eye, Inc.
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Balance Sheets

	March 31, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 23,689	4,689
Other current assets	0	0
Total current assets	23,689	4,689
Property and equipment, net		
Machinery and equipment	52,500	52,500
Software Licensing	100,000	100,000
Less: accumulated depreciation		0
Total assets	\$ 176,189	157,189

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable	95,214	95,214
Other current liabilities	0	0
Total current liabilities	\$ 95,214	95,214
Long-term liabilities:		
Long-term debt	0	0
Notes payable	10,000	10,000
Total long-term liabilities	10,000	10,000
Total Liabilities	105,214	105,214

Stockholders' equity		
Preferred stock 10,000,000 shares authorized, \$.001 par value		
Common stock, 100,000,000 shares authorized, \$.001 par value,	42.19	2.19
\$11,016,839 shares issued and outstanding, respectively		
Additional paid in capital	42,147	2,187
Accumulated deficit	28,786	49,786
Total stockholders' equity	\$ 70,975	51,975
Total liabilities and stockholders' equity	\$ 176,189	157,189

Mindful Eye, Inc.
Statements of Operations

	3 months ended March 31, 2011	3 months ended March 31, 2010
Revenues:		
Hardware Sales	\$ 0	\$ 0
Software Sales	0	0
Service Contracts	0	0
Total revenues	<u>0</u>	<u>0</u>
 Cost of hardware/ software	 \$ 0	 0
Cost of contracts	<u>0</u>	<u>0</u>
Cost of Sales	<u>0</u>	<u>0</u>
Gross profit	<u>0</u>	<u>0</u>
 Operating expenses:		
General and administrative	21,000	0
Depreciation/ amortization	<u>0</u>	<u>0</u>
Total operating expenses	<u>21,000</u>	<u>0</u>
 Other income (expense)		
Interest expense	0	0
Provision for Income Taxes	0	0
Total other income	<u>0</u>	<u>0</u>
(expense)		
Net Income	<u>\$ (21,000)</u>	<u>\$ 0</u>

Mindful Eye, Inc.
Statements of Shareholders' Equity

	Preferred Stock		Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Shareholders'
	Shares	Amount	Shares	Amount			Equity
Balance at December 31, 2008	*	0	0	11,016,839	0	50,000	50,000
Issuance of common stock				2	2,187		2,189
Issuance of preferred stock							
Net Income (Loss) for the year ended December 31,2009						0	0
Balance at December 31, 2009		0	0	11,016,839	2	2,187	50,000
Issuance of common stock							0
Issuance of preferred stock							0
Net Income (Loss) for the year ended December 31,2010						(214)	(214)
Balance at December 31, 2010		0	0	11,016,839	2	2,187	49,786
Issuance of common stock				40	39,960		40,000
Issuance of preferred stock							0
Net Income (Loss) for the three months ended, March 31, 2011						(21,000)	(21,000)
Balance at March 31, 2011		0	0	11,016,839	42	42,147	28,786

Mindful Eye, Inc.
Statements of Cash Flows

	3 months ended March 31, 2011	3 months ended March 31, 2010
Operating activities:		
Net income	(21,000)	\$ 0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation/ Amortization	0	0
Changes in operating assets and liabilities:		
Accounts receivable	0	0
Accounts payable	0	0
Net cash used in operating activities	(21,000)	0
Investing activities:		
Purchases of property and equipment	0	0
Other Assets	0	0
Net cash provided by (used in) investing activities	0	0
Financing activities:		
APIC	39,960	0
Common stock	40	0
Shareholder Equity	0	0
Net cash provided by (used in) financing activities	40,000	0
Net increase (decrease) in cash	19,000	0
Cash, beginning of year	4,689	2,189
Cash, end of year	23,689	\$ 2,189
Supplimental disclosures of cash flow information:		
Cash paid for Interest	0	\$ 0
Income taxes	0	\$ 0

Mindful Eye, Inc.
Notes to Financial Statements

1. Accounting Policies

Business

Mindful Eye (the “Company”, “We” or “Our”) was organized under the laws of the State of Nevada in October 2003. The Company is the future of cutting edge technology distribution kiosk’s. We bring the newest innovations to the adult industry utilizing a kiosk that is fast, secure and private. These delivery systems have lowered the high operating overhead cost and have provided a cost effective alternative to consumers. Their acceptance has been an overwhelming success that will allow Mindful Eye Inc. to share the fast growing product- dispensing kiosk.

Financial Information

The accompanying financial statements of Mindful Eye Inc. have been prepared to be in accordance with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Cash and Cash Equivalents

Cash and cash equivalents represent all highly liquid investments. The Company maintains its cash in bank deposit accounts, which may exceed federally insured limits at times.

Inventory

Inventory consists of finished goods and vending products. The Company’s inventory is stated at the lower of cost (average cost basis) or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight- line method.

Property and Equipment consist of the following:

Machinery	\$ 52,500
Software	100,000
Total property and equipment	\$ 152,500

Income Taxes

Provision for income taxes have been made based on pro forma forecast and may vary upon actual results.

Accrued Expenses

There are no accrued expenses at this time.

2. Long- Term Debt/ Liabilities

Long- term debt consist of the following:

Notes payable	\$ 10,000
Total long- term debt	\$ 10,000

Other Current Liabilities consist of the following:

Other current liabilities	\$ 95,214
Total current liabilities	\$ 95,214

3. Managements' Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

This report contains certain forward- looking statements regarding, among other things, the anticipated financial and operating results of the Company. For this purpose, forward- looking statements are any statements contained herein that are not statements of historical fact and include, but are not limited to, those preceded by or that include the words, "estimate", "could", "should", "would", "likely", "may", "will", "plan", "intend", "believes", "expects", "anticipates", "projected", or similar expressions. Those statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and was derived using numerous assumptions.

Results of Operations

Projections for year 1 are conservative at \$6,215,015 and year 2 at \$31,603,240. Our revenues are based on 12 to 14% of product rentals. For the year ended December 31, 2010 we had \$0 revenues, and \$0 cost of goods. We attribute this to the new company status. Cash at March 31, 2011 was \$23,689.

Cost of sales will primarily consist of web/ kiosk and consulting expenses.

General, administrative and marketing will primarily consist of legal, office, insurance, rent utilities and marketing expenses.

4. Controls and Procedures

The principle executive officer and principle financial officer have evaluated the Company's disclosure controls and procedures. Based on this evaluation, they concluded that the disclosure controls and procedures were effective to ensure that the required information has been disclosed. There have been no changes during the year in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

5. Future Goals

Mindful Eye Inc. has the potential of unlimited growth. Our kiosks incorporate proprietary licensed digital download technology. The adult entertainment industry is one of the oldest industries around with that there are no limitations for us. The hybrid kiosk has endless opportunity and is the core of our business.