

ISSUER INFORMATION AND DISCLOSURE STATEMENT
PURSUANT TO RULE 15c2-11 (a)(5)

May 18, 2010

IFINIX CORPORATION
(a Nevada Corporation)
255 Executive Drive, Suite 410, Plainview, NY 11803
TEL: 516-504-3981
FAX: 516-977-1523

Federal I.D. No. 42-1635106

Cusip No. 45170U300

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$0.0001 Par Value
288,000,000 Class A Common Shares Authorized
227,261,140 Issued and Outstanding

PREFERRED STOCK

\$.0001 Par Value
10,000,000 Preferred Shares Authorized
6,320,416 Issued and Outstanding

Transfer Agent

Transfer Online Inc.
512 SE Salmon Street
Portland, OR 97214
Fax# 503.227.6874

IFINIX CORPORATION
INFORMATION AND DISCLOSURE STATEMENT

May 18, 2010

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of 15c2-11 (a)(5) promulgated by the Securities and Exchange Act of 1934, as amended. The enumerated items and captions herein correspond to the format as set forth in the Rule.

Item 1. **THE EXACT NAME OF ISSUER AND ADDRESS OF ITS PRINCIPAL OFFICES:**

iFinix Corporation
255 Executive Drive,
Suite 410,
Plainview, NY 11803
Phone number: 516-504-3981
Facsimile: 516-977-1523

Item 2. **SHARES OUTSTANDING:**

227,261,140 Issued and outstanding as of March 31st, 2010:

Item 3 **INTERIM FINANCIAL STATEMENTS:**

The interim Financial Statements is attached at the end of the report.

Item 4.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION:

A. Plan of Operation

The company's goal is to begin operations in iFinix Capital which is the equity division, release an update on the RealTime software, and release our iFinix Trader software . The company will also start the last and final stage in its marketing plan the TV ad campaign, management believes that this will attract additional subscribers to its RealTime software and additional investors on a whole.

B. Managements Discussion and Analysis of Financial Condition and Results of Operations.

The financial condition of the company as seen in the recent financial statements shows that the company has taken necessary steps in reducing it outstanding debt. Management believes that with this debt forgiveness the company can use its capital in developing the business.

Item 5

LEGAL PROCEEDINGS:

The Company has been named as a defendant in 3 lawsuits that have been brought by Fusion Contact Centers, LLC, New Millennium PR Communications, Inc, and Dundas Data Visualization, Inc. against the Company. The lawsuits relate to claims that the Company has not paid for services rendered. The plaintiffs are looking for damages in excess of Two hundred and thirty thousand dollars. The Company is in the process of negotiating settlements with the Plaintiffs. The company has successfully settled all three lawsuits.

Item 6

DEFAULTS UPON SENIOR SECURITIES:

There has been no default on senior securities.

Item 7

OTHER INFORMATION:

There are no additional Information.

Item 8

EXHIBITS:

None

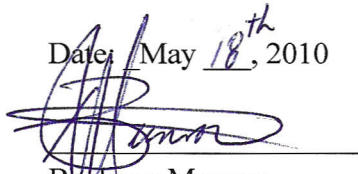
Item 9

CERTIFICATIONS:

I, Benhope Munroe, certify that:

1. I have reviewed this Quarterly disclosure statement of iFinix Corporation;
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 in this disclosure statement.

Date: May 18th, 2010



Benhope Munroe
CEO & CFO

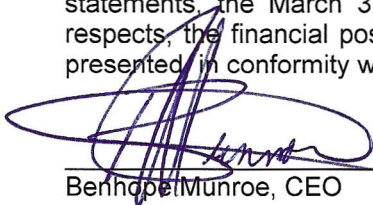
iFinix Corporation
Index to Consolidated Financial Statements

| | Page(s) |
|---|---------|
| Report to the Shareholders | 2 |
| Consolidated Balance Sheet | 3 |
| Consolidated Statements of Operations | 4 |
| Consolidated Statements of Cash Flows | 5 |
| Consolidated Statements of Changes in Stockholders' Deficit | 6 |
| Notes to Consolidated Financial Statements | 7 |

To the Shareholders of iFinix Corporation

The management team of iFinix Corporation is presenting the March 31, 2010 consolidated financial statements prepared in accordance with the United States generally accepted accounting principles. The preparation of these statements along with their reliability, completeness and integrity is the responsibility of management.

Except as might otherwise be determined under the software valuation contingency described in Note 8 of these statements, the March 31, 2010 consolidated financial statements, and notes thereto, present fairly, in all material respects, the financial position of the iFinix Corporation and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.



Benhope Munroe, CEO

iFinix Corporation and Subsidiary
Consolidated Balance Sheet
(Unaudited)

ASSETS

| | March 31, 2010 | March 31, 2009 |
|--|------------------|------------------|
| Current Assets | | |
| Cash & Cash Equivalents | \$ 70,204 | \$ 47,795 |
| Commissions Receivable | \$ 51,706 | \$ 34,158 |
| Prepaid Expenses and Others | \$ 7,983 | \$ - |
| Total Current Assets | \$ 129,893 | \$ 81,952 |
| Property & Equipment, Net | \$ 1,510,739 | \$ 1,524,889 |
| Other Assets | | |
| Deposits | \$ 6,022 | \$ 6,022 |
| Loans & Exchanges | \$ 11,675 | \$ - |
| Total Other Assets | \$ 17,697 | \$ 6,022 |
| Total Assets | \$ 1,658,329 | \$ 1,612,863 |

LIABILITIES & SHAREHOLDERS' DEFICIT

| | | |
|--|----------------|----------------|
| Current Liabilities | | |
| Accounts Payable | \$ 378,253 | \$ 616,963 |
| Accrued Salary - Officers | \$ 237,478 | \$ 955,548 |
| Accrued Expenses | \$ 64,127 | \$ 225,691 |
| Convertible Debenture | \$ - | \$ 415,000 |
| Settlement Liability | \$ 99,099 | \$ - |
| Loans from Officers | \$ 34,348 | \$ 42,215 |
| Loans from Shareholders | \$ 252,135 | \$ 93,785 |
| Loan Payable | \$ - | \$ 9,085 |
| Due to Related Parties | \$ - | \$ - |
| Total Current Liabilities | \$ 1,065,440 | \$ 2,358,287 |
| Commitments & Contingencies | \$ - | |
| Stockholders' Deficit | | |
| Preferred Stock: Class A, \$0.0001 par value, 10,000,000 shares authorized; 6,320,416 shares issued and outstanding | \$ 632 | \$ 492 |
| Common Stock - Class A, \$0.0001 par value, 288,000,000 shares authorized; 227,261,140 shares issued and outstanding | \$ 22,726 | \$ 6,689 |
| Common Stock - Class B, \$0.0001 par value, 0 shares authorized; 0 shares issued and outstanding | \$ - | \$ 100 |
| Subscriptions Receivable | \$ 1,521 | \$ (52,000) |
| Additional Paid in Capital | \$ 8,505,600 | \$ 7,299,940 |
| Accumulated Deficit | \$ (7,937,590) | \$ (8,000,645) |
| Total Stockholders' Deficit | \$ 592,889 | \$ (745,424) |
| Total Liabilities & Stockholders' Deficit | \$ 1,658,329 | \$ 1,612,863 |

iFinix Corporation and Subsidiary
Consolidated Statement of Operations
(Unaudited)

| | Quarter Ended March 31, 2010 | Quarter Ended March 31, 2009 |
|--|------------------------------|------------------------------|
| Revenue | | |
| Commission | \$ 69,901 | \$ 93,795 |
| Management Income | 12,537 | 19,098 |
| Rental Income | 8,850 | 7,800 |
| Subscription Services | 780 | - |
| | 92,068 | 120,693 |
| Operating Expenses | | |
| Advertising | 19,578 | 23,167 |
| Commission | 33,632 | 40,466 |
| Consulting | 35,440 | 16,667 |
| Depreciation & Amortization | 5,083 | 4,667 |
| Legal & Professional | 8,829 | 22,605 |
| Selling, General & Administrative | 140,519 | 75,496 |
| Total Operating Expenses | 243,081 | 183,068.00 |
| Loss from Operations | (151,014) | (62,375) |
| Non-Operating Income (Expense) | | |
| Interest Income | 0 | 2 |
| Other Income | 151,148 | - |
| Total Non-Operating Income (Expense) | 151,148 | 2 |
| Gain or Loss From Operations before Income taxes | 134 | (62,373) |
| Provision for Income Taxes | - | - |
| Gain or Net Loss | \$ 134 | \$ (62,373) |
| Basic & Diluted Net Loss Per Share | \$ 0.00 | \$ (0.00) |
| Weighted Average Shares of Share Capital Outstanding | | |
| - Basic & Diluted | 172,990,799 | 55,158,556 |

iFinix Corporation and Subsidiary
Consolidated Statement of Cash Flows
(Unaudited)

| | Quarter Ended March 31, 2010 | | Quarter Ended March 31, 2009 |
|---|------------------------------|--|------------------------------|
| Net Loss | \$ 134 | | \$ (62,373) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation | 5,083 | | 4,667 |
| Changes in operating assets and liabilities: | | | |
| Cash & Mktble Securities | - | | - |
| Accounts receivable | (19,290) | | (6,608) |
| Prepaid expense and other assets | (2,215) | | 38,200 |
| Loans & exchanges | 100,200 | | 276,095 |
| Convertible Debenture Payable | 0.00 | | - |
| Accounts payable | (203,945) | | (32,282) |
| Accrued expenses | 1,777 | | 33,156 |
| Settlement liability | 19,444 | | - |
| Net Cash Used in Operating Activities | (98,811) | | 250,855 |
| Cash Flows from Investing Activities | | | |
| Purchase of fixed assets | - | | - |
| Common stock issued for acquisition | - | | - |
| Investment in Beckman Holdings | (12,375) | | - |
| Net Cash Used in Investing Activities | (12,375) | | - |
| Cash Flows from Financing Activities | | | |
| Net Loans from/to related party | (600) | | - |
| Common stock - Class A Shares issued for loan conversion, net | - | | 6,207 |
| Proceeds from loan to officers | - | | - |
| Stock issued for services | 95,735 | | (198,380) |
| Stock issued for compensation | - | | - |
| Stock issued in settlement of debt | - | | 6,404 |
| Common stock issued for cash | - | | - |
| Net Capital Infussion | - | | - |
| Stock Receivable | 5,178 | | - |
| Adjustment | - | | (63,598) |
| Net Cash provided by Financing Activities | 100,313 | | (249,367) |
| Net Increase (Decrease) in Cash | (10,873) | | 1,488 |
| Cash & Cash Equivalents - Beginning of the year | 81,077 | | 48,632 |
| Cash & Cash Equivalents - End of the year | \$ 70,204 | | 50,120 |

iFinix Corporation and Subsidiary
Consolidated Statements of Stockholders' Equity (Deficit)
(Unaudited)

| | Preferred Stock | | Common Stock - Class A | | Additional Paid in Capital | Stock Subscriptions | Accumulated Deficit | Total Stockholders' Deficit |
|--|------------------|---------|------------------------|-------------|-------------------------------|------------------------|------------------------|-----------------------------------|
| | Number of Shares | Amount | Number of Shares | Amount | | | | |
| Balance - September 30, 2009 | 6,045,108 | \$605 | 142,939,687 | \$14,294 | \$7,440,922 | -\$48,691 | -\$8,168,127 | -\$760,997 |
| Shares issued to officers for compensation | 1,388,889 | \$139 | | | \$849,861 | | | \$850,000 |
| Shares issued to consultants for services | | | | | | | | \$0 |
| Shares issued to investors for cash | | | 37,476,456 | 3,748 | 94,718 | | | 98,466 |
| Shares returned and cancelled | (1,113,802) | -111.38 | | | | | | - |
| Shares issued for conversion of loan | | | 24,000,000 | 2,400 | 7,200 | | | 9,600 |
| Shares issued for note payable conversion | | | | | | | | - |
| Shares issued for settlement of expenses | | | 6,000,000 | 600 | 18848 | | | 19,448 |
| Stock subscriptions receivable | | | | | | 45,034 | -65000 | 45,034 |
| Capital Infusion | | | | | | | | - |
| Net Profit/Loss | | | | | | | 298,035.32 | 298,035 |
| Balance - December 31, 2009 | 6,320,195 | 632 | 210,416,143 | 21,042 # | 8,411,550 | (3,658) | (7,935,092) | 559,586 |
| Shares issued to investors for cash | | | 6,720,000 | \$ 672 | \$ 80,888 | \$ 5,179 | | \$ 86,739 |
| Shares issued for conversion of loan | | | 6,000,000 | \$ 600 | \$ 1,200 | | | \$ 1,800 |
| Shares issued for note payable conversion | | | 4,124,997 | \$ 412 | \$ 11,962 | | | \$ 12,374 |
| Shares issued for settlement of expenses | | | | | | | | |
| Adjustment | | | | | | | \$ (2,633) | \$ (2,633) |
| Net Loss | | | | | | | \$ 134 | \$ 134 |
| Balance - March 31, 2010 | 6,320,194.95 | \$ 632 | 227,261,140 | \$ 22,726 # | \$ 8,505,600 | \$ 1,521 | \$ (7,937,590) | \$ 592,889 |

iFinix Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **(Unaudited)**

Note 1 – The Business, Basis of Presentation and Principles of Consolidation

iFinix Corporation (“iFinix”), incorporated June 23, 2004, is a diversified information technology services and solutions company. iFinix provides streaming, real-time market data, news and analytics to professionals and active individual investors through its suite of products which include iFinix Realtime, iFinix Trader, and eFinix.

On October 4, 2004, iFinix purchased 100% of the common stock of R&B Computer Systems, Inc. (R&B). R&B provides network integration solutions for client in the New York Metro area. They provide software development and web development and hosting services. R&B is consolidated in the accompanying financial statements and all material intercompany balances and transactions have been eliminated in consolidation.

On August 13, 2008 and September 29, 2008, iFinix purchased 80% and 20% of the common stock of Pro-Active Futures now iFinix Futures, Inc. respectively. iFinix Futures has been engaged in the business of commodities, futures trading and currencies for the past three years. iFinix Futures is a member of the National Futures Association as a non-guaranteed introducing broker and is also regulated by the Commodities Futures Trading Commission.

The Company has been principally devoted to organizational activities, raising capital and developing Internet software to provide subscribers real-time market data, news and analytics. Although the Company’s subsidiaries have generated revenue from operations, the consolidated Company as a whole has not generated substantial revenue from its core operation of providing subscribers data.

The accompanying unaudited consolidated financial statements contain all adjustments (consisting only of those of a normal recurring nature) necessary to present fairly the financial position of iFinix Corporation as of March 31, 2010.

Going Concern - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has a net gain of \$134 and net cash used in operations of \$98,811 and an accumulated deficit of \$7,937,590 at March 31, 2010

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties.

In order to execute its business plan, the Company will need to raise additional working capital and generate revenues. There can be no assurance that the Company will be able to obtain the necessary working capital or generate revenues to execute its business plan. However, management believes that it will be able to raise funds and ultimately produce revenues that will provide the Company the ability to continue as a going concern.

Management plans to obtain the necessary financing to execute its business plan and to grow the subscriber base. Management believes that the fees generated by these arrangements will produce operating revenue that will allow the Company to operating as a going concern.

Note 2 – Summary of Significant Accounting Policies

Cash and Cash Equivalents - Cash and cash equivalents represent cash and short term, highly liquid investments with original maturities of three months or less.

Equipment - Equipment is recorded at cost, net of accumulated depreciation. Depreciation is calculated by using the straight-line method over the estimated useful lives of the assets, which is three to five years for all categories. Repairs and

maintenance are charged to expense as incurred. Expenditures for betterments and renewals are capitalized. The cost of equipment and the related accumulated depreciation are removed from the accounts upon retirement or disposal with any resulting gain or loss being recorded in operations.

Website Software – Website software is recorded at cost, net of amortization. Amortization is calculated by using the straight-line method over the estimated useful life of 10 years, starting when the software is placed in service. Potential impairment is measured at each reporting period and recorded if the expected future cash flows do not exceed the cost, net of amortization. See description of the contingency at Note 8.

Investment in Joint Venture – The Company accounts for joint ventures under the cost method of accounting pursuant to APB 18 “The Equity Method of Accounting for Investments in Common Stock (as amended)” which records an investment in the stock of an investee at cost, and recognizes as income dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. The net accumulated earnings of an investee subsequent to the date of investment are recognized by the investor only to the extent distributed by the investee as dividends. A reduction in the cost is recorded if the investee incurs a series of losses that reduces the value of the investment below costs on other than temporary basis.

Fair Value of Financial Instruments – Due to the nature of all financial assets and liabilities, their carrying value approximates their fair value as the date of the balance sheet.

Income Taxes - The Company accounts for income taxes using the liability method, which requires the determination of deferred tax assets and liabilities based on the differences between the financial and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which differences are expected to reverse. Deferred tax assets are adjusted by a valuation allowance, if based on the weight of available evidence it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Derivative Liability - The Company reviews the terms of all convertible debt and equity instruments issued to determine whether they are derivative instruments in accordance with Statement of Financial Accounting Statement (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, and Emerging issues Task Force (EITF) Issue No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, A Company’s Own Stock, including embedded conversion and other features that are required to be bifurcated and accounted for separately as derivative financial instruments.

Derivative liabilities are initially measured at their fair value and then re-valued at each reporting date, with changes in the fair value reported as charges or credits to the statement of operations. For derivative liabilities the Company uses the Black-Scholes option pricing model to determine the fair value. For derivative liabilities related to registration rights agreements and cash payment premiums, it used a discounted present value of expected future cash flows to determine the fair value.

To the extent that the initial fair values of the bifurcated and/or freestanding derivative liabilities exceed the total proceeds received, an immediate charge to the statements of operations is recognized, in order to initially record the derivative liabilities at fair value. The discount from the face value of the convertible debt resulting from allocating part or all of the proceeds to the derivative instruments, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to the statement of loss, using the effective interest method. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on the classification of the host instrument.

Stock Based Compensation - The Company accounts for stock based compensation under Statement of Financial Accounting Standard 123 (revised 2004) (“SFAS 123(R)”), “Share-Based Payment” which replaced SFAS 123 “Accounting for Stock-Based Compensation” and superseded APB Opinion No. 25, “Accounting for Stock Issued to Employees.” SFAS 123(R) and related interpretations requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period.

Revenue Recognition –The Company’s main source of revenue is from Commission. Commission revenues for securities and futures and options are earned and recorded at the closing of the underlying transaction.

Advertising costs - The Company expenses all advertising costs as incurred. These costs are \$19,578 and \$23,167 during the quarters ended March 31, 2010 and 2009, respectively.

Use of Estimates in Financial Statements – The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in 2010 include the allowance for the receivable from the joint venture, the impairment of the website software under development, derivative liability valuation, the valuation of stock issued for services, and the valuation allowance on deferred tax assets.

Recent Accounting Pronouncements - In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "*Business Combinations*". The objective of this statement will significantly change the accounting for business combinations. Under Statement 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition date fair value with limited exceptions. Statement 141 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. The Company does not expect the adoption of SFAS No. 141R to have a material impact on the consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, "*Noncontrolling Interests in Consolidated Financial Statements-An Amendment of ARB No. 51*". The objective of this statement is to establish new accounting and reporting standards for the Noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary.. Statement 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company does not expect the adoption of SFAS No. 160 to have a material impact on the consolidated financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133*, which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. The Company does not expect the adoption of SFAS No. 161 to have a material impact on the consolidated financial statements.

In May 2008, FASB issued SFASB No.162, "The Hierarchy of Generally Accepted Accounting Principles". The pronouncement mandates the GAAP hierarchy reside in the accounting literature as opposed to the audit literature. This has the practical impact of elevating FASB Statements of Financial Accounting Concepts in the GAAP hierarchy. This pronouncement will become effective 60 days following SEC approval. The Company does not believe this pronouncement will impact its financial statements.

In May 2008, FASB issued SFASB No. 163, "Accounting for Financial Guarantee Insurance Contracts-an interpretation of FASB Statement No. 60". The scope of the statement is limited to financial guarantee insurance (and reinsurance) contracts. The pronouncement is effective for fiscal years beginning after December 31, 2008. The Company does not believe this pronouncement will impact its financial statements.

Note 3 –Website Software

The Company purchased software developed by the founder and Chairman of the Board for \$1.5 million through the convertible debenture dated November 1, 2004 (see derivative liability Note 4 below). This software is continuing to be developed and will be amortized on a straight line basis over the 10 year estimated life when it is placed into service.

The software is reviewed for impairment by comparing the expected cash flows expected to be generated by the software to the book value of the software at the date of the comparison. No impairment was deemed necessary as of the date of the accompanying financial statements. See contingency Note 8.

Note 4 - Derivative Liability – Convertible debenture with related party

The Company entered into a convertible debenture for the purchase of software with the Founder and Chairman of the Board for \$1.5 million. The agreement, dated November 1, 2004, has an interest rate of 2.37% which is payable along with the principal on October 31, 2007. The lender has the option of converting the principal and/or interest into the Company's common stock. The number of shares the lender would receive is determined by dividing the amount owed by the closing market price on the date before the conversion notice. The ability of the lender to convert the principal and/or interest of this debenture has been identified as embedded derivatives. The embedded conversion option of the interest and principal are both required to be bifurcated and are accounted for as derivative liabilities.

At each reporting date, the Company estimates the fair values of all derivatives and changes in the fair value are charged or credited to the statement of loss. The embedded derivatives are valued using the Black-Scholes option pricing model with the following assumptions: (1) contractual term of 3 years; (2) volatility of 142%, (3) risk free interest rate of 2.82% and (4) dividend rate of 0%.

Note 5 – Acquisitions

The Company purchased Pro-Active now iFinix Futures for a purchase price of \$100,000 payable \$50,000 upon closing and the \$50,000 balance was paid with 145,500 shares of Preferred stock. In addition the company entered into a five year consulting agreement with the former president paying \$3,000 monthly for services.

Note 6 – Stockholders' Equity

Authorized Shares – The Company currently has authorized Class A and Class B Common Stock and Preferred A all with par values of \$0.0001. Each share of Class B common stock carries 60 votes for every one vote of the class A common stock. Each Preferred A shares has a 60 to 1 convertible rate of the class A common stock.

Authorized Share Increase -.In October 2006, the Company increased the authorized shares of its Class A Common Stock to 3,000,000,000. In April 2007, the Company increased the authorized shares of its Class A Common Stock with a par value of \$0.0001 per share to 10 billion shares. In the third quarter of 2007, the Company increased the authorized shares of its Class A Common Stock to 11 billion shares. In December 2008, the company increased the authorized shares of its Class A Common Stock to 100,000,000.

Reverse stock split - On June 10, 2005 the Company initiated a 100 to 1 reverse stock split. On January 24, 2008, the Company initiated a 1000 to 1 reverse stock split. All shares sold or issued before that time have been adjusted to reflect the reverse split.

Issuance of Common Stock - During the year ended December 31, 2008, the Company raised a total of \$149,000 from sale of 7,200,000 and 42,000 Series A common stock and preferred stock respectively.

During the year ended December 31, 2008, the Company issued a total of 8,300,000 shares of series A common stock, in exchange for consulting services to third parties. The shares, which were net of previously issued shares surrendered for non-performance, were issued primarily to pay for various consulting services. A total of \$505,200 and \$94,814, was charged to expense during the years ended December 31, 2008 and 2007, respectively, which was approximately equal to the fair market value of the shares provided.

Note 7 – Employment Contracts and Compensation of Officers

The Company has employment agreements with the Chairman of the Board, Chief Executive Officer and Corporate Secretary that provide for a combined annual base salary of \$500,000. In addition to base salaries, the agreements with the Chairman and CEO provide for additional compensation in the form of sales bonuses, calculated as a percentage of gross sales revenues, to be paid for new clients that are obtained.

In an effort not to deplete the Company of much needed cash, much of the time the Company executives have taken stock instead of cash in payment under their employment contracts.

Note 8 – Significant Contingency

As described in Note 4, the Company acquired the Company's website software from the Chairman of the Board in exchange for a convertible debenture of \$1.5 million. The valuation of the transfer of intangible assets such as software from founders or organizers of public companies is an area of concern with the Securities and Exchange Commission (SEC). Typically, the assets must be transferred at the historical cost of the Chairman, with the difference between the consideration paid to the Chairman and the Chairman's historical cost being reported as dividend to shareholder. There are limited situations that the SEC allows such assets to be recorded at the consideration paid to the Chairman. The Company must provide a comparable sale of essentially the same asset which supports the transaction price. Management has not identified such a transaction but they believe they can provide support that will persuade the SEC to allow the \$1.5 million transaction price. However, there is no assurance that such a comparable sale can be found or that the SEC will accept such valuation or accounting treatment. If it is not accepted upon audit by an independent registered auditor or by the SEC most if not all the \$1.5 million asset value for the software reflected in the accompanying financial statements may be written off to dividends. The final conclusion of this issue will not impact the value or the usefulness of the software to the Company's future earnings (i.e. - the basis of its operation) however, it may materially impact the cost of the software recorded and essentially eliminate the majority of the assets in the financial statements.