

Quantum Bit Induction Technology, Inc.
Balance Sheet
 As of August 20, 2010

	Aug 20, 10
ASSETS	
Current Assets	
Checking/Savings	
Bank of Texas	
-checking	925.24
Total Bank of Texas	925.24
Wells Fargo	
-secretary	8.00
-president	3,210.00
-treasurer	8.00
-corporate	28.00
Total Wells Fargo	3,254.00
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
Capital OneBank	
- Secretary	2.19
- Operations	17.21
- Savings	78.08
- LOC	4,102.25
- President	11.87
- Shop	0.69
Total Capital OneBank	4,212.29
Hibernia - DBA - PTA	3,770.15
Paypal	-3,167.43
Wein Securities	250.00
Etrade - cash	9,350.00
Total Checking/Savings	30,314.25
Other Current Assets	
Loan - MPH	8,032.34
Symmetry Technologies, Inc	10,577.00
Stock	
Option	1,500.00
Stock - Other	-1,947,038.00
Total Stock	-1,945,538.00
Stock Purchase	702,101.49
Loan - PTA	6,100.00
Hibernia Investment account	61,530.07
Treasury Stock	8,750.00
Short Term Investments	
MPH	-2,155.00
Short Term Investments - Other	550.14
Total Short Term Investments	-1,604.86
Petty cash	191,481.06
Total Other Current Assets	-958,570.90
Total Current Assets	-928,256.65
Fixed Assets	
Equipment	
Accumulated depreciation	-587.00
Equipment - Other	4,647.28
Total Equipment	4,060.28
Software	1,984.08
Total Fixed Assets	6,044.36

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Other Assets	
Automobile	602.88
Real estate	30,728.89
Receivable - Investment	1,987.00
New Utopia Land	-2,100.00
Total Other Assets	31,218.77
TOTAL ASSETS	-890,993.52
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	44,447.72
Total Accounts Payable	44,447.72
Credit Cards	
Amex (SA)	176.71
Citi	20,602.22
American Express	8,455.07
Total Credit Cards	29,234.00
Other Current Liabilities	
Loan - Chad Reed2	45,200.00
Loan - Steve Skillern	1,000.00
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	8,200.00
Loan - Chris Hymel	331.00
Loan - Peter McCain	120,515.00
Payroll Taxes Payable	16,465.00
Accured Interest	1,562.00
Accured Payable	1,162.00
Loan- Ellis Gibson	122,929.86
Loan- Cyril A. Brandt	30,000.00
Loan- Mike Skillern	112,331.09
Loan- Other	2,750.00
Total Other Current Liabilities	516,404.78
Total Current Liabilities	590,086.50
Total Liabilities	590,086.50
Equity	
Class B	56,661.49
504 offering	362,500.00
Offering 2003	38,940.00
Opening Bal Equity	-18,488.06
Common Stock	
Warrants - 2008	4,125.00
Common Stock - Other	492,978.98
Total Common Stock	497,103.98
Paid in Capital	43,610.01
Retained Earnings	-8,416,950.44
Net Income	5,955,543.00
Total Equity	-1,481,080.02
TOTAL LIABILITIES & EQUITY	-890,993.52

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Accrual Basis

Quantum Bit Induction Technology, Inc.
Profit & Loss
January 1 through August 20, 2010

	<u>Jan 1 - Aug 20, 10</u>
Ordinary Income/Expense	
Expense	
Compensation of Officers	-6,023,043.00
Director's Fees	67,500.00
Total Expense	<u>-5,955,543.00</u>
Net Ordinary Income	<u>5,955,543.00</u>
Net Income	<u><u>5,955,543.00</u></u>

Quantum Bit Induction Technology, Inc.
Statement of Cash Flows
January 1 through August 20, 2010

	<u>Jan 1 - Aug 20, 10</u>
OPERATING ACTIVITIES	
Net Income	5,955,543.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Loan - Tom Neer2	-140,500.00
Loan - Peter McCain	-1,989,785.00
Loan- Ellis Gibson	-2,013,132.00
Loan- Mike Skillern	-1,812,126.00
Net cash provided by Operating Activities	<u>0.00</u>
Net cash increase for period	0.00
Cash at beginning of period	30,314.25
Cash at end of period	<u><u>30,314.25</u></u>

Debt to officers is mostly accrued it does not reflect money paid.

Net Income predominately reflects the negotiated reduction in debt to Officers, not money paid.

Common Stock Outstanding

August 16, 2010: 2,500,000,000

Class B Outstanding

August 16, 2010: 1,605,666