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

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	Inception (7/22/08) to 03/31/12
OPERATING ACTIVITIES:			
Net loss	$ (158,595)	$ (73,316)	$ (7,713,582)
Accounts receivable	(12,776)	(141,720)	(12,773)
Accounts payable & accrued expenses	(30,643)	(360,368)	66,298
Salary payable	54,902		(166,733)
Loan from Shiva Prakash	115,806	-	115,806
Taxes payable	2,365	32,418	34,780
Cash used in operating activities	(28,940)	(542,985)	(7,676,203)
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-	-	(62,000)
Installations in progress	-	315,888	(443,088)
Advances to affiliates	(11,100)	(274,027)	(11,100)
Cash used in investing activities	(11,100)	41,861	(516,188)
FINANCING ACTIVITIES:			
Notes payable	(14,321)	(82,581)	1,265,724
Common stock	1,635,560	-	1,742,214
Additional paid in capital	(1,540,239)	622,200	5,237,834
Opening Equity Balance	(10,000)	-	(21,200)
Cash provided by financing activities	71,000	539,619	8,224,572

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

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	Inception (7/22/08) to 03/31/12
Net increase (decrease) in cash during the period	30,960	38,495	32,181
Cash at beginning of period	1,221	14,969	-
Cash at end of period	$ 32,181	$ 53,464	$ 32,181
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	-	-	-
Purchases of property, plant and equipment with notes payable	-	-	62,000
Principal and interest converted to equity from notes payable	$ 0	$ 112,200	$ 134,952

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

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

Note 1. Basis of Presentation

History

Tivus, Inc., a Delaware corporation (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 and issued 20 million (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.

Nature of Operations

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

TIVUS® IPTV unique advertising revenue-sharing concept provides ultra-modern, high-definition (HD) flat-screen televisions 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, NE (see Note 7).

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 quarter ending March 31, 2012. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Interim results are not necessarily indicative of results for a full year.

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 March 31, 2012, 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.

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.

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 Account 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. The company's management is responsible for furnishing this information

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 March 31, 2012. 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 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 reliability 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.

Note 2. Going Concern

The accompanying financial statements have been prepared assuming that Tivus, Inc. will continue as a going concern..

Note 3. Capital Structure

Common Stock

We are authorized to issue up to 3 billion shares of common stock. At March 31, 2012, we had 1,742,214,279 shares of common stock outstanding.

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 million (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 million shares were recorded as founders' shares and recorded at no value.

MaxWifi defaulted on the promissory note during January 2009. 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 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.

See Note 8 for shares issued subsequent to the balance sheet date.

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 March 31, 2012 of 4.9 billion shares and 85% at a share price of \$0.0005 However, the Company is only authorized to issue 1 billion shares. Consequently, if all of the instruments converted, the Company would either have to increase the number of authorized shares or purchase the shares on the open market.

The dilution calculated in this paragraph does not include the potential dilution in the next paragraph concerning the Series A Convertible Preferred Stock.

Preferred Stock

The Company is authorized to issue up to 1 million shares of preferred stock.

On May 5, 2011, we issued 8,992 shares of Series A Convertible Preferred Stock to our CEO and President, Shiva Prakash and 1,008 shares of the same class to an individual for services. The shares are convertible according to the following terms:

Amount of stock convertible

When the average bid price for the Company's common stock on any quotation medium or national securities exchange is no less than column A, for 20 consecutive trading days, any holder of Series A stock may convert up to the percentage of their holdings expressed in column B.

	Stock Price	Percentage Convertible
	(A)	(B)
$	0.20	20%
$	0.40	40%
$	0.60	60%
$	0.80	80%
$	1.00	100%

Regardless of the portion of a holder's Series A stock that has not been converted into common stock, all Series A stock shall automatically convert to common stock on or after November 1, 2013 if the average bid price for the Company's common stock on any quotation medium or national securities exchange is $10.00 per share or more for twenty consecutive trading days.

Amount of convertibility

Each share of Series A Convertible Preferred Stock can be converted into 0.01% of the outstanding common stock of the Company. The 10,000 preferred shares can therefore be converted into 10% of the Company's equity.

Note 4. Convertible Notes

From inception to March 31, 2012, 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.

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. 200,000 shares could be exercised at $0.0375, upon exercise and payment by the holder of $7,500 in cash (200,000 shares x $0.0375.

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. He 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.

Tivus Convertible Debentures / Warrants

From inception to March 31, 2012 (the "Dates of Issuance"), the Company issued multiple secured convertible notes (the "Convertible Notes" or the "Notes") and warrants ("Warrants") with derivative liabilities to related and unrelated parties (the "Holders") and Warrant options at conversion of the Notes to purchase shares of Common Stock. Each convertible note contains a warrant to purchase shares of common stock.

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 Secured 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 of 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 conversions price 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 bi-furcated 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.

Note 5. Property, Plant and Equipment

During 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 PMS 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.

Note 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consists principally of liabilities resulting from our merger in 2008 and accrued costs associated with out 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 million (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.

Through March 31, 2012, we have converted $231,500 of this debt by issuing common stock. At March 31, 2012, approximately $11,600 of this obligation remains.

Note 7. Contract with Westboy, LLC

On September 15, 2010, we entered into a five-year agreement with Westboy, LLC who 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 they system is fully operational.

Our contract with Westboy stipulated that we provide all of the hardware and software required to run the systems in the hotels. However, an addendum to the contract was agreed upon during the first quarter of 2011 whereby, the Hotel would reimburse the Company for the installation costs. During the fist quarter, we billed the Hotel $463,112.

We recorded this contract addendum and billing to the hotel as a divestiture of "Installations in Progress".

Note 8. Subsequent Events

Additional Shares of Common Stock Issued

Subsequent to March 31, 2012, we issued 704,000,000 shares for $105,400 in cash.

On December 20, 2011, we entered into an License Agreement (the :license agreement") with Triumph Tek LLC, to acquire the use of their internet protocol television system with data capturing and data mining capabilities, utilizing a secure wireless network and managing content through their network operations center.

Under the terms of the license agreement, we are to pay royalties equal to:

1. In the case of sublicenses paid as periodic fees - 25% of gross revenues until such time as $4.8 million in accumulated payments have been made, at which time the royalty rate drops to 10%.

2. In the case of sublicenses paid as fixed amounts - 50% of gross revenues until such time as $4.8 million in accumulated payments have been made, at which time the royalty rate drops to 25%.

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

Item 4. Management's Discussion and Analysis or Plan of Operation.

Plan of Operation

During the next twelve months, the Company plans to install IPTV systems in three major metropolitan hotels. As of March 31, 2012, the first major hotel installation is near completion.

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

Comparison of financial condition at March 31, 2012 versus December 31, 2011

Since our inception in July, 2008, our activities have consisted principally of payment of salary to our sales team and travel to various metropolitan cities to introduce the concept of our IPTV technology. However, recently our activities have increased to include hotel installations.

Our cash balance decreased from $53,464 at December 31, 2011 to $32,181 at March 31, 2012. We raised an additional $58,000 through the issuance of common stock.

Comparison of three Months Ended March 31, 2012 and 2011

Our general and administrative costs have decreased for the quarters ended March 31 ($76,587 in 2011 versus $257,181). General and administrative costs consist principally of salary to sales team, travel and compliance costs.

Off Balance Sheet Arrangements

According to the terms of our contract with Westboy, LLC ("Westboy") (see Note 7 to the Financial Statements), 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.

Item 5. Legal Proceedings

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 are currently paying these debts through issuances of our common stock. At March 31, 2012, we owe $11,645.

Item 6. Defaults Upon Senior Securities

As of March 31, 2012, we are in default on 25 of our 25 outstanding promissory notes. Notes in default have an aggregate unpaid principal balance of $384,300.

Item 7. Other Information

None.

Item 8. Exhibits

None.

Item 9. Certifications

I, Shiva Prakash, certify that:

1. I have reviewed this quarterly report of Tivus, Inc.;

2. Based on my knowledge, this 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

July 30, 2012
Date