

According to Pink Sheet Guidelines: Version 9.7 Updated on July 22, 2009

***Company Information and Disclosure Statement***  
***Section One: Issuers' Quarterly Disclosure Obligations***  
***For the Quarter Ending December 31, 2010***

**WatchIt Technologies, Inc.**  
**OTCPK: WTCT**



## **Item I**

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

*In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.*

Exact Company Name: WatchIt Technologies, Inc. (hereinafter referred to as “we,” “us,” “our,” the “Company,” “WatchIt” or the “Issuer”).

Predecessors: Evans Systems, Inc. until July 25, 2007.

**The address of the issuer’s principal executive offices**

*In answering this item, please also provide (i) the telephone and fax number of the issuer’s principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer’s investor relations.*

Address: 229 Airport Rd. STE 7-151, Arden, NC 28704

Phone: 828 681-5152

Fax 828 333-5567

Website: www.WatchItTech.com

## **Item 2**

**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.*

Security Symbol: WTCT

CUSIP Number: 94110N 10 9

Common Stock (as of 12/31/10):

Authorized: 1,500,000,000

Outstanding: 792,010,127

Preferred Stock (as of 12/31/2010):

Authorized: 150,000,000

Outstanding: 34,783,708

## **Item 3**

See accompanying Financial Statements Attached hereto.

## **Item 4**

### **Management Discussion and analysis of operations.**

We wanted to take this opportunity to fulfill a commitment and a goal of the company in making it as transparent as possible. Our hope is that through this Management Discussion, I can answer a lot of questions and give you more detail on topics of interest that is not possible in a “ Press Release”.

It seems that one of the most confusing issues that has been dealt with recently has been the patent. Prior to February 4, 2011, we had an International patent application filed. That information was easily found on the Internet. That process was the first of many steps that we will undertake to “solidify, secure or nationalize etc” our holding on the technology.

The second step, which we completed, was to take our application to a “Nationalization” process. What that means is that we have gone from a “global” down to a country by country. The first ones were the US and the European Union with a few others. The individual countries now examine the documents and will either issue a patent (US) or grant a patent (others). This can also be referred to as “patent pending”

As anyone who has dealt in the patent world knows, this is a long, tedious and expensive. We are choosing our countries wisely, to insure maximum cost benefit. Our patent attorney estimated that in order to cover the world, it would cost close to one million dollars and just as much to maintain them on a yearly basis.

Our goal is to nationalize the patents in China, Canada, Australia, Japan, Mexico, Brazil, Russia and possibly South Korea. That is a fairly long list of countries with the possibility of adding more as we move along.

There are several reasons for having the patents in other countries outside the US. One obvious one is to keep others from manufacturing our device. Another is that the stronger the patent and the wider the net is spread, the more value it could bring to the company.

We are working very closely with a large well respected Intellectual Property Law Firm and are following their direction to the letter. One does not have to understand completely the entire patent world, just have trust in the firm that represents you. The management team has complete trust in the firm and we hope that you will too!

Obviously, the key to bringing the fuel reformer to market is money. Our executive management team is committed to limiting the dilution on the common

share holder in order to raise the necessary capital to accomplish our business plan goals and objectives. Recognizing that this was going to be an expensive process, the BOD created a “Preferred Series” of stock to attract investment dollars. It is non dilutive and is very attractive to a long term investor.

In late fall, members of the BOD began presentations to a number of investor groups and private individuals. The groups were all told of the dollar amount we were looking for prior to any discussions. As a result of those initial meetings two of them expressed real willingness to progress. One of the individuals made several requests before moving to a negotiated term sheet. One of those requests was to complete the “nationalization” process of the patents and include several of the countries listed above. Another of his requests was that we move the company out of the Pink Sheets to a higher exchange. I will discuss that a little later in the letter.

As you can see, attracting the kind of revenue into the company that will move us forward is not without complications. At the time of this writing, the company has received a verbal confirmation of the acceptance of the term sheet from one of the investors. He has said that he is having his attorneys review the term sheet and the description of the Preferred Stock. His commitment to us was to have it signed and back to us by mid February. We expect other investment groups to come forward after our term sheet is signed and executed.

The BOD believes that this is the most favorable method of attracting capital into the company so as not to dilute the shareholder base. We remain active in our search and will announce our success’s and failures as we go down the long road to success!

In discussions with one of our potential investors, he has raised the question about the company remaining on the Pink Sheet Exchange. If he were to invest, he would require the company to actively pursue elevating to a higher-level exchange. Although no particular exchange was picked, he did suggest that we look at the American Stock Exchange, the NYSE Small Cap or the NYSE Atlernex. All of the exchanges have their individual requirements, but with the proposed investment those requirements could be met. The executive management team has already agreed to that condition as a part of the potential investment and will actively engage the necessary consultants and accountants to make the leap if required.

As we published in our white paper, found on our website, we completed independent testing through ETC in Aurora Colorado. We were extremely encouraged and down right excited about the results. The increase in fuel economy and decrease in tail pipe emissions was unparalleled. To be honest the results were beyond our expectations.

A question that seems to come up frequently is why we did not make application to the EPA's 511 program. Although it is on our list of what we plan to do in the future, the independent testing at ETC seemed more appropriate to accommodate an early stage development product. The testing at ETC successfully validated our product's performance and assisted us in gathering the necessary information to build the next version in our product line. Once we are comfortable that we have included the improvements into the device, we will make application to EPA's 511 program. Until then, we are quite happy with using high quality labs like ETC to assist us in validating our progress.

We have also gathered a lot of input from some of our "Detroit" consultants as to other types of testing that might be helpful in demonstrating to the auto industry that our product is "real". In addition, others that will be necessary to have in order to make presentations of the technology to auto and truck manufacturers.

An area that many people overlook in this process is that we also need extensive safety and durability testing. Although we have had our prototype installed and running on our test vehicle for approximately 70,000 miles without any problems, we still need more documented data that can unequivocally document our success's in that area.

As with any new technology, the testing brought a lot of new questions to the forefront. On an observational level, we seem to have developed a device that may "clean" an engine. Our mechanical staff has reported that the oil in the vehicle when changed is not "dirty". One of the questions worth testing is does this device allow a vehicle to run longer between oil changes? Does it reduce engine wear enough to prolong the useful life of an engine? Does it reduce overall maintenance costs? All worthy of further investigation.

Another area of investigation comes around the catalytic convertor. Because our test results with tail pipe emissions were so strong, is it possible that the fuel reformer may do a better job in preventing the damages to the atmosphere than the catalytic convertor does? If its cleaning abilities do prove to be superior, combined with the increases in fuel economy, is it a device that could be required installation on every new car and truck just like the catalytic convertor is now?

Obviously, a major area of development that is in the works is around the diesel version of the fuel reformer. Not a lot can be said at this moment, but we hope that it will be even more significant than the gas version. Diesel engines power many areas of our economy; trucking, agriculture and marine to name a few. They have tremendous benefits to our society. One of the main drawbacks seems to be the black smoke that is emitted from the exhaust. Although not proven yet, we are hopeful that by using the fuel reformer on diesel engines we

will be able to significantly reduce the pollutants that are released into the atmosphere.

Shareholders frequently ask where we see the company going and how long is it going to take to get there? As simple as that question may seem, it has a very complicated answer. What we all **want** is for the fuel reformer to become a universally accepted device that is used in a multitude of applications and of course all become independently wealthy. How do we get there from here? Good sound business practice, good planning and partnering with the right people and companies seems like the way we should proceed.

How long will it take? This is another one of those crystal ball questions. The short answer is that we will always be working towards improving the fuel reformer and new and improved versions will continue to be produced.

Most likely the process will take us down two or three paths simultaneously. The shortest path to market is through the after market. Retrofitting existing vehicles will take less time than it being found on vehicles coming off the assembly line. Another fast track is to license the technology to other manufacturers in foreign countries. The regulations and time to market can sometimes be faster outside the US. That is why the nationalization of the patents was so critically important. The three paths, after market, OEM and licensing, can all be pursued in concert with one another. The bottom line is that in order to do this properly, a number of steps have to be taken in a logical progression. They might not seem important at the time they are announced, but in most cases they are part of the progression to get from point A to point B.

In today's fast paced economy and lightening fast global communications, we all want results right now. Over the next several months the company will be focusing on the following:

1. Secure the financing needed to progress the fuel reformer to a "pre-production state.
2. Use the test data collected from ETC to build the next version of the Fuel Reformer.
3. Complete the initial R&D and testing on the diesel version of the Fuel Reformer
4. Build and install Fuel Reformers on a test fleet. (both gas and diesel.)
5. Complete the selection and file the necessary paperwork on additional "nationalization" of our patents.
6. If appropriate, select and complete all steps necessary to move the company to a higher exchange.
7. Complete and distribute a video of the Fuel Reformer

As you can see that is a very full plate. In addition, there are hundreds of steps that will have to be accomplished to complete each of goals. We also recognize that this is our list for now. Opportunities and or threats may come along that could eliminate, postpone or change the goals. We have a general plan, but will always remain fluid enough to take advantage of the ever-changing landscape of opportunities.

On behalf of all our consultants, staff and friends of the company, I want to thank you for taking the time to read this Management Discussion and hope that you will continue to follow us as we make progress towards making the Fuel Reformer a reality.

#### **Item 5 Legal Proceedings**

None

#### **Item 6 Defaults on Senior Securities**

None

#### **Item 7 Other Information**

All information disclosed as part of Management Discussion.

#### **Item 8 Exhibits**

See attached Financial Statement

#### **Item 9 Certification**

*I, Max L. Bennett, certify that:*

*I have reviewed this* Initial Information and Disclosure Statement *of* WatchIt Technologies Inc.;

*1. 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, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and not misleading with respect to the period covered by this disclosure statement; and*

*2. 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.*

**Signature:**

**Date:** 2/15/2011

A handwritten signature in blue ink, appearing to read "M. Bennett", with a large, stylized flourish at the end.

**Name:** Max L. Bennett

**Title:** President



# WatchIt Technologies, Inc

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Financial Statements for Period Ending December 31, 2010  
and December 31, 2009

# WatchIt Technologies, Inc.

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**WatchIt Technologies, Inc.**  
**Condensed Consolidated Balance Sheet**

(Unaudited)

	December 31, 2010	September 30, 2010
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 8,578	\$ 2,655
Total current assets	\$ 8,578	\$ 2,655
Property and equipment, net	\$ 58,544	\$ 53,625
<b>Other Assets</b>		
License	5,000	5,000
Goodwill	920,906	920,906
Patents	\$ 550,000	550,000
Total Other Assets	1,475,906	1,475,906
Total assets	\$ 1,543,029	\$ 1,532,186
<b><u>LIABILITIES and STOCKHOLDER EQUITY</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses and other taxes payable	\$ 48,824	\$ 56,266
Short term payables	2,971,195	3,799,014
Total current liabilities	\$ 3,020,019	\$ 3,855,280
Total liabilities	\$ 3,020,019	\$ 3,855,280
<b>Stockholders' equity (deficit)</b>		
Series A Preferred, \$.0001 par value 10,000,000 authorized 27,027,288 and 9,027,288 shares issued respectively	\$ 25,202	\$ 903
Series B Preferred, \$.0001 par value 10,000,000 authorized 100,000 and 100,000 shares issued respectively	10	10
Series C Preferred, \$.0001 par value 100,000,000 authorized 7,656,420 and -0- shares issued respectively	765	0
Common stock, \$.0001 par, value, 1,500,000,000 shares authorized 792,010,127 and 1,110,093,993 shares issued respectively	79,201	111,009
Additional paid-in capital	22,171,485	21,204,520
Retained earnings	(23,319,625)	(23,205,508)
Treasury stock, 72,589 shares, at cost	(434,028)	(434,028)
Total stockholders' equity (deficit)	\$ (1,476,990)	\$ (2,323,094)
Total liabilities and Stockholders' Equity	\$ 1,543,029	\$ 1,532,186

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WatchIt Technologies, Inc.**  
**Condensed Consolidated Statements of Income**  
**Three Months Ending**  
(Unaudited)

	December 31 2010	December 31 2009
Revenues:	\$ 11,649	-0-
Cost of sales	4,362	-0-
Gross profit	\$ 7,287	-0-
<b>Operating costs and expenses</b>		
Salary & Consulting Expense	\$ 20,320	\$ 112,500
General Administration	49,097	19,146
Total operating expenses	69,417	131,646
Operating loss	\$ (62,130)	\$ (131,646)
<b>Other income (expense)</b>		
Interest expense	53,003	46,343
Total other income (expense)	(53,003)	(46,343)
Net income (loss)	\$ (115,133)	\$ (177,989)
<b>Basic and diluted earnings (loss) per common share</b>		
Basic earnings per common share:	\$ (0.00014)	\$ (.0011)
Diluted earnings per common share:	\$ (0.00016)	\$ (.0011)
Weighted average shares outstanding Basic	1,009,828,427	152,093,993
Weighted average shares outstanding Diluted	1,287,612,135	154,678,781

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WatchIt Technologies, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**For three months ending**  
(Unaudited)

	December 31, 2010	September 30, 2009
Cash flows from operating activities		
Net income (loss)	\$ (115,133)	\$ (478,558)
Adjustments to reconcile net Income (loss) to net cash		
Depreciation and amortization	0	427
Adjustments to reconcile net cash to net income	21,415	0
Account Payable	14,073	40,800
Net cash provided (used) by operating activities	\$ 35,488	\$ 41,227
Cash flows from investing activities	(1,370,700)	(1,529,032)
Net cash provided (used) by investing activities	\$ (1,370,700)	\$ (1,529,032)
Cash flows from financing activities		
New borrowings	503,096	1,871,507
Net proceeds from stock issuances	-6,043	95,800
Additional Paid in Capital	959,205	0
Net cash provided (used) by financing activities	\$ 1,456,258	\$ 1,967,307
Net increase (decrease) in cash and cash equivalents	\$ 8,182	\$ 943
Cash and cash equivalents, beginning of period	\$ 2,665	\$ 1,712
Cash and cash equivalents, end of period	\$ 8,578	\$ 2,665

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WATCHIT TECHNOLOGIES, INC.**  
Consolidated Statements of Stockholders' Equity (Deficit)  
For the Years Ended September 30, 2009 and the Year Ending September 30, 2010

	Preferred Stock		Common Stock		Additional Paid-in-capital Amount	Retained Earnings (Deficit)	Treasury Stock	Total Stockholders Equity
	Shares	Amount	Shares	Amount				
Balance, September 30, 2008	2,584,788	258	152,093,993	15,209	21,504,476	(21,975,614)	(434,028)	\$ (889,700)
Issuance of Stock	(457,500)	(46)			(299,955)			(300,000)
Net loss					(1,063,911)	(1,405,008)		(2,468,919)
Balance, September 30, 2009	2,127,288	\$ 212	152,093,993	\$ 15,209	\$ 21,204,521	(22,726,950)	\$ (434,028)	\$ (1,941,035)
Issuance of Stock	7,000,000	700	958,000,000	95,800				102,800
Net Loss						(478,558)		(478,558)
Balance, September 30, 2010	9,127,288	\$ 913	1,110,093,993	\$ 111,009	\$ 21,204,521	(23,205,508)	\$ (434,028)	\$ (2,370,750)
Issuance of Stock	25,656,420	2,565	(318,083,866)	\$ (31,808)	\$ 959,204	115,133		\$ 893,760
Balance, December 31, 2010	34,783,708	\$ 3,478	792,010,127	\$ 79,201	\$ 22,171,485	(23,319,625)	\$ (434,028)	\$ (1,476,990)

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

**Note A - Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements of WatchIt Technologies, Inc. referred to as the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America, pursuant to the rules and regulations of the Securities and Exchange Commission. All significant intercompany balances and transactions have been eliminated. These financial statements include all information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included herein.

In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month periods ended September 30, 2010 and September 30, 2009 are not necessarily indicative of the results which may be expected for any other interim periods or for the year ending September 30, 2010..

The preparation 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 these estimates.

**Note B - Principles of Consolidation.**

The consolidated financial statements include the accounts of the Company and all of its subsidiaries in which a controlling interest is maintained. All significant inter-company accounts and transactions have been eliminated in consolidation.

**Note C. Basis of Financial Statement Presentation.**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated significant losses, and it is unable to predict profitability for the future. These factors indicate the Company's continuation, as a going concern is dependent upon its ability to obtain adequate financing as well as implement its sales, marketing and acquisition strategy. The Company is addressing the going concern by obtaining equity financing and to grow the Company with profitable sales both organically and through acquisitions. Management believes successfully executing these tasks will lead to the removal of the going concern comment from our audited financials.

**Note D. Cash and cash equivalents.**

Cash equivalents consist of liquid investments, with a maturity of three months or less at the time of purchase. Cash equivalents are stated at cost, which approximate market value.

**Note F. Property and Equipment.**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is determined using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of 24 to 36 months are used for computer equipment and related software, five years for office equipment, furniture, and fixtures. Depreciation and amortization of leasehold improvements is computed using the shorter of the remaining lease term or five years. Maintenance and repairs are charged against income and betterments are capitalized.

**Note G. Reclassification.**

Certain prior year amounts have been reclassified to conform to current year's presentation.

**Note H. Advertising Costs.**

The Company expenses all advertising costs as incurred.

**Note I. Use of Estimates.**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. These estimates form the basis for judgments made about the carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and judgments are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. However, future events are subject to change and the best estimates and judgments routinely require adjustment. US GAAP requires estimates and judgments in several areas, including those related to impairment of goodwill and equity investments, revenue recognition, recoverability of inventory and receivables, the useful lives of long lived assets such as property and equipment, the future realization of deferred income tax benefits and the recording of various accruals. The ultimate outcome and actual results could differ from the estimates and assumptions used.

**Note J. Goodwill**

The goodwill and intangible assets are subject to the provisions of SFAS No. 142, “*Goodwill and Other Intangible Assets*” (“SFAS 142”). In accordance with SFAS 142, goodwill and other intangible assets are tested for impairment on an annual basis or when indicators of impairment exist, and written down when impaired

**Note K. Impairment of long-lived Assets.**

The Company reviews the recoverability of the carrying amounts of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the asset might not be recoverable. Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of discounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold and use are based on the fair value of the asset. Long-lived assets and certain identifiable intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

**Note L. Fair Value Disclosures.**

The carrying amounts reported in the balance sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate fair value because of the immediate or short-term maturity of these financial instruments.

**Note M. Segment Reporting**

The Company operates in one reportable segment under the Statement of Financial Accounting Standards (“SFAS”) No. 131, *Disclosures about Segments of an Enterprise and Related Information*

**Note N. New Accounting Pronouncements**

In July 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), an interpretation of FASB Statement No. 109, “Accounting for Income Taxes.” FIN 48 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not (i.e. a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The effective date for the Company is January 1, 2007. Upon adoption, the cumulative effect of applying the recognition and measurement provisions of FIN 48, if any, shall be reflected as an adjustment to the opening balance of retained earnings. The adoption of FIN 48 is not anticipated to have a material impact on our Consolidated Financial Statements.

In September 2006, FASB Statement 157, “Fair Value Measurements” (“SFAS 157”) was issued. SFAS 157 establishes a framework for measuring fair value by providing a standard definition of fair value as it applies to assets and liabilities. SFAS 157, which does not require any new fair value measurements, clarifies the application of other accounting pronouncements that require or permit fair value measurements. The effective date for the Company is January 1, 2008. The adoption of SFAS 157 is not anticipated to have a material impact on our Consolidated Financial Statements.

## **Note O - Resumption of Operations**

WatchIt Technologies reemerged as an operating company with the signing of a licensing agreement and joint venture agreement with Child Watch of North America. Child Watch is a non-profit company that focuses on the search, rescue, and recovery of children who are missing in North America, as well as mentoring and assisting with the reintegration of children that are located. Child Watch is a 501(c)(3) Tax-exempt charity and is a publicly supported organization as defined in sections 509 (a) and 170 (b)(1)(A)(vi) of the Internal Revenue Service Code.

Jointly, Child Watch of North America and WatchIt Technologies agreed to create the Child Watch Network. The Child Watch Network (CWN) will be provided through "Point of Sale" digital signage systems in various commercial areas nationwide. WatchIt Technologies suspended and eventually ceased operating the Child Watch Network during December 2007. These actions were the result of litigation initiated by WatchIt Technologies against Big Apple Consulting, USA. The law suit was settled in 2009. At that time WatchIt began reviewing additional potential business opportunities.

In August 2010, WatchIt Technologies acquired the stock of Air Pure Systems Development, Inc. an Indiana corporation. APSD had certain requirements it was required to meet by November 8, 2010 in order to finalize the transaction. APSD was not able to meet these requirements, which caused the Board of both WatchIt and APSD to unwind the stock purchase and renegotiate a purchase of specific assets and assumption of certain liabilities of APSD.

## **Note P - Preferred Stock Transactions**

In October 2008, the Company exchanged 457,500 shares of Preferred Series A stock for a \$30,000 Promissory Note with Dorene Taylor former owner of Digital Fusion Television. This transaction occurred as a result of the Company decision to cease operating the Child Watch Network. In August 2010, The Company issued 7,000,000 shares of Preferred Series A stock to Olde Rockledge Capital & Investments for services provided to the Company.

## **Note Q- Basic and Diluted Earnings (Loss) Per Common Share**

Basic and diluted earnings (loss) per share for the three months ending December 31 2010 and 2009 were computed using 291,178,483 and 152,093,993 weighted average common shares outstanding, respectively. Stock options and warrants were not included in the computation of diluted loss per common share for the twelve months ending September 30 2010 and 2009 since they would have resulted in an antidilutive effect on loss from continuing operations. At September 30, 2010, the Company had aggregate 1,110,093,993 shares of common stock issued. The Company is authorized to issue up to 1,500,000,000 shares of common stock.

## **Note R - Contingent Liabilities**

### Other contingent liabilities

On June 22, 2002, the Company issued to JPMorgan Chase Bank a non-interest bearing \$2,000,000 contingent note. Under the terms of the contingent note, the note is payable only upon the occurrence of each of the following conditions:

(i) the closing bid price of the Company's common stock exceeds \$5.00 for 180 consecutive trading days; (ii) the Company's debt to equity ratio shall be less than 50%; (iii) the Company's revenue/debt ratio shall be less than 0.05, and

(iv) the Company's interest burden coverage shall be greater than 20 times. Should all of these conditions be met, the note would have a maturity date of 5 years from the date such conditions are met. Should the payment conditions not be met by June 21, 2012, the note will be automatically null and void. The contingency note's purpose was for JPMorgan, for having made prior concessions to the Company, to participate in any financial windfall of the Company, should such an eventuality occur. It is management's opinion that it is very unlikely this note will become effective prior to the termination date.

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**Note S - Management's Plans**

The Company has been notified that as a result of the Company's failure to timely file recent periodic reports with the Securities and Exchange Commission, the Financial Industry Regulatory Authority ("FINRA") caused the Company's Common Stock to cease to be quoted on the Over the Counter Bulletin Board, the net effect of which was to cause the shares to be listed on the Pink Sheets.

Management continues to review potential opportunities with a focus on "green technology". Management believes focusing in this arena will result in future significant business opportunities..

There can be no assurance that any of management's plans as described above will be successfully implemented or that the Company will continue as a going concern.

**Note T- Notes Payable**

The Company has issued Notes Payable to Lilly Marketing Group, LLC. These notes are all one year demand notes. The notes may be converted to common stock at a conversion rate of \$.0001 per share 60 days after issuance. The notes have an interest rate of 12% per annum. The following Chart represents notes issued to Lilly Marketing Group, LLC as of September 30, 2009. As of September 30, 2010, the Company was indebted to Lilly Marketing Group, LLC for \$1,643,975.48 plus accrued interest of \$374,581.22.

Date	Principle Amount
12/31/2007	\$ 170,741.23
06/30/2008	187,500.00
12/31/2008	168,872.91
12/31/2008	299,600.84
12/31/2008	179,760.50
03/31/2009	150,000.00
06/30/2009	187,500.00
10/01/2009	150,000.00
10/01/2009	150,000.00
02/01/2010	150,000.00
Total	\$ 1,643,975.48

The Company issues a Note Payable to Dorene Taylor for \$30,000 on October 15, 2008. This note is al one year demand notes. The note may be converted to common stock at a conversion rate of \$.0001 per share 60 days after issuance. The note has an interest rate of 12% per annum. As of September 30, 2010 \$6,065.75 has accrued in interest due.

The Company has unsecured short term debt to Cain, Smith and Strong, LLC. At September 30 2010, the Company owed \$120,000.. Additionally, The Company has unsecured short term debt of, \$93,000 in short term debt to Frank Moody \$40,000 to BIB Consulting, LLC and \$54,416 to Olde Rockledge Capital & Investments, LLC. These debts are the result of Company expenses being paid by third these parties.

**Note U -: Comprehensive Income:**

At December 31, 2009 and 2010 net income and comprehensive income were the same.

**Note V - Management Changes**

Max Bonnet was appointed President and Chief Executive Officer.

## Certification

I, Max. L. Bennett, President of WatchIt Technologies, Inc. certifies that:

I have reviewed the Annual Financial Statements of WatchIt Technologies, Inc. for the Three months Ending December 31, 2010 and 2009.

1. Based on my knowledge, this Financial Statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which the statements were made, not misleading with respect to the period covered by the financial statement; and
2. Based on my knowledge, these financial statements, and the other financial information included or incorporated by reference in this financial statement fairly presents 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 financial statement.
3. The consolidated financial statements include the accounts of WatchIt Technologies, Inc., and its wholly-owned subsidiaries and have been prepared in accordance with General Acceptable Accounting Principles of the United States of America. For purposes of consolidation, the Company includes all significant subsidiaries owned directly or indirectly with more than 50 percent of the voting rights held by the Company. All significant intercompany transactions and balances have been eliminated.

Signature:



Max L. Bennett, President  
February 15, 2011