



2010 ANNUAL REPORT



1157 Saratoga Ave Suite 204, San Jose, CA, USA 95129

PART A GENERAL COMPANY INFORMATION

- ITEM 1 THE EXACT NAME OF ISSUER AND ITS PREDECESSORS
- ITEM 2 ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES
- ITEM 3 THE JURISDICTION AND DATE OF THE ISSUER'S INCORPORATION OR ORGANIZATION

PART B SHARE STRUCTURE

- ITEM 4 THE EXACT TITLE AND CLASS OF SECURITIES OUTSTANDING
- ITEM 5 PAR OR STATED VALUE AND DESCRIPTION OF THE SECURITY
- ITEM 6 TOTAL AMOUNT OF THE SECURITIES OUTSTANDING FOR EACH CLASS OF SECURITIES AUTHORIZED
- ITEM 7 TRANSFER AGENT

PART C BUSINESS INFORMATION

- ITEM 8 THE NATURE OF THE ISSUER'S BUSINESS
- ITEM 9 NATURE OF PRODUCTS
- ITEM 10 NATURE OF EXTENT OF THE ISSUER'S FACILITIES

PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

- ITEM 11 THE NAME OF THE CHIEF EXECUTIVE OFFICER, MEMBERS OF THE BOARD OF DIRECTORS, AS WELL AS CONTROL PERSONS. .
- ITEM 12 FINANCIAL INFORMATION FOR THE ISSUER'S MOST RECENT FISCAL PERIOD
- ITEM 13 SIMILAR FINANCIAL INFORMATION FOR SUCH PART OF THE TWO PRECEDING FISCAL YEARS AS THE ISSUER OR ITS PREDECESSOR HAS BEEN IN EXISTENCE.
- ITEM 14 BENEFICIAL OWNERS
- ITEM 15 THE NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL ADDRESS OF EACH OF THE FOLLOWING OUTSIDE PROVIDERS THAT ADVISE THE ISSUER ON MATTERS RELATING TO OPERATIONS, BUSINESS DEVELOPMENT AND DISCLOSURE:
- ITEM 16 MANAGEMENT'S DISCUSSION AND PLAN OF OPERATION

PART E ISSUANCE HISTORY

- ITEM 17 LIST OF SECURITIES OFFERINGS AND SHARES ISSUED FOR SERVICES IN THE PAST TWO YEARS

PART F EXHIBITS

- ITEM 18 MATERIAL CONTRACTS
- ITEM 19 ARTICLES OF INCORPORATION AND BYLAWS
- ITEM 20 PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS
- ITEM 21 ISSUER'S CERTIFICATIONS

PART A – GENERAL COMPANY INFORMATION

As of December 31, 2010

ITEM I. NAME OF ISSUER

Stratton Holdings, Inc.

Formerly=KIDSational, Inc. until 5-2009

Formerly=Squaremoon, Inc. until 12-02

Formerly=ZDigital.com, Inc. until 7-01

ITEM II. ADDRESS OF ISSUER'S PRIMARY EXECUTIVE OFFICES

1157 Saratoga Ave Suite 204, San Jose, CA 95129

Phone: (408) 355-8073

Web: www.stratton-holdings.com

ITEM III. JURISDICTION AND DATE OF THE ISSUER'S INCORPORATION

Nevada, February 2009

ITEM IV. TITLE AND CLASS OF SECURITIES OUTSTANDING

A. Common Stock –

Symbol: STHG.pk

Common Stock: 795,000,000 authorized, par value \$0.0001

Total number of shares issued and outstanding 741,056,686

Preferred Stock: 1,000,000 authorized, par value \$0.0001

CUSIP: 49380P101

ITEM V. PAR VALUE AND DESCRIPTION OF SECURITIES

A. Par Value – The Company's Common stock authorized with par value \$0.0001 per share

B. Common Stock

- a. Dividends Declared on Common Stock – Through December 31, 2010, the Company had no dividend.
- b. Voting Rights – one vote per share
- c. Preemption Rights – None
- d. Other Material Rights – None
- e. Provisions in Charter or by-laws that would delay, defer or prevent a change in control of issuer – None
- f. Preferred Stock -- total number of authorized stock of preferred series B stock that may be issued by the corporation is ONE MILLION(1,000,000) shares of stock with ONE TENTH OF ONE CENT(.0001) par value. Each share of preferred series B stock held carries a voting power equal to 1000 shares of common stock held.

ITEM VI. NUMBER OF SHARES OR TOTAL AMOUNT OF SECURITIES OUTSTANDING FOR EACH CLASS OF SECURITIES AUTHORIZED

(i) **December 31, 2010**

- (ii) Number of shares authorized 795,000,000
- (iii) Total number of shares issued and outstanding 741,056,686
- (iv) Est. Public Float
- (v) Total number of shareholders of record: 67

(i) **December 31, 2009**

- (ii) Number of shares authorized 795,000,000
- (iii) Total number of shares issued and outstanding 586,056,686
- (iv) Est. Public Float
- (v) Total number of shareholders of record: 62

The Company does not have any outstanding Convertible Debentures or any form of debt that is convertible into shares. Not forbidding future opportunities to form such transaction.

ITEM VII. NAME AND ADDRESS OF TRANSFER AGENT
PacWest Transfer
500 East Warm Springs Road
Suite 240
Las Vegas, NV 89119

PacWest Transfer is a registered Agent under the regulatory and authority of the Securities and Exchange Commission.

Item VIII The nature of the issuer's business.

<http://www.stratton-holdings.com>
<http://www.stratton-mobile.com>
<http://www.marketfriends.com>

Stratton Holdings, Inc. is a diversified holding company formed in 2008 with the overall mission of seeking out small to mid-sized companies to bring to the Stratton Holdings, Inc. family and assist in their expansion and in turn use those profits to repeat the cycle creating value and products worth being proud of.

In late 2008 a new board of directors were elected. At this time the company was riddled in debt with the urgent need for fast action. Since that time the company has continuously been working with its creditors to reduce this and bring the company current with its previous obligations.

Stratton Holdings, Inc. currently has two main subsidiaries that a majority of its attention is going towards, Stratton Mobile & MarketFriends, Inc. Both are tech startups one in the development and sales of Android applications the other a social network for the financial sector.

Item VIII The nature of the issuer's business.

A. Business Development

Stratton Holdings, Inc. is a diversified holding company formed in 2008 with the overall mission of seeking out small to mid-sized companies to bring to the Stratton Holdings, Inc. family and assist in their expansion and in turn use those profits to repeat the cycle creating value and products worth being proud of. With the company's focus on technology start ups.

MarketFriends.com – A social network for the financial industry. Currently the company is in development and is planning a wide scale launch in the late part of 2011.

Stratton Mobile – An application development and sales product line. The company currently holds ownership of several applications that are for sale on different application markets (iPhone + Android). In addition holds ownership of AndroidListings.com an Android review website.

1. The form of organization of the issuer
Corporation

2. The year that the issuer was organized

1998 as BROADWAY PACIFIC ENTERPRISES, INC.

3. The issuer's fiscal year end date

December 31

4. Whether the issuer has been in bankruptcy, receivership or any similar proceeding

None

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.

None

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments

The company currently holds notes from 2008 and prior that require the issuer to make payments on a monthly basis in the amount of \$3,500.

7. Any change of control

8. Any increase of 10% or more of the same class of outstanding equity securities

In 2010 the company issued 155,000,000 shares to various accredited investors.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization

10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board

None

11. Any legal proceedings that could have a material effect on the issuer's business

None

B. Business of Issuer

1. The issuer's primary and secondary SIC codes

6719

2. If the issuer has never conducted operations, is in the Development stage, or is currently conducting operations.

Development stage.

3. Whether the issuer is or has at any time been a "shell company"

No

4. Names of any parent, subsidiary, or affiliate of the issuer and its business purpose, method of operations, its ownership, and whether it is included in the financial statements attached to this disclosure statement

MarketFriends, Inc.
Stratton Mobile, Inc.

5. Effect of existing or probable government regulation on the Business

Not applicable.

6. Estimate of the amount spent during each of the last two fiscal years on research and development activities, and the extent to which the cost of such activities are borne directly by customers

Not Applicable

7. Costs and effects of compliance with environmental laws (federal, state and local)

Not Applicable

8. Number of total employees and number of full-time Employees

The Company currently operates on a “contractual” basis. Of which the company has 5 contractors that are gone to on a regular basis.

1 full time employee
3 part time employees

Item IX The nature of products or services offered.

A. Principal products or services, and their markets.

Stratton Holdings, Inc acts as a holding company for its portfolio of companies in which it has controlling interests. Through our wholly owned subsidiary, Stratton Holdings , Inc., the Company generates revenue employing standard retail and wholesale practices.

D. Competitive business conditions, the issuer’s competitive position in the industry, and methods of competition

E. sources of availability of raw materials and names of principal Suppliers

Not applicable

F. dependence on one or a few major customers

The company has limited revenue as of now.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration.

Currently the company owns the trademarks to MarketFriends.

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

None.

Item X the nature and extent of the issuer’s facilities

Describe the assets, properties, or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

In August of 2010, the company entered into a lease agreement for its offices. The agreement is for one year paying \$585 a month.

Part D Management Structure and Financial Information

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

A. Officers and Directors

1. Chairman and CEO:

Eric Stratton Racheff
1157 Saratoga Ave Suite 204
San Jose, CA 95129 USA

Compensation by the issuer:

Currently the formal agreement in place for compensation for the CEO is based on a production scale of the company. Based on sales revenue.

2010 Compensation:

Eric Stratton Racheff - \$3,000/month

Number and class of the issuer's securities beneficially owned by each such person:

67,000,000 Shares of common stock
600,000 shares of preferred stock series B*

2. Director, Business Development

Harry Drought Jr.
1157 Saratoga Ave Suite 204
San Jose, CA 95129 USA

Compensation by the issuer:

Not applicable. Pay scale has not reached target for Director's salary.

Number and class of the issuer's securities beneficially owned by each such person:

250,000 shares of preferred stock series B

B. Legal/Disciplinary History

Have any of the foregoing persons, in the past 5 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.
None

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 banding activities.

None

3. A finding or judgment which has not been reversed, suspended, or vacated.
None

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.
None

C. Disclosure of Family Relationships

Describe any family relationships existing among and between officers, directors, and shareholders.
None

D. Disclosure of Related Party Transactions

Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest.
None

E. Disclosure of Conflicts of Interest

Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.
None

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

1) Balance

Stratton Holdings, Inc.

Balance Sheet

As of Dec 31, 2010

ASSETS

Current Assets

Checking/Savings	901.59
Total	
Checking/Savings	<u>901.59</u>

Investment Assets

Property/Land	84,900.00
Product	
Development	10,000.00

Fixed Assets

Computer	
Equipment	750.00
Software	250.00
Inventory	<u>0.00</u>

Total Current Assets

96,801.59

TOTAL ASSETS

96,801.59

LIABILITIES & EQUITY

Liabilities

Short Term
Liabilities

Accrued Old Payables	2,800
Loans Payable	14,800
Loans Payable	11,100
Loans Payable	36,400
Loan from CEO	14,000
Salaries owed	<u>20,000</u>
Property Loan Balance	24,500

Due to Related
Parties

38,000

Total Short Term Liabilities

161,600

Other Long Term Liabilities

500,000

Total Long Term Liabilities

500,000

Total Liabilities

661,600

Equity

Capital Stock	741,056,686	par value .0001	74,105.67
			-
Retained Earnings			685,140.08
Paid in Capital			115,000

Net Income	<u>-68,764</u>	-
Total Equity		564,798.41
TOTAL LIABILITIES & EQUITY		<u>96,801.59</u>

Stratton Holdings, Inc.
Profit & Loss
Dec 31,2009 through
Dec 31, 2010

Ordinary Income/Expense

Revenue
s

Sales Revenue	6,149
---------------	-------

Expense
s

Business Development	4,507
Interest Expense	26,150
Rent Expense Release Distribution	6,510
Salaries	4,445
Salaries	26,000
Cost Of Sales	1,284
Telephone, Int. & Comm	1,336
Construction/Repairs	2,000
Stock Transfer Services	359.99
Travel Expense	494.29
Office Expense	1,140.94
Hosting Services	<u>685.89</u>

Total Expenses	<u>-74,913</u>
Net Income	<u><u>-68,764</u></u>

2) Statement of Income - The company was a development stage company in 2007 and 2008 and had limited or no operations and therefore had limited or no income.

3) Statement of Cash Flows – The Company was a development stage company in 2007 and 2008 and therefore had limited or no cash flow.

4) Statement of changes in stockholders' equity – There has been no changes in stockholder equity.

5) Financial Notes – None

On November 1, 2010 the company acquired a property in Youngstown, Ohio with a seller financed payment plan at \$1,500 a month for 12 months at 10% interest.

On November 15, 2010 the company was issued a convertible note from Global Water Technologies in the amount of 15,000,000 shares of their common stock with a one year restriction.

6) Audit Letter, if audited – Not Applicable

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

The company was in the development stages in 2007, and 2008. And had no such finances.

Item XIV Beneficial Owners

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

CEO, Mr. Eric Stratton Racheff is the only shareholder who falls under this as stated above.

Item XV The name, address, phone 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

None

2. Promoters

None.

3. Counsel

None.

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.

None

5. Public Relations Consultant

None

6. Investor Relations Consultant

None

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

None.

Item XVI Management’s Discussion and Analysis or Plan of Operation

A. Plan of Operation

1. Describe the issuer’s plan of operation for the next 12 months –

i. Discuss how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next 12 months.

The company has limited cash and intends to raise funds for operations through various investment offerings or through various loan arrangements with the Company’s officers.

ii. Summary of any product research and development that the issuer will perform for the term of the plan

Not applicable

iii. Any expected purchase or sale of plant and significant equipment

Not applicable

iv. Any expected significant changes in the number of employees

The company plans on expanding MarketFriends with the addition of 3-5 more employees this coming year.

B. Management’s Discussion and Analysis of Financial Condition and Results of Operations (should be read in conjunction with the consolidated financial statements included herein)

The Company currently is still in its development stage and due to market conditions and the variation of, including the possibility of not being able to secure proper means of funding in the future for continued acquisitions. This then means that it is possible that Company will no longer be able to meet its financial obligations.

The company plans on focusing its attention and resources on the further development and refinement of MarketFriends, Inc. and creating a stable user base and from there begin marketing and advertising of the website with the future intention of advertising services being provided.

Liquidity and Capital Resources

The company will rely on future investments in the company for its liquidity and capital resources as well as loans from officers and individuals.

FACTORS THAT COULD AFFECT FUTURE RESULTS

The company intends to acquire operating businesses in the Many sectors that we operate in that will affect the company's income, operations, number of employees and size. Since none of the potential acquisitions are definitive at this point, elaboration on those factors is not possible and will be dependent upon the finalization of any acquisition or additional merger.

A. Off-Balance Sheet Arrangements

Not applicable

Part E Issuance History

Item XVII 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.

On March 26, 2010 the company issued 50,000,000 shares of stock to an accredited investor for \$10,000.

On May 10, 2010 the company issued 50,000,000 shares of restricted stock to two accredited investors for \$25,000.

On June 24, 2010 the company issued a convertible note in the amount of \$20,000. The note is restricted for a period of one year.

On July 30, 2010 the company issued a convertible note in the amount of \$25,000. The note is restricted for a period of one year.

On Sept 8, 2010 the company issued a convertible note in the amount of \$5,000. The note is restricted for a period of one year.

On Oct 28, 2010 the company issued 40,000,000 shares of stock to an accredited investor for \$35,000.

Part F Exhibits

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

Item XVIII Material Contracts

Attached hereto as Supplemental attachment.

Item XIX Articles of Incorporation and Bylaws.

Attached hereto as Articles of Incorporation Bylaws.

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

Not Applicable

Item XX Issuer's Certifications

June 17, 2011

I, Eric Stratton Racheff, certify that:

1. I have reviewed this Issuer Initial Disclosure Statement of Stratton Holdings, 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 operation and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ _____ Eric Stratton Racheff _____
Eric Stratton Racheff

CEO and Chairman