

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

COMPANY INFORMATION AND DISCLOSURE STATEMENT
Annual Report December 31, 2010

PART A – General Company Information

Item 1 The Exact Name of the Issuer and its Predecessor

Quantum Bit Induction Technology, Inc. is the exact name of the company. The company is also referred to as “Quantum Bit” or “Q.B.I.T.”. The company's name has remained the same since inception.

Item II The Address of the Issuer’s Principal Executive Offices.

11152 Westheimer #118, Houston, Texas 77042
phone: 832-377-7149
email: qbitoffice@quantumbit.com
website: www.quantumbit.com

Item III The jurisdiction(s) and date of the issuer’s incorporation

Incorporated under the laws of the state of Nevada on January 28, 1999.

PART B – Share Structure

Item IV The exact title and class of securities outstanding

Common Capital Shares (hereinafter “Common” or “Common Stock”)
Ticker Symbol: “QBII”
CUSIP: 74765B-303
ISIN: US74765B-3033

Item V Par or stated value and description of the security.

A. Par or Stated Value

Common Stock \$0.001

B. Common or Preferred Stock

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

Each share of Common Stock is entitled to one vote on any matter brought before stockholders. Common Shares do not have preemption rights.

The Company filed an Amendment to Certificate of Designation on December 29, 2010 pursuant to a vote of Stockholders and the Board of Directors which converted all issued Class B Shares to Common Stock and discontinued further issuance of Class B stock.

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

The Company does not issue preferred stock.

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

The Common Shares own the net assets of the Company and the right to use technologies developed by the Company non-commercially.

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

The Board of Directors of the Company can amend the designation of securities by filing with Nevada Secretary of State which can change the votes per Class B Share and the authority to issue Class B Shares which is currently suspended. The Company foresees no way in which control of the Company can change except with the cooperation and consent of the Board of Directors. There are no provisions of the Company's charter or by-laws that would delay, defer, or prevent a change in control of the Company with the consent of the Board of Directors.

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

There are no provisions of the Company's charter or by-laws that would delay, defer, or prevent a change in control of the issuer.

Item VI - The number of shares or total amount of the securities outstanding for each class of securities authorized.

Class of Securities	Period Ending	Shares Authorized	Shares Outstanding	Tradable Shares / Public Float	Beneficial Owners	Shareholders of Record
Common Stock	December 31, 2010	2,500,000,000	1,842,333,000	1,120,978 (1)	586 (2)	271 (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	December 31, 2010	100,000,000	0	N/A	0	0
	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.

Part C Business Information

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

Nevada Agency and Transfer Company
50 West Liberty Street, Suite 880
Reno, Nevada 89501
Telephone (775) 322-0626
Fax (775) 322-5623
Transfer Agent e-mail: info@natco.org

The Transfer Agent is registered under the Exchange Act. The regulatory authority of the Transfer Agent is the Securities and Exchange Commission.

Item VIII The nature of the issuer's business.

A. Business Development:

The Company was incorporated in Nevada on January 28, 1999. The Company's founders are Peter McCain, Ellis Gibson, and Mike Skillern. All three have served on the Board of Directors of the Company since incorporating. The Company was founded to pursue the application of quantum control to the stochastic data of macro systems. The quantum induction of information is the technical mission of the Company giving rise to our name, Quantum Bit Induction Technology, Inc.. The Company has sold data services and electronic devices embodying our technology with limited financial success. The Company continues working toward marketable products using our technology.

The Company began trading publicly OTC in 2004. The Company became the limited partner of QBIT Investment Fund, LP by investing Common Shares ("QBII") on August 5, 2009. The Company's limited partnership interest provides cash flow to the Company with which we pursue perfecting our technology.

1. The Company is a Nevada corporation.
2. The Company was incorporated on January 28, 1999.
3. The Company's fiscal year end is December 31.
4. The Company has never sought any protection under bankruptcy laws, and has not been in receivership or any other similar proceeding.
5. The Company filed an Amendment to Certificate of Designation on December 29, 2010 pursuant to a vote of Stockholders and the Board of Directors which converted all issued Class B Shares to Common Stock and discontinued further issuance of Class B stock.
6. The Company has received no notice of default on any material indebtedness.
7. There has been no change in control since inception.
8. The Company became the limited partner of QBIT Investment Fund, LP by investing Common Shares ("QBII") on August 5, 2009.
9. The Company plans to reverse split its Common Shares in calendar 2011. The Company will announce implementation dates and the reverse split rate and terms through OTC Disclosure and News Service promptly after formalizing the policy.
10. The Company's securities have never been listed on the OTC Bulletin Board or any securities exchange and thus have never been delisted.
11. There are no past, pending or threatened legal proceeding or administrative actions by or against the issuer.

B. Business of Issuer.

The Company has built analog negative group delay electronic circuits. These circuits produce output data in advance of the input. In a sense, the circuits send a signal backwards in time. The circuits are not well understood and finicky. Our best time advance generated by the circuits thus far is roughly half a second. The analog devices could not be cascaded effectively. We are working to embody improved negative group delay circuitry in digital signal processors

which we believe will produce larger time dilations and will permit cascading. The Company attempted to sell hobbyist versions of our earlier analog NGD devices with insignificant success. The Company plans to incorporate our devices in products that eliminate electronic communications and processing delays, forecast news, markets, and other information. The Company may sell or use data that has been processed with our devices for profit.

The Company is working to build a device that releases and converts nuclear fusion energy from hydrogen in water. The Company is also developing technologies in wireless power and quantum control of macroscopic systems.

1. The primary SIC code of the Company is 8731 - Commercial physical research.
2. The Company is an operating company and currently conducting operations.
3. The Company is not a "shell company," as defined by Rule 405 under the Securities Act of 1933, as amended, and based in part upon representations received from management, we believe that it has never been a shell company.
4. The Company has no parent or subsidiaries. The members of the Board of Directors are the only affiliates, as defined by SEC law and Nevada corporate law, of the Company.
5. The Company knows of no special effects laws, regulations, or rules have on their business at present. Productizing technology and complying with rules for communications and energy device products can requires significant time and expense. Using technologies for profit without selling them as products is more economical and unfettered with surplus regulation.
6. Research and development expense is estimated to have been ~\$250,000 and \$150,000 for 2008 and 2009, respectively.
7. Environmental laws do not effect the Company's business.
8. The Company has 3 full time employees, 3 part time employees, and approximately 9 technical vendors and contract consultants.

Item IX The nature of products or services offered.

A. principal products or services, and their markets:

The Company sells analog negative group delay electronics for hobbyists and experimenters. The Company also sells website hosting, maintenance, and email services. The Company sells negative group delayed data feed subscription. The Company is working toward other products but this section pertains to what is currently sold by the Company. None of the foregoing is generating significant revenue.

B. distribution methods of the products or services;

We primarily distribute our products and services through marketing partners, website and through direct marketing to target clients.

C. status of any publicly announced new product or service;

The Company has not announced any new products or services.

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

The Company faces competition from Universities and large corporations whose development interests include our work areas. We also face competition from government laboratories. Typically, our competition is more experienced, well equipped, well financed, better able to compete in developing product from the technologies emerging from quantum control, negative group delay, and resonant stoichiometry control in nuclear fusion reactions. Every advantage should be counted to our competitors and there are numerous workers in our work areas. We believe we are more creative than our competition in the use, application, and development direction than our competitors.

E. sources and availability of raw materials and the names of principal suppliers;

The raw materials and components needed in our work are copious and available from numerous suppliers.

F. dependence on one or a few major customers;

We are not reliant upon one or few major customers

G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

We protect our intellectual property rights through a combination of trademark, patent, copyright and trade secrets laws. In order to limit access to and disclosure of our proprietary information, all of our employees and consultants have signed agreements which address confidentiality. We cannot provide assurance that the steps we have taken to protect our intellectual property rights, however, will deter adequately infringement or misappropriation of those rights.

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

The Company will likely need to obtain FCC approval to sell a negative group delay communications module and for practical reasons comply with IEEE's standards. A negative group delay module used for forecasting will likely not need either approval.

The Company will likely need DOE and possibly NRC approval to sell a water fusion device, depending on latent and operating radiation levels. Individual state approvals may be required to sell the device. The Company will likely not need the foregoing approvals to operate its fusion devices, again depending on latent and operating radiation levels.

Ordinary business licenses are required of the Company.

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

Our corporate office is a ~1,000 square foot facility with quality internet connections. We conduct develop work from a separate facility which is slightly smaller than the corporate office. Most of our project vendors and consultants have their own facilities.

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.

Officers and Directors

Mike Skillern, President, Director. Mr. Skillern has served as President and Director since 1999. Prior to co-founding the Company Mr. Skillern co-founded Cryogenic Solutions, Inc. and served as its President and Director. That company changed its name Cytogenix, Inc. Cytogenix created a DNA virus that would produce a programmable sequence of oligonucleotides. Mr. Skillern was instrumental in developing that technology and intellectual property. The product was purchased by molecular biology researchers at the US Army, Yale, Harvard, and Princeton Universities. Mr. Skillern is a driving force behind Quantum Bit's application of quantum control techniques to macrosystems, negative group delay, and fusion energy.

Pete McCain, Secretary, Director. Mr. McCain has served as Secretary and Director since 1999. Mr. McCain has operated Telegraphics, a graphics design firm since 1985. Mr. McCain employed Mr. Skillern roughly twenty years ago and the two have remained friends since. Mr. McCain and Mr. Skillern had worked on quantum control applied to the many worlds interpretation of quantum mechanics for five years prior to founding Quantum Bit. Mr. McCain is a technically savvy, well studied, and wise force behind the Company.

Ellis Gibson, Treasurer, Director. Mr. Gibson has served as Treasurer and Director since 1999. Mr. Gibson is a former employee of Cytogenix and the son of Dell Gibson who co-founded Cytogenix with Skillern. Ellis Gibson became friends with McCain and Skillern while working at Cytogenix and learned of their work in quantum control. Gibson later co-founded Quantum Bit with Skillern and McCain. Mr. Gibson is technically savvy, well studied, and a stabilizing force within the company.

Manuel Gonzalez, Director. Mr. Gonzalez was elected to the Company's Board of Directors in November of 2010. Mr. Gonzalez is a licensed stock broker and formally educated engineer. Mr. Gonzalez became interested in the Company's work over the course of 2009 and 2010 and was recruited by the Board of Directors to help champion the Company's cause.

(1) Full Name	Michael Don Skillern	Peter Kevin McCain	Ellis Geoffrey Gibson	Manuel Gonzalez
(2) Business Address	11152 Westheimer #118 Houston, TX 7704	11152 Westheimer #118 Houston, TX 7704	11152 Westheimer #118 Houston, TX 7704	11152 Westheimer #118 Houston, TX 7704
(3)Employment History	See above	See above	See above	See above
(4)Board Memberships and Affiliations	None	None	none	none
(5)Compensation by Issuer	\$90k / yr *	\$90k / yr *	\$90k / yr *	\$300 / meeting *
(6)Beneficial Ownership				
Common Shares	377,726,000	207,390,000	239,749,000	50,050,000

* This amount is accrued until money is available to pay.

B. Legal/Disciplinary History:

None of the foregoing officers or directors of the Company have 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);
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;
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
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.

C. Disclosure of Family Relationships

None of the officers or directors of the Company nor owners of 5% or more of any class of the Company's securities are related.

D. Disclosure of Related Party Transactions

On or about July 10, 2010 the Company settled \$6,023,043 in accumulated debt to Pete McCain, Mike Skillern, and Ellis Gibson. The Company conveyed 500,000 common shares of Symmetry Technologies, Inc., 2,000 Quantum Bit Induction Technology, Inc. Class B shares, and nominal shares of other private startups to Skillern, McCain, and Gibson.

E. Disclosure of Conflicts of Interest.

To the knowledge of the Company, there are no material conflicts of interests between the Company and the executive officers and directors of the Company.

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

The following financial statements for the Company for the year ending December 31, 2010 have been posted under the "Financials" tab for the Company through the OTC Disclosure and News Service and are incorporated herein by reference:

1. Balance Sheet as of December 31, 2010;
2. Statement of Income for the year ending December 31, 2010;
3. Statement of Changes in Stockholders' Equity for the year ending December 31, 2010;
4. Statement of Cash Flows for the year ending December 31, 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 XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The following financial statements for the Company for the years ending December 31, 2008 and 2009 have been posted under the "Financials" tab for the Company through the OTC Disclosure and News Service and are incorporated herein by reference:

1. Balance Sheets for the years ending December 31, 2008 and 2009;
2. Statement of Income for the years ending 2008 and 2009;
3. Statement of Changes in Stockholders' Equity for the years ending 2008 and 2009;
4. Statement of Cash Flows for the years ending 2008 and 2009;
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 XIV Beneficial Owners..

The Company currently has 1,842,333,000 Common Shares ("QBII") issued and outstanding. Persons owning in excess of 92,116,650 Common Shares are considered to be owners of more than five percent (5%) of the Company's Common Shares. Shareholders owning five percent (5%) or more are;

Shareholder	Address	Common Shares	Percentage
Mike Skillern	11152 Westheimer #118 Houston, TX 77042	377,726,000	20.50%
Pete McCain	11152 Westheimer #118 Houston, TX 77042	207,390,000	11.26%
Ellis Gibson	11152 Westheimer #118 Houston, TX 77042	239,749,000	13.01%
Manuel Gonzalez	11152 Westheimer #118 Houston, TX 77042	50,050,000	2.72%
QBIT Investment Fund, LP.	16422 Stuebner Airline, # 747 Spring, Texas 77379	180,201,662	9.78%

Item XV 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:

1. Investment Banker - Not applicable as of the date hereof.
2. Promoters - Not applicable as of the date hereof.
3. Counsel - Jonathan F. Elliston, Ph.D, J.D.,
564 Wilcrest Dr., Houston, Texas 77042.
Phone, 281-989-2231. Email, jfelliston@sbcglobal.net.
4. Accountant and Auditor - Not applicable as of the date hereof.
5. Public Relations Consultants - Not applicable as of the date hereof.
6. Investor Relations Consultants - Not applicable as of the date hereof.
7. Other Advisers - Not applicable as of the date hereof.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 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 a resonant multiplate 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 six within a year.

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

The Company did not have operating revenue during the previous two fiscal years.

C. Off-Balance Sheet Arrangements.

We currently have no off-balance sheet arrangements.

Part E Issuance History

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

The Company has not conducted any securities offerings or issued any shares for services in the past two years.

Part F Exhibits

Item XVIII Material contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through the OTC Disclosure and 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 statement, 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;**

Not applicable

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;

The Limited Partnership Agreement of QBIT Investment Fund, LP is a critical component of the issuer's business. QBIT Investment Fund, LP works to invest its assets in capital preserving or appreciating investments that produce positive cash flow for QBIT Investment Fund, LP and its partners. The Company has no vote or control whatsoever in the business, operation, or management of QBIT Investment Fund, LP.

2. **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**

There are no existing or pending contracts for the purchase or sale of any property, plant or equipment exceeding 15 % of the Companies Assets

3. Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

Not applicable

Item XIX Articles of Incorporation and Bylaws.

The Articles of Incorporation (dated January 28, 1999), all Amendments, and Certificates of Designation of Securities of the Company have been posted as "Articles of Incorporation" under the "Financials" tab for the Company through the OTC Disclosure and News Service and are incorporated herein by reference.

The Bylaws of the Company have been posted as "Bylaws" under the "Financials" tab for Company through the OTC Disclosure and News Service and are incorporated herein by reference.

Item XX Purchases of equity securities by the issuer and affiliated purchasers.

We have not made any purchases of our own securities, directly or indirectly, through an affiliate or otherwise in the previous two years.

Item XXI Issuer's certifications.

I, Mike Skillern, certify that:

1. I have reviewed this Initial 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.

December 31, 2010

/s/ Mike Skillern

Mike Skillern
President & Director

Quantum Bit Induction Technology, Inc.
Summary Balance Sheet
As of December 31, 2010

	<u>Dec 31, 10</u>
ASSETS	
Current Assets	
Checking/Savings	6,824.25
Other Current Assets	990,809.10
Total Current Assets	<u>997,633.35</u>
Fixed Assets	6,044.36
Other Assets	31,218.77
TOTAL ASSETS	<u><u>1,034,896.48</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	44,447.72
Credit Cards	29,234.00
Other Current Liabilities	9,484,727.78
Total Current Liabilities	<u>9,558,409.50</u>
Total Liabilities	9,558,409.50
Equity	<u>-8,523,513.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,034,896.48</u></u>

Quantum Bit Induction Technology, Inc.
Profit & Loss
January through December 2010

	<u>Jan - Dec 10</u>
Ordinary Income/Expense	
Income	
Return on Investment	-20,000.00
Total Income	-20,000.00
Expense	
Development	1,300.00
Office Expenses	13,500.00
Compensation of Officers	997,500.00
Director's Fees	67,500.00
Professional Services	
Project work	1,400.00
Professional Services - Other	2,550.00
Total Professional Services	3,950.00
Rent	2,000.00
Telephone	
Cellular	1,140.00
Total Telephone	1,140.00
Total Expense	1,086,890.00
Net Ordinary Income	-1,106,890.00
Net Income	<u><u>-1,106,890.00</u></u>

Quantum Bit Induction Technology, Inc.
Statement of Cash Flows
 January through December 2010

	Jan - Dec 10
OPERATING ACTIVITIES	
Net Income	-1,106,890.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Stock	-1,948,780.00
Stock Purchase	-600.00
Loan - Bud Skillern	500.00
Loan - Steve Skillern	-500.00
Loan - Tom Neer2	69,500.00
UGMA - Katie Gibson	4,700.00
Loan - Dell Gibson	3,760.00
loan - Tejas	7,520.00
Loan - Donna Skillern	17,800.00
Loan - Peter McCain	901,500.00
Loan- Ellis Gibson	916,500.00
Loan- Mike Skillern	1,091,500.00
Net cash provided by Operating Activities	-43,490.00
FINANCING ACTIVITIES	
Qbit Fund	20,000.00
Net cash provided by Financing Activities	20,000.00
Net cash increase for period	-23,490.00
Cash at beginning of period	30,314.25
Cash at end of period	6,824.25

Shareholder Equity

	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Class B	\$0	\$56,661	\$56,661	\$50,361
Common Stock	\$936,717	\$880,056	\$880,056	\$799,226
Paid in Capital	\$63,610	\$43,610	\$30,110	\$25,110
Retained Earnings	-\$8,416,950	-\$4,448,554	-\$446,076	-\$88,655
Net Income	-\$1,106,890	-\$3,968,396	-\$4,002,479	-\$357,421
Total Equity	-\$8,543,513	-\$7,436,623	-\$3,481,727	\$428,622
Class B Outstanding	0	1,605,666	1,612,643	1,492,916
Equity Per Class B Share	n/a	n/a	n/a	\$0.14
Common Shares Outstanding	1,842,333,000	2,500,000,000	1,100,668,801	32,367
Equity Per Common Share	-\$0.0046	-\$0.0030	-\$0.0032	\$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.