

Section One: Issuers' Initial Disclosure Obligations

Part A General Company Information

Item I **The exact name of the issuer and its predecessor (if any).**

Visual Industries, Inc.

Item II **The address of the issuer's principal executive offices.**

3 Arvida Drive
Pennington, NJ 08534
(609) 730-0575 FAX (609) 737-7119

Person responsible for issuer's investor relations

Rich Kaiser, President, Investor Relations
YES INTERNATIONAL
3419 Virginia Beach Blvd. #252
Virginia Beach, VA. 23452
(757) 306-6090 rich@yesinternational.com

Item III **The state and date of the issuer's incorporation or organization.**

NEVADA, NOVEMBER 24, 2003

Item IV **The name and address of the transfer agent.**

NATIONAL STOCK TRANSFER, INC.*
1512 SOUTH 1100 EAST, SUITE B
SALT LAKE CITY, UTAH 84105-2425
(801) 486-7978

*The transfer agent is registered with the SEC under the Exchange Act and is regulated by the SEC.

Item V **Business of the Issuer**

A. Business of Issuer.

Visual Industries, Inc. ("Visual") is engaged in the optical products business. Visual has two main product lines: (i) reflective optical sheeting (ii) no-glasses 3D displays and signs. The reflective optical sheeting is primarily for use as signs, directional road and

highway markers and billboards. Such products are also for use for reflective wall coverings for industrial and business interiors. This line of products is patented retro-reflective dual lens optical plastic sheeting has extremely broad application for traffic signs, commercial highway use and other forms signage such as advertising. It utilizes existing light, including natural light to illuminate the sign background making the information more visible at night without the need for additional lighting. The extruded polycarbonate plastic sheet contains the reflective micro-prisms to give it reflective properties equivalent to ASTM 4956, Level VII. This eliminates the use of expensive reflective multilayered sheeting on substrates such as aluminum. The plastic sheets are dyed to the required colors; therefore, the only labor is to apply the text via silk screening, reflective tape, ink jet printers, or decorated with conventional sign equipment. The plastic sheet is more durable than the aluminum and reflective sheeting, therefore it will flex, not stay bent when stressed. Layer separation cannot occur.

Its estimated service time of 10 years and low cost allows it use in applications where reflective signs are not presently used because of cost constraints in such areas as safety, directional, and advertising. It can be decorated for use as bill-boards, real estate signs, large signs like those found in malls and gas stations, business signs for stores and restaurants and indoor advertising and information displays.

Reflective optical plastic sheeting can also be used indoors to redirect light to provide more even distribution by reflecting light from areas such as the walls near ceilings and have it reflected back to a usable area. This cuts down on the amount of wasted light, resulting in a substantially lower electricity bill for the user. Potential uses include arenas, casinos, factories, and classrooms.

The reflective plastic sheeting is patented in the United States (5237449), Canada (2101643), and Mexico (179586).

The Company is presently negotiating for the manufacturer, distribution and sale of its reflective optical plastic sheeting in the United States and other countries including Australia, The Philippines and India.

The 3-D optical signs business produces graphic, digital and non-electronic, 3D on images without the need for special glasses. This business offers 3D images with each colors, deep images and competitive pricing to current signage. Those products can be used indoors and outdoors, large and small displays for thing like billboards, business cards and display monitors for advertising or entertainment. The printed products being offered are 3D, flip imaging (two or more individual images on the same surface), zoom (illusion of the image moving) and motion sequences. Visual is also developing a No-Glasses required 3D digital display system for use in home television screens to give 3D image, broadcast television programs, video games, and advertising monitors.

In May 2006, Visual acquired Sterling Worldwide Entertainment, LLC, a company engaged in film, television and theatre productions, artist management and instructional DVDs. This was a strategic acquisition to facilitate the distribution of Visual's 3D digital imaging products.

B. Business Development of the Issuer.

(i) Reflective Optics

The company concentrated its efforts and its limited cash on the reflective optical highway sign industry since the company's inception. The company has developed the company's products in this industry and the technology is being transferred to manufacturers to be mass-produced and sold. The sign industry offers one way for the company to obtain revenue, thereby giving the company a positive cash flow which will enable to expand its operations not only in reflective optical sheeting but in its 3D product lines as well as additional funding for Sterling Worldwide Entertainment.

The reflective optical sheeting will be manufactured to specifications for various municipalities and State Departments of Transportation. Visual Industries is preparing to mass-produce its bias lenticular retro-reflective sheeting. A specialized roller to mass-produce this reflective optical sheeting is being developed by the company for mass production of signs up to 52 inches wide. A number of technical difficulties have been overcome and a final roller is under construction at a state-of-art molder in Ohio. The volumes that we anticipate have required us to identify potential foreign manufacturers to satisfy the foreign markets. We have identified one manufacturer in India. This company will only be able to produce enough reflective sheeting to satisfy India's needs for the next couple of years. India is expected to spend approximately 200 billion dollars US on road and transportation infrastructure over the next 10 years. We expect to be able to capture a significant portion of the Indian market with our plastic reflective signs.

The company was invited by the Philippine government to present its reflective optical sheeting in Manila. The company made the trip in late January and early February 2005 and presented its products to various Philippine government authorities. The Philippine government expressed interest in the cost savings that use of the company's reflective optical sheeting on its highway signs will produce as well as the increase in safety for vehicles due the higher visibility and reflective properties of these signs will. The inherent advantage of a non-coating reflective sheeting material in the high humidity and intense sunlight of this tropical climate was another plus. In addition, the Philippine government expressed interest in using the company's reflective optical sheeting on the interior walls of its buildings. The cost of electricity in the Philippines is very high. The use of the company's reflective optical sheeting will significantly reduce the cost of electricity used to illuminate the interior of its buildings. The company has been invited back to the Philippines to pursue negotiations for the installation of its reflective products in the Philippines. The company plans to make a second trip to the Philippines in February 2010

Preliminary sales agreements have been entered into to cover the distribution of signage for the entire US and a major portion of Canada. Visual's patents cover products in US, Canada, and Mexico. The company will enter into final agreements with these sales groups once the company can assure them of enough product to fulfill their purchase orders.

The Market for Issuer's Product

(ii) Reflective Optics

The reflective optical sign industry, which the company has selected for its initial market thrust, is a multi-billion dollar industry that at this time presents an unprecedented opportunity for the company in the United States and abroad.

The Federal Highway Administration (FHWA) estimates the total number of traffic signs to be more than 58 million and worth \$6 billion, averaging 15 signs for every highway mile. The federal highway budget for signs is \$220 million annually. In addition, the FHWA has determined that \$32 million of state signs and \$144 million of local signs need to be replaced now to improve their retro-reflective qualities. Municipalities have roughly one sign for every 7 to 3 people, depending upon the locality of the municipality. Municipalities plan on average, to replace every sign every 5 to 7 years. It is now recognized that older drivers need brighter, more reflective signs, which the company can provide. The trend for high intensity signs has increased due to the increasing use of European high intensity headlights in the new cars. The narrow vertical spread of these headlights does not adequately illuminate the standard reflective highway signs being used today.

The company's reflective sheeting can be used on any existing highway sign, billboard or other marker. Its cost is less than the present outdoor metal highway high intensity signs. It requires no special preparation to be applied to a billboard other sign base materials. Typically the signs are self-supporting and require no backing as is necessary with the current reflective signage. This property provides significant economical and environmental advantages. Our signs are easily cleaned with water or, in the case of graffiti, wood alcohol. Current reflective signs when painted with graffiti cannot be cleaned and must be completely replaced. The reflective sheeting is recyclable and environmentally friendly. The illuminative characteristics—brightness and clarity- of the company's sheeting is better than the majority of the materials used at present on highway signs.

(iii) 3D

The advertising industry is also a multi-billion dollar industry. A single large Billboard such as the LED billboards can easily cost more than \$40,000 a month to get your message across. The 3D digital display with out glasses is expected to be the next step to follow high definition displays for advertising, movies video games and even live performances is just around the corner. This presents a multi-billion dollar opportunity for

Visual through licensing arrangements with movie producers, add agencies and even display manufacturers.

C. Business Disclosures.

(i) the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);

Nevada corporation

(ii) the year that the issuer (or any predecessor) was organized;

2003

(iii) the issuer's fiscal year end date;

12/31

(iv) whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

No

(v) any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

Acquired STERLING WORLDWIDE ENTERTAINMENT, INC. in 2006

(vi) any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

No

(vii) any change of control;

No

(viii) any increase in 10% or more of the same class of outstanding equity securities;

No

(ix) any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

No

(x) any delisting of the issuer's securities by any securities exchange or NASDAQ or deletion from the OTC Bulletin Board; and

No

(xi) any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

No

(xii) the issuer's primary and secondary SIC Codes;
339900

(xiii) if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

DEVELOPMENT STAGE

(xiv) if the issuer is considered a "shell company" pursuant to Securities Act Rule 405;

No

(xv) the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure document;

Sterling Worldwide Entertainment, Inc. - not included on financial

(xvi) the effect of existing or probable governmental regulations on the business;
none

(xvii) an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

100% on research and development activities. All cost borne by the company.

(xviii) costs and effects of compliance with environmental laws (federal, state and local);
and
no costs

(xix) the number of total employees and number of full-time employees.

Randall E. McCoy is the President and CEO, Roy Nelson is Treasurer, Jill Farley is the Secretary, and David Santus is the Art Director. They are all directors and are not full time employees. There are no full time employees

Item VI The nature of products or services offered.

Visual has two main product lines: (i) reflective optical sheeting and (ii) 3-D optical images.

(i) Reflective Optical Sheeting

Extruded reflective lenticular sheeting products represent a major new family of products in the reflective sign market. These products have both a performance and pricing advantage over existing technologies. Other advantages include environmental manufacturing and re-cycling considerations. Visual has the potential for annual profits in excess of \$1,000,000 by capturing only a portion of the reflective sign market.

The company's objective is to capture a significant portion of the half billion dollar a year US sign market. Our technology offers us a both a cost and performance advantage in the commercial signage, traffic sign and license plate markets.

The primary market for lenticular optics products are the various commercial signage applications, municipal and state agencies responsible for maintaining local, state, and federal roads and highways. The commercial sector and government agencies are under continuing pressure to deliver more at reduced cost. However, a new product will only be considered if (1) its performance is equal or better than existing alternatives and (2) the cost is equal or less than existing alternatives.

In additions, environmental issues such as recycling and reduced toxic waste steam during manufacturing are important secondary factors.

Thus Visual's goal is to deliver products that perform better, cost less, and are environmentally friendly.

Visual's biased lenticular sign system is a plastic sheet optics product with molded optical features both on the front and the back of the sheet. The transparent sheet has a corner cubic reflector pattern on the back that reflects light back through the front of the sheet much like a common plastic reflector used on bicycles or road dividers. A biased lenticular front surface creates the proper viewer envelope to see the sign from a variety of acceptable angles. Printing can be applied to the lens surface to form messages or indicia. This type of sign is relatively inexpensive to manufacture, substantially durable, weatherproof and can be used in existing sign silk printing equipment, inks and computerized vinyl sign lettering equipment.

Automotive license plates can also be a major market for our technology. Because the 6"x12" plate is usually in a frame and well secured, the material of choice is one of the acrylic plastics. Acrylic plastics are both easier to process and less expensive than polycarbonate plastics. A major innovation would be the use of a code impressed on the license plate. Such a code could be read at considerable distance and be difficult to counterfeit. The code could be either visible or invisible and could be either a standard type bar code or a 2D code.

Product Description

Commercial signage such as bill boards, sides of buses, store fronts, store displays and even real estate signs can have significant advantages over existing signs in cost savings and increased visibility.

Highway Signage is specified by the US Department of Transportation. The size, colors, lettering, etcetera are all specified by the USDOT and adopted by the states, counties, and municipalities. For example, Speed Limit Signs are 12"x18", 18"x24" and 24"x30" with black lettering on a reflective white background. Blanks or the substrate for the sign can be aluminum, steel, fiberglass, plywood (large overhead signs), or polycarbonate depending on use.

Automotive License Plates are 6"x12". States specify either front and back (e.g. New Jersey, California) or only rear (e.g. Pennsylvania).

Specialty Wall Covering of retro-reflecting plastic would brighten a room. This product would have to meet well-established flammability requirements.

Outdoor Advertisements, such as billboards, require electric lightning. Signs made of retro-reflecting plastics would eliminate the need for lighting.

Competitive Comparison

Micro glass sphere-type retro-reflective sheeting material is the most common of the reflective signage material. The leading manufacturer is 3M but a number of other sources do exist. This type of reflective material is made by cascading micro glass spheres (70-100 μ m) with very high refractive index and onto a carrier sheet, which is covered with a heat-softenable layer of low-density polyethylene. The film is heated until the glass beads sink half way into the polyethylene. The exposed part of the glass beads are vapor coated with a reflective aluminum layer and then bonded into a polymeric bond layer on another film or textile. The original polyethylene is stripped away leaving behind the glass beads half exposed to the air and half coated with reflective aluminum and embedded in a bonding layer. The other major type of retro-reflective material is extruded urethane-acrylic UV cured prismatic for flexible substrates and extruded acrylic prismatic aluminum coated rigid film. There has been market penetration of the acrylic-urethane rear corner cubic system reflective films for use used on trucks, tennis shoes, fireman jackets, etc. The extruded acrylic prismatic is used for signs. The complexities of manufacturing this product makes this reflective tape system an expensive alternative to the glass bead system. A pressure sensitive adhesive coating is used to attach the prismatic material to prepared aluminum sign blanks.

The general procedure for traffic sign manufacturing is as follows:

1. Aluminum 0.080" or 0.100" thick traffic grade blanks are de-greased with an inhibited alkaline cleaner and then etched with phosphoric acid solution. The process does create a significant toxic waste stream.
2. The aluminum blanks are then coated with a reflective tape. If the reflective tape is pre-printed, then registration is a major issue. Registration is also an issue if a continuous roll of aluminum sheet is used.
3. The reflective taped blanks are then finished with a message, e.g., STOP, and a border by either (1) silk-screened printing or (2) a computerized sign machine, which uses pressure sensitive tape. Some states like New Jersey use state sign shops under the Department of Corrections. Other states have private sign shops. Note that the size, shape, colors and lettering are set by the U.S. Department of Transportation not the individual states.
4. Storage of a finished sign is a significant problem. The soft adhesive needed to keep the glass beads on with the miss-match of thermal expansion will fuse to the front of another sign with time. Thus, traffic signs using this technology cannot be stored with front of the sign touching other surfaces. Another storage issue is that any stress on the sign, such as stacking more than two high on the edge will cause the pressure sensitive adhesive to delaminate.

Traffic signs call for a minimum specification of seven years useful life span. Another significant drawback of all reflective tape system is the miss-match of thermal expansion coefficient (1) the aluminum blank, (2) pressure sensitive

adhesive tape system, and (3) glass bead. Plastic expands 10-30 times of metals. Often with time, or after debris impact the sign (e.g. rock or bullet), the reflective tape separates from the aluminum and an area of the sign is no longer reflective. This area of non-reflectivity spreads until the sign is dead. If the glass bead reflective is used, the soft adhesive needed because of the miss-matched of thermal expansion coefficient between the organic adhesive and glass only holds the bead in when it is soft. As the adhesive ages, the glass beads fall out. Both severe sunlight and snow will hasten sign failure. While manufacturers offer 7-10 year limited warranty on the reflective material, municipalities plan on 5-7 year replacement of signs.

There has been limited market penetration of the use of fiberglass blanks. While fiberglass enjoys many of the advantages of our system, cost and manufacturing issues have limited its use. However, some cities, such as St. Louis, Mo now use only fiberglass blanks because of environment considerations. Aluminum signs with a glass bead reflective system are difficult to re-cycle. Given the five to seven year lifespan of a traffic sign re-cycling of used product is important.

An injected molded polycarbonate sign made by Hallmark Technologies, Inc. of Windsor Canada has been approved for highway use (US Patent 5,442,870). While its optical performance is acceptable, its cost and durability issues will severely limit its use. It is estimated that injection molding machine time is \$30 per typical 30" STOP sign. A similar sign made by extrusion would cost only \$1 per sign. The weight of their sign is 10.11 pounds. At a high volume discount rate of ~\$2/lb for polycarbonate, this translates to \$20 in plastic per sign. Both our design and the current aluminum STOP signs would be 6 pounds in weight, a difference of 4 pounds per sign. Weight is an important factor in both shipping and handling. Furthermore, each type of sign has to be custom molded with its own molds for each color, lettering, etc. At best this is a high-end niche market for the high intensity reflective STOP signs that sell for \$87.

Sourcing

Visual's customers will be both public and private sign shops who decorate signs for either commercial applications or highway type traffic sign and license plate blanks. The polycarbonate and acrylic polymer resins and colorants needed to make signs and license plates are available from several sources and abundantly available. Suppliers include GE Plastics, Mobay, and others including lower cost foreign suppliers.

Technology

Current reflective traffic signs are a multiplayer system. The details of their manufacture is detailed elsewhere. Our basic assumption is that a manufacturing of single component sign is always inherently simpler and cheaper to make than a multi-component sign.

The roller Extruded plastic sheet optics requires state of the art technology in producing the large rollers with geometries of optical finish and detail. The Roller extrusion process also requires state of the art roller extrusion equipment and expertise.

Future Products

Nelson & McCoy will continue to support product development based on their original patent. Part of the funding supplied by our strategic partner will be invested in aggressively developing new products and extending Intellectual property protection. Future applications will extend into the Information control systems such as tracking applications. Vehicle registration, warehousing and inventory will probably be our initial line extension products.

Market Analysis Summary

“The Federal Highway Administration (FHWA) now estimates the total number of traffic signs to be more than 58 million and worth \$6 billion. This is an average of 15 signs per highway mile. They also note that 1.1% of the highway dollar goes to sign construction on major projects. Since highway budget is more than \$20 billion, this translates to \$110 million for signs.

The minimum sign retro-reflective guidelines issued by FHWA noted that \$32 million (5%) of state signs and \$144 (8%) million local agencies needed to be replaced. The guideline is meant for the state and local agencies replacement programs to upgrade to better retro-reflective material and replace those that have worn out.

Municipalities seem to have roughly a sign for every 7-13 people (St. Louis- 32,000 signs, pop. 350,000; Redding, CA- 6,000 signs, pop. 81,000, Appleton, WI-10,000 signs, pop. 70,000. While the manufacturers claim upto 10 years of service life, the local municipalities seem to plan on replacing signs every 5-7 years.

There is now recognition that older drivers need better signage. This means a need for the high intensity signs that we can provide. The trend for high intensity signs is due to the new European high intensity headlights used by an increasing number of cars. The horizontal spread of the light does not adequately illuminate a standard reflective sign.

Market Segmentation

The state sign shops are our largest market. This can be further segmented into traffic signs and license plates. The next largest market is local government with sign shops. Private sign shops serve the remaining market.

Untapped markets include the use of retro-reflective sheeting in outdoor advertising, shop signage, ceiling tiles, and specialty apparatus covering (e.g. slot machine).

	2010	2011	2012	2013	2014
State Sign Shops	\$1,000,000	\$2,500,000	\$6,250,000	\$15,625,000	\$39,062,500
Local Sign Shops	\$1,000,000	\$2,500,000	\$6,250,000	\$15,625,000	\$39,062,500
Private Sign Shops	\$500,000	\$1,250,000	\$3,125,000	\$7,812,500	\$19,531,250
Other	\$500,000	\$1,250,000	\$3,125,000	\$7,812,500	\$19,531,250

Market Growth

As our population grows, the number of signs will increase at the rate of about 1 sign per 10 people. In addition, as more people move out of the city, the number of signs will increase at the rate of 1 sign per 15 miles of highway. Signs will be larger and a more of them reflective. However, anti-sprawl has been the new environmental issue in the socially active east and west coast states. Anti-sprawl means no new roads.

However, drivers have become less tolerant of poor signage. As the number of high-speed roadways steadily increases and older roadways improved, poor signage results in driver mistakes. A wrong turn by the New Jersey Transportation Commissioner on Interstate 295 has resulted in a five year \$150M new sign program in New Jersey. Thus growth will occur as signs become larger, more reflective, and numerous (e.g., a sign at the turn as well as a sign 100 yards before the turn).

Industry Analysis

Private and public sign shops have the expected views on buying sign blanks. Private sign shops are price driven. The public (state/municipal) sign shops while concerned about price, also very concerned about jobs. It is important to emphasize that our product can be used with their existing equipment without loss of jobs.

Industry Participants

3M dominates the reflective tape market. Other approved companies include Avery Dennison, Sakai Trading, and Nippon Carbide. However, the aluminum blank market has a large number of suppliers. The suppliers of aluminum blanks also compete to provide to sign shops.

Distribution Patterns

The state highways are maintained by state sign shops, which are often associated with correctional institutions. Geographically small states like New Jersey have only one state sign shop. Larger states have several sign shops. It also appears that municipalities greater than 15,000 have their own sign shops. Regional private sign shops serve smaller municipalities and provide commercial signage.

Competitions and Buying Patterns

Our conversations and meetings with the various state and municipal agencies found a willingness to try something new. In the past, a one-year outdoor test period was required at the state level, but recently agencies have become more flexible in their buying requirement. The municipalities tend to have no test period requirement.

Contracts with vendors are usually authorized for three years, but are written in such a manner that they are effectively a year-to-year purchase agreement.

The commercial sign shops can recognize significant cost savings and introduce novel eye catching displays utilizing reflective sheet optics.

Main Competitors

Hallmark Industries has made the effort to get approval for their two piece polycarbonate STOP sign. Working with Highway Innovation Technology Evaluation Center (HITEC) and Civil Engineering Research Foundation (CERF), they received high marks for the performance of their STOP sign product. We believe that lack of market penetration of this product is due to inherent high cost factors and poor marketing. Their price for a STOP sign is \$55. Price for metal STOP sign were found to be \$47 for the standard grade and \$87 for the high intensity. Their target market is the high intensity sign.

Fiberglass sign blanks enjoy many of the benefits of polycarbonate blanks except easy of recycling. A general literature search indicates a very limited market penetration in the traffic sign market (e.g. City of St. Louis, MO). Fiberglass signs to be only competitive in the non-traffic sign market with a cost factor similar to aluminum signs.

Strategy and Implementation Summary

The key is cost and performance. The cost must be low for potential buyers to look at our products. The performance must be high. The purchasing agents for state and local governments and commercial shops for signs are smart buyers. If they are convinced that they are indeed getting performance they also want the higher performance at a lower cost. They have shown that they will work with us so they can buy our products.

Competitive Edge

Our competitive edge is that we don't make retro-reflective sheeting material (tapes). The major players in the retro-reflective market all have a vestige in the status quo; we do not. Roller extrusions retro-reflective sheeting offers a tremendous cost and performance advantage. Other advantages such as recycling, bar coding, no waste stream and environmentally friendly will also be part of our competitive edge.

Marketing Strategy

The traffic sign market is readily accessible by the Internet. Typing in the key words, "sign, shop, traffic" in a search engine, such as Google, easily finds the key players. North Carolina DOT has both the phone numbers and E-mail addresses of their sign shop supervisors. We found that both on the state level (NJ & PA) and local level, DOT not only willing to listen but also willing to help launch a new product.

The commercial sign shops are listed in phone books and the Internet under signs. These commercial sign shops range in size from Mom and Pop shops to large-scale multimillion-dollar companies.

Positioning Statement

The sign market is comprised of non-reflecting, reflecting, and high intensity reflecting signs. A reflecting STOP sign is \$47 dollars but a high intensity reflecting sign is \$85. Our goal is to deliver a high intensity reflecting sign for less than a reflecting sign. In this manner we are delivering a higher quality product for a reduced price.

Pricing Strategy

The material cost of a conventional traffic sign is the aluminum reflective blank (0.080" thick) is \$100 for 48"x48" (\$6.25/SF) to \$11 for 12"x18" (\$7.33/SF) at a typical state correction sign shop. Reflective tape costs \$2-\$7/SF depending on the grade. A finished sign at private sign shop is roughly \$9/SF for single color. Prices at a private sign shop can be significantly less than a state sign shop. State agencies budget \$15-\$18/SF for regulatory/warning/marker signs.

The currently cost of polycarbonate resin is \$2.75 in 1,000 lb lots. At roughly 1 lb/SF and a machine time & finishing cost of \$0.15/SF, the reflective sign blanks could be made in plastic for less than \$3.00/SF. Since conventional printing equipment and inks can be used, a potential exists for plastic signs at half the price of metal signs.

In non-traffic sign market, raw 24"x36" blanks from a third party manufacturer are \$20.80 (\$3.46/SF) for 1/4" fiberglass with polyethylene corrugated core and \$23.30 (\$3.88/SF) for 0.080" aluminum. Even in this market, polycarbonate signs have a price advantage.

Sales Strategy

The marketing and Sales of the reflective sheet optics will be to very specific targeted markets such as commercial sign shops and Transportation sign shops. Companies holding distributor ships for specific geographic locations will provide sales representatives.

Strategic Alliances

Visual is looking for strategic alliances with manufacturers looking for new markets. We are also establishing distributorships throughout the US. Our products are sheet optics made by the extrusion process. Thus our natural strategic alliances would be with manufacture of extruded sheet products and the engraved rollers used in extrusion.

(ii) 3-D Optical Images

Optimal 3D can provide the highest quality optical three-dimensional images to meet a customer's needs whether it is advertising or decorating. Optimal 3D will be able to provide the lenticular optical viewing plastic sheet in a wide variety of thickness and a wide selection of pitches to match the application to those that want to create their own finished product from business cards to billboards size signs.

Optical 3D can also be used to provide a turnkey finished product ready for display.

Optimal 3D can also provide lenticular sheet products with flip images comprised of multiple full size pictures on a single display.

The most obvious advantage of having an advertisement in a 3D display is to get it noticed. Among the advantages of 3D optical images are:

- (i) Display multiple full size images in a space normally required to display a single image.
- (ii) Provide the illusion of motion without electronics or moving parts.
- (iii) Have multiple advertisements in a single space where advertising real estate is at a premium.
- (iv) Get peoples attention with the illusion of motion so they will read your message.
- (v) Displays can be used anywhere that a typical poster type display can be used such as the sides of buses, taxicabs, bus stops, store windows, outside signs such as storefronts and billboards.
- (vi) More durable last longer than paper and paperboard. Image is protected by the front plastic sheet.
- (vii) Cost less than a full dimensional display.

The market for 3D optical images is huge and virtually untapped. Televisions, movies, electronic billboards, advertisements in storefronts and on buildings are some of the broad application of this product.

There are no substantial competitions since this product is still in the late developmental stage. The company plans to distribute this product through direct marketing and joint venture.

Both products are protected by patents as follows:

US 7,154,528 12/28/06 (assigned) Lenticular Lens Registration for 3D images.

US 5,237,449 8/17/93 (licensed) Biased Lenticular Sign System

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

Signs need approval for State and Federal use only. The estimated time is 1 year after submission. No approval is needed for marketing applications.

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

The company's administrative office is a 3 Arvida Drive, Pennington, NJ 08534.

Testing, evaluation of prototypes and research are done at the 2,500 SF state and federally licensed Material Testing Laboratory at 3 Arvida Drive, Pennington, NJ 08534.

The company does not own any real property.

Part B Share Structure and Issuance History

Item VIII The exact title and class of securities outstanding.

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.

89,145,847

68,870,899 common restricted

20,274,948 common

VUAL

Item IX Description of the security.

A. Par or Stated Value. Provide the par or stated value for each class of outstanding securities.

\$0.001

B. Common or Preferred Stock.

1. For common equity, describe any dividend, voting and preemption rights.

89,145,847 total

68,870,899 common restricted *

20,274,948 common

*2 year trading restriction has expired

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

NA

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

NONE

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

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years. (The goal of this item is to identify changes in securities outstanding. If this information is not available for the most recent fiscal quarter end ("FQE") and last two fiscal year ends ("FYE"), or if the most recent FQE is the same as the FYE, please provide it for at least two alternative time periods.)

- (i) Period end date;
- (ii) Number of shares authorized;
- (iii) Number of shares outstanding;
- (iv) Freely tradable shares (public float);
- (v) Total number of beneficial shareholders; and
- (vi) Total number of shareholders of record.

6/30/10

100,000,000 shares authorized

89,145,847 shares outstanding

20,274,948 freely tradable shares

401 shareholders

In payment for salaries services rendered to the company and un-reimbursed expenses incurred on behalf of the company an option to purchase half million shares (500,000) of common stock of the company at \$1.50 per share and half million shares (500,000) of common stock of the company at \$2.00 per share was granted for each of the following individuals on December 7th, 2004. No salary or monetary compensation will be paid to board directors until after \$1,000,000 of revenue is received from the sale of products, licensing or contracts.

- (i) Randall E. McCoy
- (ii) Dr. J. Roy Nelson
- (iii) James E. Pratt
- (iv) David Santus

For payment in lieu of salaries and services rendered to the company and un-reimbursed expenses incurred on behalf of the company a further option to purchase five million shares (5,000,000) of restricted common stock of the company at \$.01 per share was granted for each of the following individuals in 2007.

- (v) Randall E. McCoy
- (vi) Dr. J. Roy Nelson
- (vii) James E. Pratt
- (viii) David Santus

These options will expire on December 31, 2011.

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

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;
- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

For payment in lieu of salaries and services rendered to the company and un-reimbursed expenses incurred on behalf of the company a further option to purchase five million shares (5,000,000) of restricted common stock of the company at \$.01 per share was granted for each of the following individuals in 2007.

- (ix) Randall E. McCoy
- (x) Dr. J. Roy Nelson
- (xi) James E. Pratt
- (xii) David Santus

These options will expire on December 31, 2011.

Part C Management and Control Structure

Item XII The name of the chief executive officer, members of the board of directors, as well as control persons.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement:
1. Full name;
 2. Business address;
 3. Employment history (which must list all previous employers for the past 10 years, positions held, responsibilities and employment dates);
 4. Board memberships and other affiliations;
 5. Compensation by the issuer; and
 6. Number and class of the issuer's securities beneficially owned by each such person.

Randall E. McCoy – CEO, President & Director

10 High Ct., Little Falls, NJ 07424

No compensation

16,570,250 common stock

Randy E. McCoy is a former Researcher and Director at Sarnoff Research Center (1979-1995). He has a BS from Junita College (1975) and was Laboratory Manager at George Washington University and Kuwait University Faculty of Science. He has a 30+ patents including four with Dr. Nelson. He is well versed in lenticular optics used in projection television. Currently, he is active in a number of startup companies.

James E. Pratt, Esq. Legal Counsel

195 Kildare Rd., Garden City, NY 11530

No compensation

3,249,683 common stock

James E. Pratt, Esq. is Counsel of the company and is in private practice in Garden City, NY. He has a B.A. from Yale (1955) and an LLB from Harvard Law School. Mr. Pratt specializes in securities law and the financing and bringing public of small growth companies. He was formerly associated with several New York law firms and

was a Partner in the investment banking firm of Van Alstyne, Noel & Co., a New York Stock Exchange member firm which specialized in initial and secondary public offerings.

Dr. Roy Nelson, R&D VP, Director

3 Arvida Drive, Pennington NJ 08534

No compensation

50,250 common stock

Dr. J. Roy Nelson is a former Member of the Staff at Sarnoff Research Center's Material Group. He has a B.S. from UCLA (1968) and MS in Organic Chemistry from University of Illinois (1972). His PhD in Polymer/Material Science is from Pennsylvania State University (1979). His research experience in the field of plastics are: U.S. Army Material Research Center at Ft. Belvoir, VA (1968); Avery Products Corporate Research Center, Pasadena, CA (1972); RCA/GE/SRI International Sarnoff Research Center, Princeton, NJ (1979-1990); and Chemistry Department at the College of New Jersey (1990-1992). Currently he runs a FDA compliant material science laboratory servicing both electronic and pharmaceutical clients. He has 20+ patents and patent letters.

Jill M. Farley, Secretary, Director

8 Ternberry Ct., Turnersville, NJ 08012-1678

No compensation

12,989,650 common stock

Jill Farley is in retail sales and marketing. She is also a Director for Sterling Worldwide Entertainment.

Gary Adelman, Esq., Director

90 John Street, Suite 701

New York, NY 10038

Gary Adelman brings over 15 years of experience to BB&P's Intellectual Property, Media and Entertainment Group (IPME) practice. He represents individuals and companies who rely on him to protect and enhance the value of their intellectual property. Gary has extensive industry and specialized knowledge in the fields of New Media, Technology, Entertainment and Consumer Product Marketing. He is also VP of Business Affairs for Sterling Worldwide Entertainment and managing Partner for IPME group at Barton, Barton, & Plotkin LLP in New York City.

David Santus, Director

15 Summit Ave., Pawling NY 12564

No compensation

10,250 common stock

David Santus is a pioneer in the field on high-end digital re-touching of photographs for the lenticular market. He and his associates will be creating the innovated uses for this family of products. Such an innovated use is the development of 3-D lenticular advertisement for bus stops for well-known clients in the New York City market.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, 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);

No

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;

No

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 law, which finding or judgment has not been reversed, suspended, or vacated; or

No

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.

No

C. Disclosure of Certain Relationships. Describe any relationships existing among and between the issuer's officers, directors and shareholders.

To the extent not otherwise disclosed, describe all relationships and affiliations among and between the shareholders and the issuer, its predecessors, its present and prior officers and directors, and other shareholders.

N/A

D. Disclosure of Conflicts of Interest. Describe any related party transactions or conflicts of interests. Provide a description of the circumstances, parties involved and mitigating factors for any related party transactions or executive officer or director with competing professional or personal interests.

None

Item XIII Beneficial Owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Randall E. McCoy - CEO & Director

10 High Ct., Little Falls, NJ 07424

16,570,250 common stock - 18.6%

Jill M. Farley, Director

8 Ternberry Ct., Turnersville, NJ 08012-1678

12,989,650 common stock - 14.6%

Sean F. McManimon, Stockholder

2 Dorato Dr., Egg Harbor Twp, NJ 08234

5,510,360 common stock - 6.2%

Item XIV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker

MetLife

260 Madison Ave., 10th Fl., NY.NY.10016

(646)227-5000 jdaveniero@metlife.com

2. Promoters

None

3. Counsel

James E. Pratt, Esq. Legal Counsel

195 Kildare Rd., Garden City, NY 11530

(516) 741-2078

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

Ira Marks, CPA, CFP

6 Pembroke Ct.

Lawrenceville, NJ 08648

(609) 896-4210 imarks@aol.com

5. Public Relations Consultant(s)

Rich Kaiser, President, Investor Relations

YES INTERNATIONAL

3419 Virginia Beach Blvd. #252

Virginia Beach, VA. 23452

(757) 306-6090 rich@yesinternational.com

6. Investor Relations Consultant

Rich Kaiser, President, Investor Relations

YES INTERNATIONAL

3419 Virginia Beach Blvd. #252

Virginia Beach, VA. 23452

(757) 306-6090 rich@yesinternational.com

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation - the information shall include the telephone number and email address of each advisor.

None

Part D Financial Information

Item XV Financial information for the issuer's most recent fiscal period.

The issuer shall include the financial statements listed below in the disclosure document and provide a list in the disclosure document describing the financial statements.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity;
- 5) financial notes; and
- 6) audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (GAAP)³ by persons with sufficient financial skills.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statement are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

**Visual Industries Inc.(A Development Stage Company)
Balance Sheet Ended 30- June -10**

Assets

Total Assets	-1,560
	=====

Liabilities and Stockholders' Equity;

Liabilities	82,859
Stockholders' Equity:	
Preferred Stock, authorized 4,570,572 shares, issued and outstanding 0 @.001 par value	-
Common Stock, authorized 100,000,000 shares, issued and outstanding 89,145,847 @0.0001 par value per share	89,146
Additional Paid in Capital	-
Total Stockholders' Equity	-170,005
Total Liabilities and Stockholders' Equity	-1,560
	=====

(See accompanying notes to consolidated unaudited financial statements.)

**Visual Industries Inc. (A Development Stage Company)
Statement of Income
Ended 30- June -10**

Revenue	0
Expenditures:	
miscellaneous expenses	0
Net Gain	0
Weighted Average Shares Outstanding	89,145,847
Gain per Share	0.0000

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Statement of Cash Flow
Ended 30- June -10

OPERATING ACTIVITIES	
Net Income	0
Adjustments to reconcile Net Income to net cash provided by operations:	
Equipment	0
Accounts Payable	0
Advance	<u>0</u>
Net cash provided by Operating Activities.	0
 Net cash increase for period	 0
 Cash at beginning of period	 <u>9</u>
Cash at end of period	9

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Statement of Changes in Stockholders' Equity
Ended 30- June -10

	Stock Issued:	Preferred Stock \$ 0	Common Stock \$ 0
	<u>Common Stock</u>		Retained Earnings (Deficit)
	<u>Shares</u>	<u>Amount</u>	
BALANCE, 30- June -10	89,145,847	0	0
Dividends on common shares	-	0	-
Shares of common stock issued for options	-	-	-
Period Ended 31- March -10	-		0
BALANCE, March 31, 2010	<u>89,145,847</u>	<u>0</u>	<u>0</u>
Dividends on common shares	-	-	0
Net income for the period ended 30- June -10	-	-	0
BALANCE, 30- June -10	<u>89,145,847</u>	<u>0</u>	<u>0</u>

Item XVI Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item XV above for the issuer's two preceding fiscal years.

**Visual Industries Inc.(A Development Stage Company)
Balance Sheet 31-December-09**

Assets	
Total Assets	-4,340
	=====
Liabilities and Stockholders' Equity;	
Liabilities	82,859
Stockholders' Equity:	
Preferred Stock, authorized 4,570,572 shares, issued and outstanding 0 @.001 par value	-
Common Stock, authorized 100,000,000 shares, issued and outstanding 89,145,847 @0.0001 par value per share	89,146
Additional Paid in Capital	-
Total Stockholders' Equity	-176,345
Total Liabilities and Stockholders' Equity	-4,340
	=====

(See accompanying notes to consolidated unaudited financial statements.)

**Visual Industries Inc.(A Development Stage Company)
Balance Sheet 31-December-08**

Assets	
Total Assets	20,061
	=====
Liabilities and Stockholders' Equity;	
Liabilities	82,859
Stockholders' Equity:	
Preferred Stock, authorized 4,570,572 shares, issued and outstanding 0 @.001 par value	-
Common Stock, authorized 100,000,000 shares, issued and outstanding 89,145,847 @0.0001 par value per share	89,146
Additional Paid in Capital	-
Total Stockholders' Equity	-151,944
Total Liabilities and Stockholders' Equity	20,061
	=====

(See accompanying notes to consolidated unaudited financial statements.)

**Visual Industries Inc. (A Development Stage Company)
Statement of Income
Ended 31-December-09**

Revenue	502
Expenditures:	
miscellaneous expenses	7,325
Net Gain	-6,824
Weighted Average Shares Outstanding	89,145,847
Gain per Share	-0.0001

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Statement of Income
Ended 31-December-08

Revenue	185,966
Expenditures:	
miscellaneous expenses	197,582
Net Gain	-11,616
Weighted Average Shares Outstanding	89,145,847
Gain per Share	-0.0001

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Statement of Cash Flow
Ended 31-December-09

OPERATING ACTIVITIES	
Net Income	-6,824
Adjustments to reconcile Net Income to net cash provided by operations:	
Equipment	0
Accounts Payable	0
Advance	<u>0</u>
Net cash provided by Operating Activities.	-6,824
Net cash increase for period	- 796
Cash at beginning of period	<u>805</u>
Cash at end of period	<u>9</u>

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Statement of Cash Flow
Ended 31-December-08

OPERATING ACTIVITIES	
Net Income	-11,616
Adjustments to reconcile Net Income to net cash provided by operations:	
Equipment	- 2,455
Accounts Payable	0
Advance	<u>11,500</u>
Net cash provided by Operating Activities.	-2,571
Net cash increase for period	-2,571
Cash at beginning of period	<u>6,602</u>
Cash at end of period	<u>4,031</u>

(See accompanying notes to consolidated unaudited financial statements.)

Visual Industries Inc. (A Development Stage Company)
Changes in Stockholders' Equity
1-January 2009 Ended 31-December-09

	Issued:	Preferred Stock	Common Stock
Stockholders' Equity:		\$ 0	\$ 0

Visual Industries Inc. (A Development Stage Company)
Changes in Stockholders' Equity
1-January 2008 Ended 31-December, 2008

	Issued:	Preferred Stock	Common Stock
Stockholders' Equity:		\$ 0	\$ 0

Notes to Consolidated Unaudited Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Organization and Activity

Visual Industries, Inc. was incorporated in the State of Nevada in 2003. The company has two lines of products (i) reflective optical sheeting signs and (ii) no glasses 3D displays and signs.

The reflective optical sheeting is primarily for use as signs, directional road and highway markers and billboards. Such products are also for use for reflective wall coverings for industrial and business interiors. This line of products is patented retro-reflective dual lens optical plastic sheeting has extremely broad application for traffic signs, commercial highway use and other forms signage such as advertising. It utilizes existing light, including natural light to illuminate the sign background making the information more visible at night without the need for additional lighting. The extruded polycarbonate plastic sheet contains the reflective micro-prisms to give it reflective properties equivalent to ASTM 4956, Level VII. This eliminates the use of expensive reflective multilayered sheeting on substrates such as aluminum. The plastic sheets are dyed to the required colors; therefore, the only labor is to apply the text via silk screening, reflective tape, ink jet printers, or decorated with conventional sign equipment. The plastic sheet is more durable than the aluminum and reflective sheeting, therefore it will flex, not stay bent when stressed. Layer separation cannot occur.

The 3-D optical signs business produces graphic, digital and non-electronic, 3D on images without the need for special glasses. This business offers 3D images with each colors, deep images and competitive pricing to current signage. Those products can be used indoors and outdoors, large and small displays for thing like billboards, business cards and display monitors for advertising or entertainment. The printed products being offered are 3D, flip imaging (two or more individual images on the same surface), zoom (illusion of the image moving) and motion sequences. Visual is also developing a No-Glasses required 3D digital display system for use in home television screens to give 3D image, broadcast television programs, video games, and advertising monitors.

Use of Estimates

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. The preparation of financial statements in accordance with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The accrual method of accounting is used, which reflects revenue when earned which may be prior to receipt, and expenses as incurred which may be prior to payment.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight line method over the estimated economic useful life of 5 years. The Company periodically reviews such assets for possible impairments and any expected losses are recorded currently. Maintenance and repairs are charged to expense as incurred. Major improvements are capitalized.

Inventory

The Company has no inventory. When the company acquires inventory will be accounted for at the lower of cost or market, cost being determined on a first-in, first-out basis.

Earnings per share

Earnings (loss) per share is computed using the weighted average of common shares outstanding as defined by Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting No. 128 (“FAS 128”)—“Earnings Per Share”. Basic loss per common share is computed by dividing the shares outstanding during the period. Diluted loss per share is computed by dividing the net loss by the weighted average number of common shares including the dilutive effect of common share equivalents then outstanding. For the nine months ended September 30, 2007, common stock equivalents are not included in the computation of diluted net loss per common share because the effect would be anti-dilutive.

Income Taxes

The Company has had no earnings and has no current tax liability.

The company accounts for income taxes under Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes” (“FAS 109”). FAS 109 is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the company’s financial statements or tax returns. In estimating future tax consequences, FAS 109 generally considers all expected future events other

than enactments of changes in the tax law or rates. Any available deferred tax assets arising from net operating loss carry-forwards have been offset by a deferred tax valuation allowance on the entire amount.

Cash and Cash Equivalent

For the purpose of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company, from time to time, may maintain cash balances that exceed FDIC insurance limits. The company performs periodic reviews of the relative credit ratings of its banks to lower its risk.

New Accounting Pronouncements

In February of 2006, the Financial Accounting Standards Board (FASB) issued Financial Accounting Standard No. 155 (“FAS 155”)—“Accounting for Certain Hybrid Financial Instruments, an amendment of FASB Statements No. 133 and 140”. This statement amends FAS No. 133—“Accounting for Derivative Instruments and Hedging Activities”, resolving certain issues regarding (i) the evaluation of beneficial interest issued in securitization transactions and (ii) the definition of interest-only and principal-only strips excluded from the provisions of FAS No. 133. This Statement simplifies the accounting for certain hybrid financial instrument with embedded derivatives by expanding the use of fair-value measurement.

With respect to FAS No. 140—“Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”, this Statement eliminates a restriction of passive derivative instruments that a special-purpose entity may hold. FAS No. 155 becomes effective for all financial instruments issued or acquired by entities with fiscal years beginning after September 15, 2006. The Company has implemented FAS 155 as of this date.

In March of 2006, FASB issued Financial Accounting Standard No. 156 (“FAS 156”)—“Accounting for servicing of Financial Assets, an amendment of FASB Statement No. 140”. Because servicing assets and liabilities may be subject to significant interest rate and prepayment risks, many entities use financial instruments to mitigate these risks. FAS 156 requires servicing assets and liabilities to be initially measured at fair value if practicable; it also allows an entity to choose either the current amortization method, whereby servicing assets and liabilities are amortized over the expected period of estimated net servicing income or loss, or the net value method, whereby the servicing assets and liabilities are measured at fair value as of each reporting period. The Company does not service assets or liabilities.

In September of 2006, the FASB issued Financial Accounting Standard No. 157 (“FAS 157”)—“Fair Value Measurements”. This pronouncement refines the definition of fair value, establishes a framework of its measurement and expands disclosures about fair value. The definition of fair value in this statement retains the concept of exchange; however, the focus of the exchange price is on the price that would be received to sell the asset or paid to transfer the liability in a market-based environment, not the price to acquire the asset or to assume the liability in an entity-specific measurement. The required disclosures focus on measurement inputs and their effects on earnings. This Statement is effective for fiscal years beginning after November 15, 2007.

In September of 2006, the FASB issued Financial Accounting Standard No. 158. (“FAS 158”)—“Employers’ Accounting for Defined Pension and Other Postretirement Plans, an amendment of

FASB Statements No. 87, 88, 106 and 132(R)". This statement, which becomes effective for publicly traded companies for fiscal years ended after December 15, 2006, does not apply to the Company because it has no post retirement plans at September 30, 2007.

Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments", requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate the value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

Derivative Financial Instruments

From time to time, the Company may issue debt securities than contain features, including registration rights and warrants, that are considered to be derivative financial instruments pursuant to Financial Accounting Standard No. 133 ("FAS 133")—"Accounting for Derivative Instruments and Hedging Activities". As amended. The accounting treatment for derivative financial instruments requires that the Company record the derivatives and related warrants at their fair values as of the inception date of the debt agreements and at fair value as of each subsequent balance sheet date.

In addition, under the provisions of Emerging Issues Task Force ("EITF") Abstract No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock, "if, as a result of voluntary issuances of stock, through convertible debentures and warrants, for example, the number of authorized by unissued shares is insufficient to satisfy the maximum number of shares that could be required to settle the contract, the Company may be required to classify its warrants as derivative liabilities instead of as equity, and record them at their fair market values at each balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense at each balance sheet date.

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

Instructions to Item XVII

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure document, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:
 - 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;
 - ii. a summary of any product research and development that the issuer will perform for the term of the plan;
 - iii. any expected purchase or sale of plant and significant equipment; and
 - iv. any expected significant changes in the number of employees.

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

Full fiscal years. Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

We have had our first sale of 3D lenticular technology and are actively pursuing additional sales from small size to fortune five hundred companies. We expect these sales to accelerate and support growth of Visual Industries.

- i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;

The market for 3D products continues to be very strong.

- ii. Internal and external sources of liquidity;

We are currently selling our 3D technologies to major companies.

- iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;

We are expecting a major commitment of capital (\$200K) to manufacture our reflective road signs.

- iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;

The market is continuing strong in 3d and reflective optics. We continue to pursue sales in both of the areas.

- v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;

We do not significant elements of loss expected from continuing operations.

- vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and

We expect future financial statements to reflect continued income sales and technology transfer.

- vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

Our products are not affected by seasons.

Last year was our first with a positive cash flow and the first quarter of 2008 reflected additional sales exceeding 2007.

2. *Interim Periods.* Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

Last year was our first with a positive cash flow and the first quarter of 2008 reflected additional sales that has already exceeded those of 2007.

C. Off-Balance Sheet Arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item XVII to the extent necessary to an

understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

- i. The nature and business purpose to the issuer of such off-balance sheet arrangements;
 - ii. The importance to the issuer of such off-balance sheet arrangements in respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;
 - iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are reasonably likely to become material and the triggering events or circumstances that could cause them to arise; and
 - iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.
2. As used in paragraph C of this Item XVII, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:
- ii. Any obligation under a guarantee contract that has any of the characteristics identified in paragraph 3 of FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (November 2002) ("FIN 45"), as may be modified or supplemented, and that is not excluded from the initial recognition and measurement provisions of FIN 45 pursuant to paragraphs 6 or 7 of that Interpretation;
 - iii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;

- iv. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (June 1998), pursuant to paragraph 11(a) of that Statement, as may be modified or supplemented; or
- v. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB Interpretation No. 46, Consolidation of Variable Interest Entities (January 2003), as may be modified or supplemented) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item XVII

- i. No obligation to make disclosure under paragraph C of this Item XVII shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists or, if there is no such agreement, when settlement of the transaction occurs.
- ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.
- iii. For purposes of paragraph C of this Item XVII only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- iv. Generally, the disclosure required by paragraph C of this Item XVII shall cover the most recent fiscal year. However, the discussion should address changes from the previous year where such discussion is necessary to an understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item XVII, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included within the body of such discussion.

None

Part E Exhibits

The following exhibits must be either described in or attached to the disclosure document:

Item XVIII Material Contracts.

- A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure document is posted on the Pink Sheets News Service or was entered into not more than two years before such posting. Also include the following contracts:
- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure document, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
 - 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
 - 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
 - 4) Any material lease under which a part of the property described in the disclosure document is held by the issuer.

None

- B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material

and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item XIX Articles of Incorporation and Bylaws.

- A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.
- B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Item XX Issuer's Certifications.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

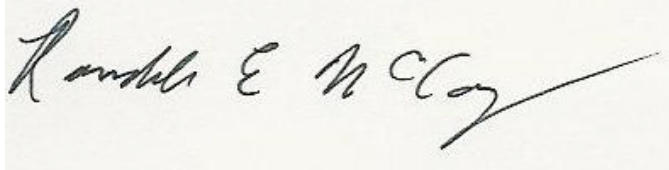
I, **Randall E McCoy** certify that:

1. I have reviewed this disclosure statement of **Visual Industries, 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.

July 3 2010

A handwritten signature in black ink on a light-colored background. The signature reads "Randall E. McCoy" in a cursive script.

Randall E. McCoy

CEO and President

Visual Industries, Inc.


I, **James Pratt** certify that:

1. I have reviewed this disclosure statement of **Visual Industries, 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.

July 3, 2010

A handwritten signature in black ink on a light-colored background. The signature reads "James Pratt" in a cursive script.

James Pratt

Counsel

Visual Industries, Inc.

Part F Miscellaneous

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

There have been no purchases of equity securities by the issuer and /or by affiliated purchasers.

JAMES E. PRATT, ESQ.
195 Kildare Road, Garden City, New York 11530
(516) 741-2978, Fax (516) 873-1140

Pink Sheets LLC
304 Hudson Street, 2nd Floor
New York, NY 10013

July 3, 2010

Dear Sir or Madam:

This opinion letter is written on behalf of my client, Visual Industries, Inc. Pink sheets is entitled to rely on this letter in determining whether the issuer, Visual Industries, Inc, has made adequate current information publicly available within the meaning of Rule 144 (c) (2) under the Securities Act of 1933. I am a U.S. citizen and resident and have been retained by the issuer for the purpose of rendering this letter and related matters. I am counsel to the issuer and part of my duties is to insure that regular disclosure is made to the public pursuant to the Securities Act of 1933 and related rules and regulations.

I have examined such corporate records and other documents and such questions of law as I considered necessary or appropriate for the purpose of rendering this letter.

I am authorized to practice law in New York State, in the United States District Courts for the Southern and Eastern Districts of New York, in the 2nd and 3th Circuits of the Federal Courts of Appeal, in the Tax Court and in the Court of Claims. I am permitted to practice before the SEC and have not been prohibited from practice there under.

As to matters of fact, I have relied upon information obtained from officers of the issuer and other sources and represent that all such sources were believed by me to be reliable. I have also relied on publicly available documents listed in the Pink Sheets News Service, which documents I also believe to be reliable.

The information (i) constitutes 'adequate current public information' concerning the securities and the issuer and "is available" within the meaning of Rule 144 (c) (2) under the Securities Act, (ii) includes all of the information that a broker-dealer would be required to obtain from the issuer to publish a quotation for the securities under Rule 15c-(2) 11 under the Securities Act of 1934 (The "Exchange Act"), (iii) complies as to form with Pink Sheets Guidelines for Providing Adequate Current information which are located on the Internet at www.pinksheets.com/oteguide/disclosure_guidelines.pdf and (iv) have been posted in the Pink Sheet News Service.

The financials were prepared by Dr. Roy Nelson, treasurer. The statements are not audited.

The issuers transfer agent is National Stock Transfer, 1512 South 1100 East, Suite B, Salt Lake City, Utah 84105-2425, (801) 486-7978. The transfer agent is registered with the SEC. The method used to confirm the number of outstanding shares set forth in the information by me was: a review and study of corporate records.

I reviewed the follow information to be posted on the Pink Sheet Website on July 3, 2010:

- (i) 2nd^t Quarterly Report
- (ii) 2nd Quarterly Financial (included)

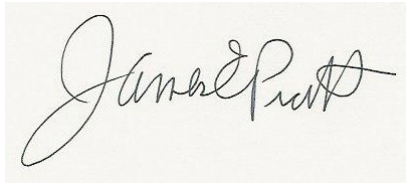
- a. Balance Sheet
- b. Statement of Income
- c. Cash Flow
- d. Share Structure

and found them suitable for public disclosure. I personally met with management and all of the directors of issuer to discuss the information.

To the best of my knowledge, after an inquiry of management and the directors of issuer, neither the issuer of the securities nor any 5% holder of the issuer or counsel of the issuer is currently under investigation by any federal or state regulatory authority for any violation of federal or state securities laws.

The Pink Sheets is entitled to rely on the opinion set forth hereinabove when determining whether to permit quotations in the issuer's securities in the Pinks Sheets quotation venue and the Pink Sheets is hereby granted permission to post this letter in the Pink Sheets News Service for reviewing by the public and regulators. However, this letter and the opinions set forth herein may not be quoted in whole or in part by any other person or entity, filed with any government agency or otherwise referred to or utilized for any other purpose, without, in each instance, my prior written consent.

Very truly yours,

A handwritten signature in black ink on a light-colored background. The signature is written in a cursive style and reads "James E. Pratt".

James E. Pratt

Counsel