

Quantum Bit Induction Technology, Inc.  
(a Nevada Corporation)

**3<sup>rd</sup> QUARTER INFORMATION AND DISCLOSURE STATEMENT**

**Item 1 Exact name of the issuer and the address of its principal office.**

Quantum Bit Induction Technology, Inc.  
11152 Westheimer #118, Houston, Texas 77042  
phone: 832-377-7149  
email: [qbitoffice@quantumbit.com](mailto:qbitoffice@quantumbit.com)  
website: [www.quantumbit.com](http://www.quantumbit.com)

**Item 2 Shares Outstanding**

Class of Securities	Period Ending	Shares Authorized	Shares Outstanding	Tradable Shares / Public Float	Beneficial Owners	Shareholders of Record
Common Stock	September 30, 2010	2,500,000,000	2,500,000,000	37,355,937 (1)	458 (2)	158 (3)
	December 31, 2009	2,500,000,000	2,500,000,000	915,238	455	142
	December 31, 2008	2,500,000,000	1,100,668,801	668,801	472	141
Class B Stock	September 30, 2010	100,000,000	1,605,666	N/A	118	118
	December 31, 2009	100,000,000	1,605,666	N/A	118	118
	December 31, 2008	100,000,000	1,612,643	N/A	97	117

- (1) Represents shares held in street name, and shares held by registered shareholders where the transfer agent's records indicate the shares do not contain a restrictive legend. Does not include restricted shares held by registered shareholders that may be sold under Rule 144.
- (2) Represents street name and registered shareholders.
- (3) Represents registered shareholders only.

**Item 3 Interim financial statements.**

The following financial statements for the Company for the quarterly period ended September 30, 2010 have been attached to the end of this document and are incorporated herein by reference:

1. Balance Sheet as of September 30, 2010;
2. Statement of Income for the three months ended September 30, 2010;
3. Statement of Changes in Stockholders' Equity for the three months ended September 30, 2010;
4. Statement of Cash Flows for the three months ended September 30, 2010;
5. Notes to Financial Statements.

The financial statements were prepared internally by the company's Treasurer and management. Financial archive for earlier years is available on the Company's website.

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

### **Forward Looking Statements**

*This report contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions, or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "predict," "potential," "continue," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," or the negative of these terms or other comparable terminology. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. Actual future results and trends may differ materially from those made in or suggested by any forward-looking statements due to a variety of factors, including, for example, our ability to compete with other payment systems, the risk of loss due to fraud and disputes between senders and recipients; and the fact that our status under state, federal and international financial services regulation is unclear. Consequently, you should not place undue reliance on these forward-looking statements.*

*The forward-looking statements speak only as of the date on which they are made and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.*

### **Overview**

The Company continues to protect and develop its technical work. The Company was founded to pursue the technologies that sound theory was telling serious science were possible. In our history we have taken tight budgets and attempted to commercialize. Most of the money raised by the Company came from its founders over the years and our mission progress continues. We have historically raised capital and expensed the money on technical work. We have learned in the recent few years this is corporately unsound.

The Company became a 9% limited partner of QBIT Investment Fund, LP by investing Common Shares. QBIT Investment Fund, LP is controlled by Craig Nelson of Houston, Texas. QBIT Investment Fund, LP's business objective is to provide stable limited partnership income to the Company while protecting or growing capital value.

The Company plans to use income provided by QBIT Investment Fund, LP to perfect our technologies and products. QBIT Investment Fund, LP has committed to develop adequate partnership income and cash distribution to satisfy the cash requirements of the Company into the future.

### **A. Plan of Operation.**

#### **1. Describe the issuer's plan of operation for the next twelve months.**

- i. The Company reasonably anticipates partnership income from QBIT Investment Fund to satisfy its cash requirements;
- ii. We will embody negative group delay in digital signal processors and cascade the devices. This should give us usable time advance in data streams.

- iii. We will build an ultrasonic and electrically resonant water electrofusion device and quantify its operating results.
- iv. We do not expect significant expenditures for equipment or facilities.
- v. We expect the number of full time employees to grow to 9 within a year.

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

The Company received \$6,000 per month for each of the previous three months from QBIT Investment Fund, LP. That monthly amount is scheduled to rise to \$12,000 for November 2010, \$15,000 for December 2010, and rise to a ceiling of \$250,000 per month through 2011.

**C. Off-Balance Sheet Arrangements.**

We currently have no off-balance sheet arrangements.

**Item 5 Legal Proceedings**

There are no past, pending or threatened legal proceeding or administrative actions by or against the issuer.

**Item 6 Defaults upon senior securities.**

There were no defaults on any debts or securities during the period.

**Item 7 Other Information**

The Company consented to a revision in the Limited Partnership Agreement of QBIT Investment Fund, LP on September 5, 2010. The revisions;

1. Adjusted the Company's limited partnership ownership percentage to 9% of QBIT Investment Fund, LP, .
2. Excluded public companies, including the Company, from voting in any partnership matters of QBIT Investment Fund, LP.,
3. Established QBIT Investment Fund, LP's obligation to provide \$3,000,000 per year or 9% of QBIT Investment Fund, LP's, whichever is greater, to the Company as a limited partner.
4. Eliminated obligatory reinvestment of the Company's income (if any) through QBIT Investment Fund, LP.
5. Granted four additional limited partnerships in QBIT Investment Fund, LP. to others.

The Company has offered membership in the Board of Directors to Manuel Gonzales of Houston Texas. Mr. Gonzales has accepted. The Company expects to convene a meeting and officially appoint Mr. Gonzales in the fourth quarter of 2010.

**Item 8 Exhibits.**

Not Applicable

## Item 9 Certifications.

I, Mike Skillern, certify that:

1. I have reviewed this 3<sup>rd</sup> QUARTER INFORMATION AND DISCLOSURE STATEMENT of Quantum Bit Induction Technology, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statements 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 statement were made, not misleading with respects 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.

November 9, 2010

/s/ Mike Skillern

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Mike Skillern  
President & Director

**Quantum Bit Induction Technology, Inc.**  
**Balance Sheet**  
 As of September 30, 2010

	Sep 30, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cash	-10,620.00
Bank of Texas	
-checking	925.24
<b>Total Bank of Texas</b>	<b>925.24</b>
<b>Wells Fargo</b>	
-secretary	8.00
-president	3,210.00
-treasurer	8.00
-corporate	28.00
<b>Total Wells Fargo</b>	<b>3,254.00</b>
Barron Moore - cash	3,000.00
ACAP - cash	2,000.00
Scott Trade - cash	2,500.00
LPL Financial - cash	620.00
TDAmeritrade - cash	3,600.00
<b>Capital OneBank</b>	
- Secretary	2.19
- Operations	17.21
- Savings	78.08
- LOC	4,102.25
- President	11.87
- Shop	0.69
<b>Total Capital OneBank</b>	<b>4,212.29</b>
Hibernia - DBA - PTA	3,770.15
Paypal	-3,167.43
Wein Securities	250.00
Etrade - cash	9,350.00
<b>Total Checking/Savings</b>	<b>19,694.25</b>
<b>Other Current Assets</b>	
Loan - MPH	8,032.34
Symmetry Technologies, Inc	10,577.00
<b>Stock</b>	
Option	1,500.00
Stock - Other	-1,947,038.00
<b>Total Stock</b>	<b>-1,945,538.00</b>
Stock Purchase	702,701.49
Loan - PTA	6,100.00
Hibernia Investment account	61,530.07
Treasury Stock	8,750.00
<b>Short Term Investments</b>	
MPH	-2,155.00
Short Term Investments - Other	550.14
<b>Total Short Term Investments</b>	<b>-1,604.86</b>
Petty cash	191,481.06
<b>Total Other Current Assets</b>	<b>-957,970.90</b>
<b>Total Current Assets</b>	<b>-938,276.65</b>
<b>Fixed Assets</b>	
<b>Equipment</b>	
Accumulated depreciation	-587.00
Equipment - Other	4,647.28
<b>Total Equipment</b>	<b>4,060.28</b>
Software	1,984.08
<b>Total Fixed Assets</b>	<b>6,044.36</b>

**Quantum Bit Induction Technology, Inc.**  
**Balance Sheet**  
 As of September 30, 2010

	Sep 30, 10
<b>Other Assets</b>	
Automobile	602.88
Real estate	30,728.89
Receivable - Investment	1,987.00
New Utopia Land	-2,100.00
<b>Total Other Assets</b>	31,218.77
<b>TOTAL ASSETS</b>	<b>-901,013.52</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	44,447.72
<b>Total Accounts Payable</b>	44,447.72
<b>Credit Cards</b>	
Amex (SA)	176.71
Citi	20,602.22
American Express	8,455.07
<b>Total Credit Cards</b>	29,234.00
<b>Other Current Liabilities</b>	
Loan - Bud Skillern	-500.00
Loan - Chad Reed2	45,200.00
Loan - Steve Skillern	500.00
Loan - MER	32,700.00
UGMA - Katie Gibson	10,300.00
Loan - Dell Gibson	4,478.83
loan - Tejas	6,480.00
Loan - Donna Skillern	7,200.00
Loan - Chris Hymel	331.00
Loan - Peter McCain	128,015.00
Payroll Taxes Payable	16,465.00
Accrued Interest	1,562.00
Accrued Payable	1,162.00
Loan- Ellis Gibson	130,429.86
Loan- Cyril A. Brandt	30,000.00
Loan- Mike Skillern	119,831.09
Loan- Other	2,750.00
<b>Total Other Current Liabilities</b>	536,904.78
<b>Total Current Liabilities</b>	610,586.50
<b>Total Liabilities</b>	610,586.50
<b>Equity</b>	
<b>Qbit Fund</b>	14,000.00
<b>Class B</b>	56,661.49
<b>504 offering</b>	362,500.00
<b>Offering 2003</b>	38,940.00
<b>Opening Bal Equity</b>	-18,488.06
<b>Common Stock</b>	
Warrants - 2008	4,125.00
Common Stock - Other	492,978.98
<b>Total Common Stock</b>	497,103.98
<b>Paid in Capital</b>	43,610.01
<b>Retained Earnings</b>	-8,416,950.44
<b>Net Income</b>	5,911,023.00
<b>Total Equity</b>	-1,511,600.02
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>-901,013.52</b>

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Accrual Basis

**Quantum Bit Induction Technology, Inc.**  
**Profit & Loss**  
**July through September 2010**

	<u>Jul - Sep 10</u>
Ordinary Income/Expense	
Income	
Return on Investment	-12,000.00
<b>Total Income</b>	<u>-12,000.00</u>
Expense	
Office Expenses	4,500.00
Compensation of Officers	-6,900,543.00
Professional Services	
Project work	1,400.00
Professional Services - Other	2,550.00
<b>Total Professional Services</b>	<u>3,950.00</u>
Rent	1,000.00
Telephone	
Cellular	570.00
<b>Total Telephone</b>	<u>570.00</u>
<b>Total Expense</b>	<u>-6,890,523.00</u>
<b>Net Ordinary Income</b>	<u>6,878,523.00</u>
<b>Net Income</b>	<u><u>6,878,523.00</u></u>

**Quantum Bit Induction Technology, Inc.**  
**Statement of Cash Flows**  
**July through September 2010**

	<u>Jul - Sep 10</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	6,878,523.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Stock Purchase	-600.00
Loan - Bud Skillern	-500.00
Loan - Steve Skillern	-500.00
Loan - Tom Neer2	-163,000.00
Loan - Donna Skillern	-1,000.00
Loan - Peter McCain	-2,282,285.00
Loan- Ellis Gibson	-2,328,132.00
Loan- Mike Skillern	-2,127,126.00
Net cash provided by Operating Activities	-24,620.00
<b>FINANCING ACTIVITIES</b>	
Qbit Fund	14,000.00
Net cash provided by Financing Activities	14,000.00
Net cash increase for period	-10,620.00
Cash at beginning of period	30,314.25
Cash at end of period	<u><u>19,694.25</u></u>

**Quantum Bit Induction Technology, Inc.**  
**Statement Of Shareholder's Equity**  
(unaudited)

	Sep 30, 2010	Jul 30, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Class B	\$56,661	\$56,661	\$56,661	\$56,661	\$50,361
Common Stock	\$880,056	\$880,056	\$880,056	\$880,056	\$799,226
Paid in Capital	\$43,610	\$43,610	\$43,610	\$30,110	\$25,110
Retained Earnings	<b>-\$8,416,950</b>	<b>-\$8,416,950</b>	<b>-\$4,448,554</b>	<b>-\$446,076</b>	<b>-\$88,655</b>
Net Income	\$5,911,023	<b>-\$967,500</b>	<b>-\$3,968,396</b>	<b>-\$4,002,479</b>	<b>-\$357,421</b>
<b>Total Equity</b>	<b>-\$1,511,600</b>	<b>-\$8,404,123</b>	<b>-\$7,436,623</b>	<b>-\$3,481,727</b>	<b>\$428,622</b>
Class B Outstanding	1,605,666	1,605,666	1,605,666	1,612,643	1,492,916
<b>Equity Per Class B Share</b>	<b>-\$0.47</b>	n/a	n/a	n/a	\$0.14
Common Shares Outstanding	2,500,000,000	2,500,000,000	2,500,000,000	1,100,668,801	32,367
<b>Equity Per Common Share</b>	<b>-\$0.0003</b>	<b>-\$0.0034</b>	<b>-\$0.0030</b>	<b>-\$0.0032</b>	\$6.62

**Notes to Financial Statements**

1. The Financial Statements were prepared from the Company's Quickbooks program by Management. Professional accountants were not used in preparing the reports.
2. Debt to officers is mostly accrued it does not reflect money paid.
3. Net Income in the August 20, 2010 column predominately reflects the negotiated reduction in debt to Officers, not money paid.
4. The Class B Stockholders do not have beneficial interest in the financial equity of the Company in the years marked "n/a" on the Statement of Shareholder's Equity.
  - (a) In 2007 and resuming in Q3 2010 The Company's financial equity was divided equally between the stock classes.
5. Class B Stockholders represent approximately 98% of the total stockholder vote.