Revolutionary Concepts Inc
Form 10-K
April 16, 2012

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

x	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

Or

	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 000-53674

REVOLUTIONARY CONCEPTS, INC.

(Exact name of Registrant as specified in its charter)

Nevada	7382	27-0094868
(State or other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Revolutionary Concepts, Inc.

13850 Ballantyne Corporate Place, Suite 500

Charlotte, NC 28277

980-225-5376

(Address and telephone number of principal executive offices and principal place of business)

Ron Carter, President

Revolutionary Concepts, Inc.

13850 Ballantyne Corporate Place, Suite 500

Charlotte, NC 28277

980-225-5376

(Name, address and telephone number of agent for service)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Names of each exchange on which registered
Common Stock, par value $0.001 per share	Pinksheets OTCQB

(Title of Class)
None

Securities registered pursuant to section 12(g) of the Act:

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes £ No S

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes £ No S

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes S No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes £ No S

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this form 10-K. £

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2of the Exchange Act. (Check one):

Large accelerated filer £	Accelerated filer £	Non-accelerated filer £ (Do not check if a smaller reporting company)	Smaller reporting company S

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes £ No S

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter. Solely for purposes of the foregoing calculation, all of the registrant’s directors and officers are deemed to be affiliates. This determination of affiliate status for this purpose does not reflect a determination that any persons are affiliates for any other purposes. $3,621,319

State the number of shares outstanding of each of the issuer’s classes of equity securities, as of the latest practicable date: At April 9, 2012, there were 105,132,501 shares of Common Stock, $0.001 par value per share issued and outstanding

Documents Incorporated By Reference

None

(1)

Table of Contents

TABLE OF CONTENTS

(2)

Table of Contents

Special Note Regarding Forward-Looking Statements

Some of our statements under "Business," "Properties," "Legal Proceedings," "Management's Discussion and Analysis of Financial Condition and Results of Operations,"" the Notes to Financial Statements and elsewhere in this report constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are subject to certain events, risks and uncertainties that may be outside our control. Some of these forward-looking statements include statements of:

- management's plans, objectives and budgets for its future operations and future economic performance;
- capital budget and future capital requirements;
- meeting future capital needs;
- realization of any deferred tax assets;
- the level of future expenditures;
- impact of recent accounting pronouncements;

- the outcome of regulatory and litigation matters;
- the assumptions described in this report underlying such forward-looking statements; and
- Actual results and developments may materially differ from those expressed in or implied by such statements due to a number of factors, including:
  - those described in the context of such forward-looking statements;
  - future product development and manufacturing costs;
  - changes in our incentive plans;
  - timely development and acceptance of new products;
  - the markets of our domestic and international operations;
  - the impact of competitive products and pricing;
  - the political, social and economic climate in which we conduct operations; and
  - the risk factors described in other documents and reports filed with the Securities and Exchange Commission.

In some cases, forward-looking statements are identified by terminology such as "may," "will," "should," "could," "would," "expects," "plans," "intends," "anticipates," "believes," "estimates," "approximates," "predicts," "potential" or "continue" or the negative of such terms and other comparable terminology.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor anyone else assumes responsibility for the accuracy and completeness of such statements and is under no duty to update any of the forward-looking statements after the date of this report.

Unless otherwise noted, references in this Form 10-K to “Revolutionary Concepts”, “RCI”, “we”, “us”, “our”, and the “Compa
means Revolutionary Concepts, Inc., a Nevada corporation.

(3)

Table of Contents

PART I

Item 1. Business

The Company is a development stage company positioned to begin launch and license of its patented technologies in 2012. The Company was incorporated as a Nevada corporation on February 28, 2005 to reincorporate and re-domesticate two existing North Carolina entities; Revolutionary Concepts, Inc. and DVMS, LLC. The Company in engaged in the development of smart camera technologies that interface with smart handheld devices enabling remote monitoring.

The Company's efforts to date have been devoted to securing the intellectual framework around several key technologies and applications related to remote video monitoring. Advances in wireless technologies combined with increased data speed rates permits a very sophisticated and new means of monitoring, security and entry management.

The company has branded is new smart technology "EyeTalk®". EyeTalk® is a first generation smart camera technology that allows interactive two-way communication between a smart phone and other handheld device.

Unlike many IP cameras that simply produce and transmit an image, the EyeTalk® smart camera technology has embedded capabilities that distinguish it as a significant technological advancement over traditional camera systems.

In July of 2011, Revolutionary Concepts engaged SIS Development Inc. to direct the development of this state of the art system. SIS Development, Inc. offers highly specialized, wing-to-wing commercial OEM product development services. SIS Development has an extensive track record of high volume product and software successes in Fortune 100 and startup environments alike. The initial product launch will be in the entry management space for both residential and commercial uses, with a medical application as an immediate spin-off.

The company currently holds two (2) patents, and expects to have a total of seven (7) by midyear 2012. The five (5) pending patents will fortify the claims of the initial patent award and position Revolutionary Concepts as a key player in the wireless camera space. The company plans to implement a variety of commercialization strategies ranging from development to licensing to generate revenue and to capitalize on the opportunities made possible by the wave of new wireless products in the market place.

The Company has funded product development through three private offerings in 2005, 2007 and 2009. The Company also borrowed $307,500 from four non-related parties at 4% interest to fund ongoing operations, and new patent applications. These promissory notes began to become due in October 2008 and were repaid in November 2008 by issuing 630,811 shares of restricted common stock from authorized shares.

In July and August 2009, the Company issued two notes payable in the total amount of $20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, the Company Board of Directors agreed to guarantee a personal loan to the President of the Company, Mr. Ron Carter of $75,000 with interest of 10%, by a shareholder. On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was $100,996, plus interest at 8% and legal costs. On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4th day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is $144,066.76 including interest, of which the Company has received a promissory note from Mr. Carter for $112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

In July 2010, the Company partnered with US Financial and Rainco Industries to consult in Investor Relations, introduction to institutional investors, assist with Mergers and Acquisitions, and to help develop a strategy to fund its growth As a result of this partnership, the Company has resolved additional debt obligations, is now trading on both the US and Frankfurt stock exchanges and is also now listed with Standards and Poors. In November 2011, the company terminated its association with US Financial only and retained the relationship with Rainco Industries.

(4)

Table of Contents

Our Company's Capital Structure

In its efforts to grow and expand the Company, management must obtain the necessary capital to achieve those objectives, decide on the best methods to obtain that capital, and the capital structure of the Company. The primary ways a company will raise capital is either through debt financing (borrowing money), or equity financing (selling a portion of the company via shares of stock) or a combination of both. The type of capital chosen (debt or equity), and methods of raising the capital depend on a number of factors including; the company's life cycle stage, e.g., start-up, development, high-growth or maturity, future growth prospects, strength of the national economy and the credit markets.

Potential investors in any company, including ours will consider those factors and the relative risks to their investment capital. To limit their risks, these investors may limit the size of their investment, or provide it to the company in stages, that is contingent upon the company reaching stated goals e.g., production, marketing, distribution and revenues. The ultimate question for management is; how do you get the investors to commit to making what could be a high risk investment for them, although one that would correspondingly benefit the Company, however one that the investor could lose if the Company were to fail. Management considered both the equity and the debt financing options based on the Company's life cycle stage, economy, credit markets and other circumstances at the time, and reached the following conclusions;

Equity Financing - Management decided not to raise additional capital through an equity offering in its initial start-up and development stage for a variety of reasons;

(1) The Company would have had to go through the process of filing a registration statement e.g. S-1 with the SEC, which would have been very difficult to have received approved and would have been very time consuming, given our situation at that time.

(2) The direct and indirect flotation costs of the issuance of an equity capital raise could have run $250,000 or more, and the Company did not have those funds available.

(3) It would have been very difficult to get an investment banker to underwrite a new issuance for a development stage company with a limited operating history and revenues.

(4) Many investors did not want to take an equity position in the Company at that time and the corresponding risks of ownership.

(5) The issuance of equity to these investors, after resolving the potential regulatory hurdles, legal issues, time constraints, and costs would have resulted in immediate dilution for the other shareholders, giving them only limited hopes that value would be created.

Therefore, due to the above stated reasons, the economic climate and the Company's circumstances at that time, management elected not to pursue raising capital through an equity offering at that time.

Debt Financing **–** Management elected to raise capital for the Company through debt financing for the following reasons;

(1) Due to the Companies need for further development of our patents, it had immediate and continuous need for capital.

(2) The investors were more willing to invest funds more expeditiously, and take a creditor's position instead of that as an owner by taking an equity position.

(3) With those immediately available funds, management could continue to develop our technology and create short-term economic value to the Company by contracting with various vendors for work, prior to any equity dilution taking place.

(4) The investors were issued Promissory Notes that were unsecured without any collateral (taking a high risk), except as called for in the agreements.

(5) The Notes required no monthly payments which allowed us to use that free cash flow for operating expenses, reduced our cash outlays, interest payments and improve our budget, plans and forecast our cash flow.

(6) The investors received the potential upside of conversion of the Notes into equity while protecting our downside with the use of the cash flow.

(7) Should the investors decide to convert the Notes into common stock, then the Company's debt would be eliminated from its balance sheet.

(8) The tax benefits of debt financing is that it's less expensive, while the Company is taxed on earnings, it is not generally taxed on borrowed money and the interest on the Notes is tax deductible.

(9) Since the investors does not have any equity interests, it has no voting rights or other control over the management of the Company, its operations and no claim to its future earnings.

(10) If the Company ever suffers a negative financial situation, it is much easier to re-negotiate the terms of the Notes with the individual investors than with a bank, or a group of investors through an equity or bond offering.

Based on the reasons above, and since the Company required immediate capital to rapidly expand, grow, restructure its operations, continue development. finance potential acquisitions and execute its marketing plans; raising capital through debt financing was our best alternative. This strategy resulted in our expanding on our technology patents; thereby, increasing our potential assets, market capitalization value and our shareholders owning a portion of a much larger and more valuable company. As the Company continues to advance and develop through the different stages of its business life cycle, management will evaluate options, alternatives, and make strategic decisions for the best investment opportunities, financing and capital structure at that time.

(5)

Table of Contents

Introduction to the EyeTalk® Communicator

The Company has invested in the IP for several commanding communications concepts enabling remote monitoring and efficient and effective security. The brand established for the company's IP is "EyeTalk® ".EyeTalk® will provide users the ability to remotely and interactively monitor, manage and communicate through a smart camera designed to interface with IPhone, Androids and other smart handheld devices.

EyeTalk® represents a new generation of camera technology with capabilities never considered before now. Embedded processors and software give EyeTalk® a very versatile platform to operate upon unlike any camera designed to date. Smart camera technology is cutting edge and unprecedented. It possibilities are limited by imagination alone.

EyeTalk® is primarily a smart camera technology supported by a software platform with a hardware component of an external unit deployed at a chosen location. The system's embedded processor facilitates communication between the camera and the person triggering its activation and/or the designated users of the system. The smart capabilities of the system allow for a live exchange between the end users and the person that triggered the camera or the camera will independently manage and activation on its own. Interface with the EyeTalk® system may be achieved via an IPhone, Android, Personal Data Assistant (PDA), Handheld Computer (HC), Smart phone, or other compatible device. The EyeTalk® software platform will be able to interface with many new smart devices flooding the market place today.

Current solutions for home security provide very marginal results and in many cases are ineffective and present a tremendous burden to municipalities because of the extremely high rate of false alarms. The EyeTalk® system utilizes smart technology to synergistically improve communication, security, convenience, messaging, and manage deliveries and guest. As a by-product, the system also supports the need for verification of emergency situations that now cripple many municipalities across the nation burdened with the incidence of false alarms. The EyeTalk® system provides a means of owner verification prior to the triggering of an alarm.

Advances in wireless technology make it possible now to not only view events in and around a location, but also to record and/or initiate other actions that will serve as a better solution to entry management and security. Revolutionary Concepts has invested heavily in this area over the years and the returns on the company's investment are coming to bear. Four additional patents related to the EyeTalk® technology are anticipated by June 2012 providing additional strength to the current IP and very broad coverage in the use of wireless camera technology.

Another major application for the EyeTalk® technology will address the growing need to monitor the elderly and aging population. Features of the EyeTalk® smart camera technology not found in basic IP cameras will allow advanced monitoring capabilities and address a significant demand on the horizon as baby boomers become seniors. Also, as a medical application, the EyeTalk® technology provides remote monitoring of patients and family members. The system incorporates fall prevention technology and offers a remote fall detection technology.

Additionally, the ability to visit loved ones who may be hospitalized many miles away will be another feature of the EyeTalk® system.

Additional patents are pending that offer very attractive and effective solutions for entry management in schools, universities, institutions, government buildings and other facilities requiring entry screening.

EyeTalk® is a brand that will establish itself as an industry leader as Revolutionary Concepts integrates its unique portfolio of technical solutions into the market place. The seeds that were planted over the years are coming to harvest and the alignment with wireless advances is almost perfect.

(6)

Table of Contents

Preemption, Prevention and Protection –

Why EyeTalk®? EyeTalk® is a disruptive technology. It will cause a shift in an industry, it will change the way entry management is provided, it will cause a change in the way we approach security, it will offer capabilities like never before, and it will be efficient, effective and appropriate. Unlike systems in the market place that are responsive and reactive such as alarms that sound when there is a break-in or systems that monitor your home from the inside, EyeTalk® is designed to be preemptive, preventative and protective, by providing detailed information to the owner the moment someone is on a property. A better solution is one that begins before a break in or an invasion. The ability to address a situation before it takes place is a much better solution. The ability to engage a person, to alert a person that their presence is acknowledged, and to verify a potential emergency before an event occurs is within EyeTalk®s capabilities. The EyeTalk® systems are triggered and activated by an array of inputs such as motion, biometric sensors, metal detection underground fiber optic sensors, etc. When the system is activated by a trigger, it is programmed to provide standard greetings, directives, commands, etc.. The EyeTalk® can then notify designated personnel of the triggering event, sending images of the current situation and permitting audible responses.

The smart camera feature enables the system to talk independently and future generations of the technology will be equipped with voice recognition, a feature some would call artificial intelligence.... we would like to refer to it as real intelligence.

Another key feature of the technology is that it will serve as a crime deterrent via the video evidence EyeTalk® produces. The value of video in legal proceedings will help support prosecutions and crime reduction.

EyeTalk® is a very versatile technology and its offerings are very broad and comprehensive as an entry management device. From monitoring children arriving home safely from school, to verifying and receiving deliveries, to responding to service appointments, etc. etc. etc. the EyeTalk® technology represents a leap forward in the way we manage a variety of day to day activities.

The Company management expects to compete by emphasizing the unique aspects of the EyeTalk® technology in marketing directly to distributors and end users. The Company also intends to compete by direct contact with larger end users such as hospitals, banks, and government agencies concerned with homeland security.

As with many development stage companies, the Company is currently considered to be in unsound financial condition. Our Auditor has expressed substantial doubt about our ability to continue as a going concern. Persons should not invest unless they can afford to lose their entire investments. The Company currently has a negative net worth, extremely limited cash and had net losses $(912,479) at December 31, 2010 and $(1,767,337) at December 31, 2011. We had accumulated deficits to our stockholder's equity of $(2,814,046) and $(4,581,383) for the years ended 2010 and 2011 respectively. Further, it may incur significant losses through 2012 and beyond, as it further develops and attempts to commercialize the remote network camera video system.

As of December 31, 2011, the Company had 71,281,189 shares of its common stock issued and outstanding.

Corporate Information and History

The Company was founded in 2004 as Revolutionary Concepts, Inc., a North Carolina corporation and its subsidiary, D.V. M. S., LLC for the purpose of developing a network camera video device. The Company reincorporated in Nevada in February 2005 as Revolutionary Concepts, Inc. to re-domicile the North Carolina corporation to a Nevada corporation by the same name.

Our principal executive offices are located at 13850 Ballantyne Corporate Place, Suite 500, Charlotte, NC 28277. The Company's telephone number is 980-225-5376. The President of the Company is Ronald Carter. The Company maintains a corporate website at www.revolutionaryconceptsinc.com. The contents of our website are not part of this annual report and should not be relied upon with respect to the annual report or incorporated by reference.

To date, our efforts have been largely devoted to developing the Company's corporate structure, supporting investor relations and seeking patent protection around verticals of the core system. The Company is currently focused on the development stage now that the supporting technologies for the EyeTalk® system have emerged. The Company management hopes, but cannot guarantee, to release its remote network camera video system into the general marketplace in late 2012. The wireless infrastructure, the bandwidth necessary for seamless video transmission, the emerging number of smart devices to fully support the EyeTalk® technology are essentially in place.

Table of Contents

Item 1A. RISK FACTORS

THE COMPANY CANNOT ASSURE THAT IT WILL EVER GENERATE SIGNIFICANT REVENUES, DEVELOP OPERATIONS, OR MAKE A PROFIT. ITS INDEPENDENT AUDITORS HAVE NOTED THAT THERE IS SUBSTANTIAL DOUBT ABOUT THE ABILITY TO CONTINUE AS A GOING CONCERN.

The Company's independent auditors have noted that there is substantial doubt that it can continue as a going concern. As reflected in our financial statements the Company has had cumulative operating losses. The Company currently has a negative net worth, extremely limited cash and had net losses $(912,479) at December 31, 2010 and $(1,767,337) at December 31, 2011. We had accumulated deficits to our stockholder's equity of $(2,814,046) and $(4,581,383) for the years ended 2010 and 2011 respectively. Management expects the losses to continue, thereby requiring addition capital, some of which may be generated from this offering. There can be no assurance that our plans will be successful. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

OUR OFFICERS HAVE RECEIVED LOANS THAT MAY HAVE TO BE EXPENSED AND WHICH MAY CREATE CERTAIN TAX OBLIGATIONS.

From our date of incorporation, February 2005, through the date of this filing, the officers of the Company have not taken salaries but have taken advances from the Company, some of which have been repaid. The Company has booked these loans to shareholders as unpaid capital contributions on the balance sheet. As of December 31, 2010, the Company had loans to shareholders of approximately $121,952 to its officers and directors. As of December 31, 2011, the outstanding loans to the officers and directors were $80,345, including accumulated interest. The loans carry an interest rate of 5% and have been recorded as "Unpaid Capital Contributions". If for any reason some of these loans default they will be written off as compensation expense in the income statement and the Company has already accrued estimated payroll taxes due at $7,175 as of December 31, 2011 for the principal amount of the unpaid capital contributions.

The company is a development stage company with no operating history for you to evaluate and it has not proven an ability to generate profits.

The Company is a developmental stage company. Although it has developed a working prototype and has identified potential markets, it is still in the research and development stage and expects, but cannot guarantee, to enter the commercialization phase in late 2012. The Company has no meaningful revenues so it will be difficult for you to evaluate an investment in the Company's securities. From inception to date, the Company has had no revenues. The Company may never be able to become profitable.

An investor should also consider the uncertainties and difficulties frequently encountered by companies such as ours, in their early stages of development. Our revenue and income potential is unproven and our business model is still emerging. If our business model does not prove to be profitable, investors may lose all of their investment.

The company has had no revenues and anticipateS losses for the foreseeable future.

Since inception the Company has had no revenues. The Company has not achieved profitability and expects to continue to incur net losses throughout fiscal 2012 and possibly subsequent fiscal periods. The Company expects to incur significant operating expenses and, as a result, will need to generate significant revenues to achieve profitability, which may not occur. Even if it does achieve profitability, it may be unable to sustain or increase profitability on an ongoing basis.

(8)

Table of Contents

If the company fails to implement its Commercialization strategy, the business, financial condition and results of operations could be materially and adversely affected.

The Company's future financial performance and success are dependent in large part upon its ability to implement the commercialization strategy successfully. It has engaged third party consultants to identify potential clients for the Company's technology, although the Company has no means to determine whether this strategy will be successful. The Company may not be able to successfully implement its commercialization strategy with or without the involvement of these third parties. If it is unable to do so, the long-term growth and profitability may be adversely affected. Even if it is able to successfully implement some or all of the initiatives of the business plan, operating results may not improve to the extent it expects, or at all.

Implementation of our commercialization strategy could also be affected by a number of factors beyond our control, such as increased competition, legal developments, general economic conditions, increased operating costs or expenses. In addition, to the extent, the Company has misjudged the nature and extent of industry trends or its competition; it may have difficulty achieving the strategic objectives. The Company may also decide to alter or discontinue certain aspects of its business strategy at any time. Any failure to successfully implement the business strategy may adversely affect the business, financial condition and results of operations and thus the ability to service its indebtedness, including its ability to make principal and interest payments on indebtedness.

The Company depends on its patent and proprietary rights to develop and protect technologies and products, which rights may not offer sufficient protection from infringement by third parties.

The Company has been issued a patent by the U.S. Patent Office for its patented network camera video technology. Management believes that this is a valid patent. However, there can be no assurances that the patent and the network camera video technology will be enforceable or generate revenues for the Company.

The Company's inability to protect its intellectual property through sufficient patent protection will adversely affect that Company's ability to survive and other companies may be able to develop substantially similar technologies in competition with the Company. If those other companies enter the marketplace with their own similar products, the value of the Company's patent will be substantially diminished.

The Company's success will depend on its ability to obtain and enforce protection under United States and foreign patent laws and other intellectual property laws for the technology that the Company intends to market and license, to develop and preserve the confidentiality of trade secrets and to operate without infringing the proprietary rights of third parties.

The Company cannot assure you that our technology will not be breached, that it will have adequate remedies for any breach, or that its trade secrets and proprietary know-how will not otherwise become known or be independently discovered by others. Consequently, such breach could have a negative effect on its financial performance and results of operations.

Litigation to enforce its patent against unauthorized users will be expensive and time consuming, and their outcome is uncertain. Any delay or other factor which negatively affects the Company's ability to fund operations and develop revenues.

Litigation to enforce the Company's patented technology against unauthorized users can be a lengthy, time-consuming and expensive process and there can be no assurance of the results of such litigation. The Company has engaged patent counsel to consider enforcement actions against those using the technology but who do not have a licensing agreement for it. In addition, if the Company fails to provide adequate proprietary protection, our names, brand name reputation, revenues and potential profitability may be negatively affected.

The company expects to have its product manufactured by third parties over which it has no control and it currently does not have any agreements for the manufacture of the product. the company is subject to fluctuations in the cost and availability of raw materials and the possible loss of suppliers.

While the Company has had discussions with third party suppliers regarding the manufacture of its product, it currently has no arrangements. The Company expects to depend on third party manufacturers over which it will have no control. The Company is dependent upon the pricing by these companies and the availability and pricing of raw materials to produce its products. The availability of suppliers and the price and availability of the raw materials will be affected by numerous factors beyond its control. The Company does not have the resources, facilities or experience to manufacture the EyeTalk® product or any of its component parts. Such contract manufacturers may be the sole source of production and may have limited experience at manufacturing, a product similar to the Company's.

(9)

Table of Contents

The company MAY have insufficient liquidity to CONTINUE.

The Company did not receive any proceeds from the sale of common stock from an S-1 offering in 2009; The Company will need additional sources of capital or it may not be able to continue operations. The Company is devoting substantially all of its present efforts to establishing a new business and will need additional capital to continue implementing the business plan. The Company has generated no revenue. If it cannot raise additional capital from investors, it will have to seek other sources of financing or it may be forced to curtail or terminate business plans. There is no assurance that additional sources of financing will be available at all or at a reasonable cost.

The Company has estimated the costs of completion of the commercialization at $2,500,000, which represents the development of the medical application. The residential application costs have not been determined. We believe that the at least part of the medical development will be able to be applied to the residential application. If no other sources of capital can be negotiated, the Company will have to initiate discussions regarding loans through commercial banks or from other funding sources. It expects to continue these discussions in the hopes of arranging financing to provide sufficient liquidity. There is no assurance that any of these discussions will prove successful

sales, marketing and distribution capabilities have not been fully implemented. If the company fails to effectively sell, market and distribute the EYETALK® product, the business and results of operations will suffer.

The Company does not currently have a sales staff, marketing plan or other distribution facilities. It has engaged third parties to assist in identifying potential users of the EyeTalk® technology. If it is unable to create sales, marketing and distribution capabilities or enter into licensing and similar agreements with third parties to perform these functions, it may not be able to successfully commercialize the EyeTalk® product, In order to successfully commercialize any of its product candidates, it must either internally develop sales, marketing and distribution capabilities or make arrangements with third parties to perform these services.

the company may have exposure to legal claim that could cause significant losses.

The EyeTalk® product will likely be relied upon to provide methods of security from personal harm or property loss. To the extent that the EyeTalk® product malfunctions or experiences down times, losses could occur which would give rise to legal claims against the Company. There is no accurate method to predict the extent of exposure to these potential claims. It may therefore be susceptible to lawsuits that could cause it to incur substantial liabilities and/or limit commercialization of its EyeTalk® product. Product liability insurance for the technology industry is generally expensive, if available at all. The Company does not currently have any product liability insurance. If it is unable to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims, it may be unable to commercialize the product candidates. A successful product liability claim brought against the Company in excess of its insurance coverage, if any, may cause it to incur substantial liabilities and, as a result, the business may fail.

Competition in the electronic security world is fierce and the company may not be able to compete and survive.

The electronic security industry is very competitive. It is constantly changing and the Company expects competition to intensify in the future. Increased competition will result in reduced profit margins on products. The Company believes that its ability to compete successfully depends on a number of factors, including establishing brand awareness and market presence on a rapid basis; the quality of its marketing services; ease of use; and industry and general economic trends. The failure of any number of these factors could cause additional losses.

(10)

Table of Contents

the principal stockholders control the business affairs in which case you will have little or no participation in the business affairs.

Currently, our principal stockholders own 34.41% of our common stock. As a result, they will have control over all matters requiring approval by its stockholders without the approval of minority stockholders. In addition, they will be able to elect all of the members of the Board of Directors, which will allow them to control the affairs and management. They will also be able to affect most corporate matters requiring stockholder approval by written consent, without the need for a duly noticed and duly-held meeting of stockholders. As a result, they will have significant influence and control over all matters requiring approval by the stockholders. Accordingly, you will be limited in your ability to affect change in how the Company conducts business.

the company may incur significant costs to ensure compliance with corporate governance and accounting requirements.

The Company expects to incur significant costs associated with its public company reporting requirements, costs associated with applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC. It expects all of these applicable rules and regulations to increase the legal and financial compliance costs and to make some activities more time-consuming and costly. While it has no experience as a public company, it estimates that these additional costs will total approximately $50,000 per year. The Company also expects that these applicable rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for to attract and retain qualified individuals to serve on the board of directors or as executive officers. It is currently evaluating and monitoring developments with respect to these newly applicable rules, and cannot predict or estimate the amount of additional costs that may be incurred or the timing of such costs.

the company HAs NOT YET ESTABLISED AN INDEPENDENT AUDIT COMMITTEE OR COMPENSATION COMMITTEE.

The Company has not yet appointed an audit committee or compensation committee as required by Sarbanes-Oxley. The Company is working to appoint these committee members by the end of the current year.

Risks Relating to the company's SECURITIES

the company has never paid dividends on its common stock and you may never receive dividends. There is a risk that an investor in the company will never see a return on investment and the stock may become worthless.

The Company has never paid dividends on its common stock. It intends to retain earnings, if any, to finance the development and expansion of the business. Future dividend policy will be at the discretion of the Board of Directors and will be contingent upon future earnings, if any, the financial condition, capital requirements, general business conditions and other factors. Future dividends may also be affected by covenants contained in loan or other financing documents, which may be executed by the Company in the future. Therefore, there can be no assurance that cash dividends of any kind will ever be paid. If you are counting on a return on your investment in the common stock, the shares are a risky investment.

BECAUSE WE ARE QUOTED ON THE OTCQB INSTEAD OF AN EXCHANGE OR NATIONAL QUOTATION SYSTEM, OUR INVESTORS MAY HAVE A TOUGHER TIME SELLING THEIR STOCK OR EXPERIENCE NEGATIVE VOLATILITY ON THE MARKET PRICE OF OUR STOCK.

Our common stock is traded on the OTCQB. The OTCQB is often highly illiquid. There is a greater chance of volatility for securities that trade on the OTCQB as compared to a national exchange or quotation system. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. Investors in our common stock may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for our securities. Accordingly, our stockholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for our common stock improves.

Table of Contents

there is a potential market overhang that could depress the value of the company's common stock and Future sales of its common stock could put a downward pressure on the price of your shares and adversely affect the price of your shares.

Because the principal stockholders own approximately 34.41% of our Common Stock regardless of the number of warrants exercised they may dispose of a substantial percentage of their stock subject to Rule 144 trading volume limitations. If substantial amounts of any of these shares are sold there may be downward price pressures on the Common Stock price, causing the market price of the Common Stock to decrease in value. In addition, this selling activity could:

- Decrease the level of public interest in its common stock;
- Inhibit buying activity that might otherwise help support the market price of its common stock; and
- Prevent possible upward price movements in its common stock.

An arbitrary determination of the offering price increases the risk that purchasers of the shares in the offering will pay more than the value the public market ultimately assigns to its common stock and more than an independent appraisal value of the Company.

Because the company's shares are deemed high risk "penny stocks," you may have difficulty selling them in the secondary trading market.

The Commission has adopted regulations which generally define a "penny stock" to be any equity security that has a market price (as therein defined) less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. Additionally, if the equity security is not registered or authorized on a national securities exchange, the equity security also constitutes a "penny stock." As the Company's common stock falls within the definition of penny stock, these regulations require the delivery, prior to any transaction involving its common stock, of a risk disclosure schedule explaining the penny stock market and the risks associated with it. These regulations generally require broker-dealers who sell penny stocks to persons other than established customers and accredited investors to deliver a disclosure schedule explaining the penny stock market and the risks associated with that market. Disclosure is also required to be made about compensation payable to both the broker-dealer and the registered representative and current quotations for the securities. These regulations also impose various sales practice requirements on broker-dealers. In addition, monthly statements are required to be sent disclosing recent price information for the penny stocks. The ability of broker/dealers to sell the Company's common stock and the ability of shareholders to sell its common stock in the secondary market is limited. As a result, the market liquidity for its common stock is severely and adversely affected. The Company can provide no assurance that trading in its common stock will not be subject to these or other regulations in the future, which would negatively affect the market for its common stock.

FAILURE TO ACHIEVE AND MAINTAIN EFFECTIVE INTERNAL CONTROLS IN ACCORDANCE WITH SECTION 404 OF THE SARBANES-OXLEY ACT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS AND OPERATING RESULTS.

It may be time consuming, difficult and costly for us to develop and implement the additional internal controls, processes and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal auditing and other finance staff in order to develop and implement appropriate additional internal controls, processes and reporting procedures. If we are unable to comply with these requirements of the Sarbanes-Oxley Act, we may not be able to obtain the independent accountant certifications that the Sarbanes-Oxley Act requires of publicly traded companies.

If we fail to comply in a timely manner with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, , we are required to prepare assessments regarding internal controls over financial reporting and, furnish a report by our management on our internal control over financial reporting. We have begun the process of documenting and testing our internal control procedures in order to satisfy these requirements, which is likely to result in increased general and administrative expenses and may shift management time and attention from revenue-generating activities to compliance activities. While our management is expending significant resources in an effort to complete this important project, there can be no assurance that we will be able to achieve our objective on a timely basis. Failure to achieve and maintain an effective internal control environment or complete our Section 404 certifications could have a material adverse effect on our stock price.

In addition, in connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover “material weaknesses” in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines “significant deficiency” as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected.

In the event that a material weakness is identified, we will employ qualified personnel and adopt and implement policies and procedures to address any material weaknesses that we identify. However, the process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

Any failure to complete our assessment of our internal control over financial reporting, to remediate any material weaknesses that we may identify or to implement new or improved controls, or difficulties encountered in their implementation, could harm our operating results, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of the periodic management evaluations of our internal controls and, in the case of a failure to remediate any material weaknesses that we may identify, would adversely affect the annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting that are required under Section 404 of the Sarbanes-Oxley Act. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

Table of Contents

WE DO NOT INTEND TO PAY DIVIDENDS

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are rapid, there is no assurance with respect to the amount of any such dividend.

OPERATING HISTORY AND LACK OF PROFITS COULD LEAD TO WIDE FLUCTUATIONS IN OUR SHARE PRICE. THE PRICE AT WHICH YOU PURCHASE OUR COMMON SHARES MAY NOT BE INDICATIVE OF THE PRICE THAT WILL PREVAIL IN THE TRADING MARKET. YOU MAY BE UNABLE TO SELL YOUR COMMON SHARES AT OR ABOVE YOUR PURCHASE PRICE, WHICH MAY RESULT IN SUBSTANTIAL LOSSES TO YOU. THE MARKET PRICE FOR OUR COMMON SHARES IS PARTICULARLY VOLATILE GIVEN OUR STATUS AS A RELATIVELY UNKNOWN COMPANY WITH A SMALL AND THINLY TRADED PUBLIC FLOAT.

The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. The volatility in our share price is attributable to a number of factors. First, as noted above, our common shares are sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Secondly, we are a speculative or “risky” investment due to our limited operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products. As a consequence of this enhanced risk, more risk-adverse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common shares will be at any time, including as to whether our common shares will sustain their current market prices, or as to what effect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price.

Shareholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

VOLATILITY IN OUR COMMON SHARE PRICE MAY SUBJECT US TO SECURITIES LITIGATION, THEREBY DIVERTING OUR RESOURCES THAT MAY HAVE A MATERIAL EFFECT ON OUR PROFITABILITY AND RESULTS OF OPERATIONS.

As discussed in the preceding risk factors, the market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management’s attention and resources.

Table of Contents

COMPLIANCE WITH CHANGING REGULATION OF CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE WILL RESULT IN ADDITIONAL EXPENSES AND POSE CHALLENGES FOR OUR MANAGEMENT TEAM.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED.

Item 1B. UNRESOLVED STAFF COMMENTS

This Item is not applicable to us as we are not an accelerated filer, a large accelerated filer, or a well-seasoned issuer

Item 2. PROPERTIES

The Company leases office space at 13850 Ballantyne Corporate Place, Suite 500 Charlotte, NC 28277. The Company lease is for one year at a rate of approximately $1,330 per month, and includes all utilities, office phone and support staff for our President, Mr. Ronald Carter.

Item 3. LEGAL PROCEEDINGS

For several years, RCI has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for RCI's core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for RCI at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. RCI's trial counsel have assured the Company that the judge's ruling is contrary to law and that good grounds exist for appeal. A decision about whether to appeal is forthcoming.

The Company also sued Emmanuel Ozoeneh in federal court. Ozoeneh was a former business partner in a prior business venture with CEO Ron Carter. Ozoeneh began making false claims that he was the inventor of the EyeTalk® system. RCI filed suit in federal court to have Carter declared the sole inventor. This case has been resolved to the satisfaction of the Company. The terms of the agreement are confidential, but the result was that Ronald Carter and the Company were declared as the sole inventor and retains all rights to the patent(s) for the EyeTalk® system. The Company is currently in default on the agreement and is working to resolve the default.

In July and August 2009, the Company issued two notes payable in the total amount of $20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, the Board of Directors agreed to guarantee a personal loan to the President of the Company, Mr. Ron Carter of $75,000 with interest of 10%, by a shareholder. The note became due in November 2010.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was $100,996, plus interest at 8% and legal costs. On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4th day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is $144,066.76 including interest, of which the Company has received a promissory note from Mr. Carter for $112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

Item 4. REMOVED AND RESERVED

Table of Contents

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Shares of our common stock commenced trading on September 13, 2010, on the National Association of Securities Dealers Inter-dealer Quotation System Over The Counter Bulletin Board under the symbol “REVO.QB. For the periods indicated, the following table sets forth the high and low bid prices per share of common stock, as reported by the Over the Counter Bulletin Board. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	High	Low
Fiscal Year 2010		
Third Quarter (September 13– September 30 2010)	$0.27	$0.15
Fourth Quarter (October – December 2010)	$0.82	$0.24
Fiscal Year 2011		
First Quarter (January-March 2011)	$ 0.60	$ 0.05
Second Quarter (April-June 2011)	$ 0. 09	$ 0.01
Third Quarter (July– September 2011)	$ 0.08	$ 0.04
Fourth Quarter (October – December 2011)	$ 0.07	$ 0.01
Fiscal Year 2012		
First Quarter (January – March 2012)	$ 0.04	$ 0.01

On April 9, 2012, the closing bid price of our common stock was $0.017

Holders

As of December 31, 2011, there were 71,281,189 shares of our common stock issued and outstanding and held by 244 holders of record. We believe many of the shares of our common stock are held in “street name” and, therefore, we believe the actual number of shareholders is slightly higher.

Dividends

We may never pay any dividends to our shareholders. We did not declare any dividends for the year ended December 31, 2011. Our Board of Directors does not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of Directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the Board of Directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Transfer Agent

Island Stock Transfer, 15500 Roosevelt Boulevard, Suite 301 Clearwater, Florida 33760 acts as transfer agent for our common stock.

Item 6. SELECTED FINANCIAL DATA

Not required under Regulation S-K for “smaller reporting companies.”

(15)

Table of Contents

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")

The following is management’s discussion and analysis (|MD&A”) of certain significant factors that have affected our financial position and operating results during the periods included in the accompanying consolidated financial statements, as well as information relating to the plans of our current management. This report includes forward-looking statements. Generally, the words “believes,” “anticipates,” “may,” “will,” “should,” “expect,” “intend,” “estin “continue,” and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, including the matters set forth in this report or other reports or documents we file with the Securities and Exchange Commission from time to time, which could cause actual results or outcomes to differ materially from those projected. Undue reliance should not be placed on these forward-looking statements which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes thereto and other financial information contained elsewhere in this Form 10-K

The Company's MD&A is comprised of significant accounting estimates made in the normal course of its operations, overview of the Company's business conditions, results of operations, liquidity and capital resources and contractual obligations. The Company did not have any off balance sheet arrangements as of December 31, 2010 or 2011.

The discussion and analysis of the Company’s financial condition and results of operations is based upon its financial statements, which have been prepared in accordance with generally accepted accounting principles generally accepted in the United States (or "GAAP"). The preparation of those financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities at the date of its financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. The Company has described below what it believes are its most critical accounting policies. SEE ALSO NOTES 1 and 2 TO FINANCIAL STATEMENTS, "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

SUMMARY OF CRITICAL ACCOUNTING POLICIES

Revenue recognition

The Company will recognize sales revenue at the time of delivery when ownership has transferred to the customer, when evidence of a payment arrangement exists and the sales proceeds are determinable and collectable. Provisions will be recorded for product returns based on historical experience. To date, the Company’s revenue is primarily comprised of interest income.

Options and warrants issued

The Company allocates the proceeds received from equity financing and the attached options and warrants issued, based on their relative fair values, at the time of issuance. The amount allocated to the options and warrants is recorded as additional paid in capital.

Stock-based compensation

(Included in Accounting Standards Codification ("ASC") 718 "Share Based Payment", previously SFAS No. 123(R) "Accounting for stock based compensation")

The Company will account for its employee stock based compensation arrangements in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25. "Accounting for Stock Issued to Employees", and related interpretations. As such, compensation expense for stock options, common stock and other equity instruments issued to non-employees for services received will be based upon the fair value of the equity instruments issued, as the services are provided and the securities earned. SFAS No. 123, "Accounting for Stock-Based Compensation", requires entities that continue to apply the provisions of APB Opinion No. 25 for transactions with employees to provide pro forma net earnings (loss) and pro forma earnings (loss) per share disclosures for employee stock option grants as if the fair-value-based method defined in SFAS No. 123 had been applied to these transactions. For the period from inception (March 12, 2004) to December 31, 2011, no stock options were committed to be issued to employees.

(16)

Table of Contents

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards that are available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When it is not considered to be more likely than not that a deferred tax asset will be realized, a valuation allowance is provided for the excess. Although the Company has significant loss carry forwards available to reduce future income for tax purposes, no amount has been reflected on the balance sheet for deferred income taxes as any deferred tax asset has been fully offset by a valuation allowance.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions, where applicable, that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. While actual results could differ from those estimates, management does not expect such variances, if any, to have a material effect on the financial statements.

Research and Development Costs

Research and development costs are expensed as incurred in accordance with generally accepted accounting principles in the United States of America. Research is planned search or critical investigation aimed at discovery of new knowledge with the hope that such knowledge will be useful in developing a new product or service or a new process or technique or in bringing about a significant improvement to an existing product or process. Development is the translation of research findings or other knowledge into a plan or design for a new product or process or for a significant improvement to an existing product or process whether intended for sale or use. It includes the conceptual formulation, design, and testing of product alternatives, construction of prototypes, and operation of pilot plants. It does not include routine or periodic alterations to existing products, production lines, manufacturing processes, and other on-going operations even though those alterations may represent improvements and it does not include market research or market testing activities. Elements of costs shall be identified with research and development activities as follows: The costs of materials and equipment or facilities that are acquired or constructed for research and development activities and that have alternative future uses shall be capitalized as tangible assets when acquired or constructed. The cost of such materials consumed in research and development activities and the depreciation of such equipment or facilities used in those activities are research and development costs. However, the costs of materials, equipment, or facilities that are acquired or constructed for a particular research and development project and that have no alternative future uses and therefore no separate economic values are research and development costs at the time the costs are incurred. Salaries, wages, and other related costs of personnel engaged in research and development activities shall be included in research and development costs. The costs of contract services performed by others in connection with the research and development activities of an enterprise, including research and development conducted by others in behalf of the enterprise, shall be included in research and development costs.

Depreciation

Depreciation is computed using the straight-line method over the assets' expected useful lives.

Amortization

Deferred charges are amortized using the straight-line method over five and six years.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits in banks with maturities of three months or less, and all highly liquid investments which are unrestricted as to withdrawal or use, and which have original maturities of three months or less.

Concentrations of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents with high-quality institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally these deposits may be redeemed upon demand and therefore bear minimal risk.

Table of Contents

Fair Value of Financial Instruments

The carrying value of financial instruments including cash and cash equivalents, receivables, accounts payable and accrued expenses, approximates their fair value at December 31, 2011 due to the relatively short-term nature of these instruments.

Supplies

Supplies are experimental materials used for research and development purpose. Actual cost is used to value these materials and supplies.

Valuation of Long-Lived Assets

The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Intangible and Other Long-Lived Assets, Net

(Included in Accounting Standards Codification (“ASC”) 350 “Goodwill and Other Intangible Assets” previously SFAS No. 142 and ASC 985 “Accounting for Costs of Computer Software to be Sold, Leased, or Otherwise Marketed” previously SFAS No. 86)

Intangible assets are comprised of software development costs and legal fees incurred in order to obtain the patent. The software development costs are capitalized in accordance with SFAS 86. Costs of producing product masters incurred subsequent to establishing technological feasibility shall be capitalized. Those costs include coding and testing performed subsequent to establishing technological feasibility. Software production costs for computer software that is to be used as an integral part of a product or process shall not be capitalized until both (a) technological feasibility has been established for the software and (b) all research and development activities for the other components of the product or process have been completed. The fees incurred in order to obtain the patent are capitalized in accordance with SFAS 142 “Goodwill and Other Intangible Assets. This Statement applies to costs of internally developing identifiable intangible assets that an entity recognizes as assets APB Opinion 17, paragraphs 5 and 6. The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Comprehensive Income

(Included in ASC 220 “Reporting Comprehensive Income” previously SFAS No. 130)

Statement of Financial Accounting Standards (SFAS) No. 130, “Reporting Comprehensive Income,” establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income as defined includes all changes in equity during a period from non-owner sources. Accumulated comprehensive income, as presented in the accompanying statement of changes in shareholders' equity consists of changes in unrealized gains and losses on foreign currency translation. This comprehensive income is not included in the computation of income tax expense or benefit.

Related Parties

For the purposes of these financial statements, parties are considered to be related if one party has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Unpaid Capital Contributions

“Unpaid Capital Contributions” are short-term loans to our officers and directors in lieu of salary or other compensation. These loans are unsecured, bear a 5% interest and have five year repayment term. The total balance of loans to officers and directors was $121,952 and $80,345 in 2010 and 2011, respectively.

Management expects these loans on a rolling basis throughout the term of the five year loans. After deducting re-payments made by the officers and adding accumulated interest, balances were due as of year ended 2010 and 2011 as follows:

	12/31/10	12/31/11
Ron Carter	$44,824	$-0-
Garry Stevenson	33,042	34,428
Bethiel Tesfasillasie	44,086	45,917
	$121,952	$80,345

In the event that the loans are not fully repaid, any shortfall will be written off as compensation expense in its income statement.

(18)

Table of Contents

Earnings (Loss) Per Common Share

Basic earnings (loss) per common share are computed on the basis of the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share are computed on the basis of the weighted average number of common shares and dilutive securities (such as convertible preferred stock) outstanding. Dilutive securities having an anti-dilutive effect on diluted earnings (loss) per share are excluded from the calculation.

Overview – Business Conditions

The Company is a development stage company positioned to begin launch and license of its patented technologies in 2012. The Company was incorporated as a Nevada corporation on February 28, 2005 to reincorporate and re-domesticate two existing North Carolina entities; Revolutionary Concepts, Inc. and DVMS, LLC. The Company in engaged in the development of smart camera technologies that interface with smart handheld devices enabling remote monitoring.

The Company's efforts to date have been devoted to securing the intellectual framework around several key technologies and applications related to remote video monitoring. Advances in wireless technologies combined with increased data speed rates permits a very sophisticated and new means of monitoring, security and entry management.

The company has branded is new smart technology "EyeTalk®". EyeTalk® is a first generation smart camera technology that allows interactive two-way communication between a smart phone or other handheld device.

Unlike many IP cameras that simply produce and transmit an image, the EyeTalk® smart camera technology has embedded capabilities that distinguish it as a significant technological advancement over traditional camera systems.

In July of 2011, Revolutionary Concepts engaged SIS Development Inc. to direct the development of this state of the art system. SIS Development, Inc. offers highly specialized, wing-to-wing commercial OEM product development services. SIS Development has an extensive track record of high volume product and software successes in Fortune 100 and startup environments alike. The initial product launch will be in the entry management space for both residential and commercial uses, with a medical application as an immediate spin-off.

The company currently holds two (2) patents, and expects to have a total of seven (7) by midyear 2012. The 5 pending patents will fortify the claims of the initial patent award and position Revolutionary Concepts as a key player in the wireless camera space. The company plans to implement a variety of commercialization strategies ranging from development to licensing to generate revenue and to capitalize on the opportunities made possible by the wave of new wireless products in the market place.

The Company has funded development through three private offerings in 2005, 2007 and 2009. The Company also borrowed $307,500 from four non-related parties at 4% interest to fund ongoing operations, and new patent applications. These promissory notes began to become due in October 2008 and were repaid in November 2008 by issuing 630,811 shares of restricted common stock from authorized shares.

In July and August 2009, the Company issued two notes payable in the total amount of $20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, the board of directors agreed to guarantee a personal loan to the President of the Company, Mr. Ron Carter of $75,000 with interest of 10%, by a shareholder. The note became due in November 2010. On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim is $100,996, plus interest at 18% and legal costs. On the 10 th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4th day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is $144,066.76 with no interest, of which the Company has received a promissory note from Mr. Carter for $112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed

In July 2010, the Company partnered with US Financial and Rainco Industries to consult in Investor Relations, introduction to institutional investors, assist with mergers and acquisitions, and to help develop a strategy to fund its growth. As a result of this partnership, the Company has resolved additional debt obligations, is now trading on both the US and Frankfurt stock exchanges and is also now listed with Standards and Poors. In November 2011, the Company terminated its association with US Financial but retained the relationship with Rainco Industries.

(19)

Table of Contents

Introduction to EyeTalk®

Revolutionary Concepts is the patent holder of a wireless smart camera technology, branded EyeTalk®. EyeTalk® represents a very disruptive technology that integrates into an industry of new smart devices…. an industry on pace to establish a new era in everyday life across all lines.

From Wire Industry News – February 2012;

By most standards, the iPhone is considered by a lot of people to be one of the most successful products in business history, and there are many reasons why the majority of people and especially iPhone users think so.

So far, about 200 million iPhones have been sold since it was introduced in the spring of 2007, and 37 million of them in the last three months of 2011 alone.

And make no mistake-- the iPhone is a huge revenue generator! Just last quarter, it contributed to over $24.39 billion in revenue for the fruity company from Cupertino, greater than the $20.9 billion Microsoft made in all of its many businesses.

Apple also produces the iPad. iPad is a line of tablet computers designed, developed and marketed by Apple Inc., primarily as a platform for audio-visual media

Tech Crunch – March 2012

Following Apple's announcement yesterday of the new iPad's record weekend, which saw 3 million devices sold in three days, analysts are upping their predictions for the tablet's market share growth over the course of the year. In a note to investors, Gene Munster of Piper Jaffray says the firm is now forecasting as many as 66 million sales of the new device in 2012, up from the earlier prediction of 60 million. Meanwhile, Shaw Wu of Sterne Agee is now predicting 60 million, up from 55 million. Regardless of the final outcome, the bottom line impact the device will have on the market was summed up in Munster's bullish note: "we believe the unprecedented ramp of the iPad over the past year is evidence that the tablet market will be measurably larger than the PC market," he said.

Revolutionary Concepts EyeTalk® technology represents a camera system with embedded intelligence. Moving beyond the typical take a picture, take a video and send it technology, the

EyeTalk® technology will activate and engage. The capabilities of the EyeTalk® system go beyond the ability to offer two way communication by incorporating an embedded processor that will ultimately be able to communicate and interpret while providing video surveillance and remote monitoring capabilities.

Wireless cameras, wireless communication devices such as smart phones and hand held devices represent the ultimate marriage of wireless technologies. Until we discover how to actually teleport people, wireless cameras and mobile monitors will allow people to literally be in two places at once.

Revolutionary Concepts believes its patent represents a very significant asset and advancement in camera technology.

The EyeTalk® technology is primarily a software platform with a hardware component of an external smart camera deployed at a chosen location. The system offers two-way communication and it streams video to designated PC or handheld devices such as PDA's, smart phones or other smart devices. . The software interface allows the system to offer preprogrammed messages, greetings, commands, etc. The software maintains information captured by the EyeTalk® system. Access to the information may be achieved via a Personal Data Assistant (PDA), Handheld Computer (HC), Smart phone, or other compatible device. The EyeTalk® software platform will be able to communicate with many of the smartphone and other devices that are currently available in the market place.

As a residential application, the EyeTalk® system provides a very effective and efficient means of entry management allowing seamless communication to and from a location to the owner to interact remotely with anyone who approaches with the benefit of audio, video and data communication. The system utilizes new technology to synergistically improve communication, security, convenience, messaging, and manage deliveries and guest.

(20)

Table of Contents

According to USBX (US Business Exchange), "iSuppli, a respected technology market research firm, announced this quarter that they project IP video surveillance camera revenue to grow to more than $9.0 billion by 2011, a compound annual growth rate of 13.2%". Declining cost of new surveillance technology have improved the viability of enhanced security systems while boosting the affordability and demand for basic security systems among families in the middle to lower-middle income strata of society."

The point of greatest significance is not the fact that Revolutionary Concepts plans to participate in this space, but the fact that our company owns IP rights to the much anticipated wireless activity in the space.

The company has a careful eye on the transition many traditional security companies are attempting to make to a more practical video solution. Fortunately for Revolutionary Concepts, the company owns the rights to the use of wireless cameras and their interface with wireless handheld devices.

The EyeTalk® system also records and archives data, video and audio records. The system provides a centralized control system using a user-friendly application with a means for storing digital images and provides enhanced security features.

The company also recognizes that we have entered an era where cellphone applications are just a matter of every day activity. An "AP" that offers individuals the ability to manage and monitor locations of interest is both very marketable and necessary.

Our management expects the EyeTalk® technology to provide three primary benefits:

Protection – EyeTalk® as a standalone system will provide a much safer platform because of its preemptive capabilities, or the EyeTalk® system may augment current residential and commercial security systems.

Monitoring – EyeTalk® may allow the user to better facilitate the task of entry management in non-threatening circumstances, such as latch key school children, and deliveries allowing the user to maintain better control and understanding of what is going on at any given location or property at any given time.

Convenience – EyeTalk® will add convenience to home and business owners, by providing a more responsive and efficient means of responding to, screening, and monitoring activity at a given location. Deliveries and service appointments can be better managed with a system such as EyeTalk®..

For all intents and purposes, traditional security and alarm services are ineffective, inefficient and costly. Across the country, municipalities report false alarms at a rate exceeding 90%. The response time between an event and police arrival can be much too long. EyeTalk® represents a proactive response rather than a reactive one.

To insure the highest quality and product reliability, Revolutionary Concepts entered into a development agreement with SIS Development to produce the initial EyeTalk system. Revolutionary Concepts is committed to producing a very high quality, reliable and sophisticated system however the first generation of the EyeTalk®technology will not have all of the feature sets intended for future models, and will simply serve as the company’s initial launch and introduction.

SIS Development, Inc. offers highly specialized, wing-to-wing commercial OEM product development services. SIS has managed formidable, leading-edge design teams shipping millions of products a year and has an extensive track record of high volume product and software successes in Fortune 100 and startup environments alike.

The President of SIS Development is Richard Kramer. Prior to founding SIS Development, Inc. and Security Industry Services, Inc., Richard Kramer served as General Manager-Technology and Vice President, Engineering at General Electric’s GE Security division, where he led a progressive 250+ person organization with more than $500M per year in revenue. He was responsible for managing 16 groups in 11 geographically dispersed locations, providing advanced Network, Software, Wireless, Enterprise/Commercial/Residential/Real Estate Solutions for the video surveillance (system software, IP solutions, communications, cameras, recorders, PTZs, video recognition technology), life safety (central station software, intrusion systems, software and sensors), and key control/real estate system software/product markets.

The EyeTalk® product development is in very capable and competent hands. Needless to say, we are thrilled to have SIS Development as a part of our team.

Table of Contents

INDUSTRY

Security industry stats from IMS Research

by **Geoff Kohl**

First up is 2009.

In the Americas, here's how differing industries compared in a rough financial year. The semiconductor market was down 30%; industrial automation was down 15%; vehicle production was down 33% and consumer technology was down 6%. Despite those significant downturns in many major industries, the electronic security industry was down only 0.2%. Basically, that means our industry stayed flat during 2009.

Also in 2009, IMS saw network video up 25% and analog video down 7%. They saw a terrible year for analytics companies. While analytics was having trouble, megapixel video surveillance had a good year, even as HD emerged as a potential format of choice. Megapixel could even outpace "standard resolution" IP video usage by 2012 or 2013 based on what IMS saw in 2009.

Now to the future...

In 2013, in the Americas, video surveillance is going to be 43% of the total physical security systems market; that means a huge increase in terms of video's role in the overall market. Fire will be 20% (that's down from current market share per IMS); intrusion will be 11.2% (also down in overall market share); and access control will be 7.8% (again, that's down in overall market share -- a loss chiefly attributed video's strong growth rather than any failing in the access control market).

In 2010 (since that's the year we're dealing with now), IMS is forecasting a large number of mergers and acquisitions, which they think will happen because the capital funding for such purchase is finally coming back. They're expecting 2% growth in North America for security products as a whole, a growth number that pales in comparison to a 15.2% growth forecast for security products in China/India. While North America isn't going to see the banner year that China and India will see, it certainly is better than what IMS is forecasting for Europe -- which is a -4.8% decline in overall revenues attributed to the sale of security products.*

*Article not incorporated by reference.

The tipping point for when IP video takes over analog video in sales is going to be pushed back a year thanks to the bad economy of 2009; now it is forecasted to be 2013 or 2014 when that transition happens.

(22)

Table of Contents

How to Capitalize on the Fastest Growing Trend in Residential Security

By Jay Kenny – Feb 03, 2012

Security dealers and integrators are recognizing that consumers increasingly rely on smartphones, tablets and other mobile devices to control home security, automation and energy management services. Alarm.com, a provider of interactive security solutions, has evidence to support this trend.

This shift in consumer behavior is driven both by the explosive adoption of mobile devices and the availability of dynamic apps and services for end users to unlock additional value from their security system. Usage trends are not limited to monitoring security events that occur in the home, but also extend to a range of relevant day-to-day interactive services such as receiving motion-triggered video clips when kids arrive home from school, alerts when cabinets are accessed, or the ability to remotely adjust thermostats, lights and door lock settings. It is a behavioral change that presents a new opportunity and should not be lost on security dealers and integrators. Mobile connection to the security system has proven to be a successful way to improve retention of existing customers, drive new customer acquisition, deliver additional revenue-generating services, and differentiate a product offering as new entrants hit the market.*

*Article not incorporated by reference.

EyeTalk® as stated previously represents a technology with embedded intelligence. This one key feature that we term *smart camera* technology, combined with smart phone technology is a very powerful and compelling combination of technologies. A key reason we define EyeTalk® a “disruptive technology”.

Mobile apps help close sales – Increasingly, feedback from Alarm.com partners is that one of the most powerful sales tactics is to show interactive system capabilities and features on a mobile device such as an iPhone, iPad or Android smartphone. This "mobile-first" approach in the sales cycle is more effective than showing mobile apps as a "nice-to-have" among a list of broader system features. Once prospective customers see how easy and convenient it is to use a free app to arm the system, adjust the lights or watch live video of their property, their perceived value increases dramatically and distances the product offering from that of competitors.

Mobile services keep customers "sticky" – In addition to helping dealers close more sales, the mobile app significantly drives day-to-day use of the system, in turn increasing customer stickiness and reducing customer attrition. In fact, analysis conducted by Alarm.com in 2011 confirmed a direct correlation between a consumer's consistent interaction with their interactive security system and reduced attrition. Through an independent third party analysis, it was proven that customers with interactive accounts stay on longer than traditional security customers and those who are actively logging into their accounts via the Alarm.com website or mobile app attrite even less.

Mobile apps help meet rising consumer expectations – Current mobile trending shows people are not just becoming more comfortable with technology, but that they prefer the convenience of the mobile app to monitor and control home security system settings. Mobile apps enhance the value of the security platform and deliver access to key services consumers expect on-demand wherever they are, and from any device.

Mobility isn't just about remote access – It would be reasonable to assume that customers are solely utilizing mobile devices remotely to monitor and interact with security, video, energy and automation functions. But dealers and integrators report that for many customers the mobile app offers much more. Customers appreciate the ability to change system settings, lock doors or turn off lights from the living room couch or bedroom rather than having to do so from a physical keypad. Mobile apps also offer a new level of awareness and comfort by enabling the user to stay connected and essentially extend the value of the security system.

Mobile apps can drive sales for other services – Mobile apps can expose customers to additional services anchored to the security platform, especially when used as a sales tactic for a whole home solution. The ease of controlling home energy and seeing video through the same platform can create higher system value as well as increase the opportunity to attach add-on services and generate more RMR. Mobile apps help drive sales for system-integrated services such as video, energy management and home automation.

Below is an illustration of the security market segments. (2011)

(23)

Table of Contents

Future Plans and Potential Markets

Our management believes it has the capability to enter into a growing security marketplace with an explosive product at the perfect time.. Research and current trends suggest that the security industry will continue to experience increased spending and growth on detection devices such as EyeTalk®. The companies Intellectual Property makes it more than just a provider but the outright owner of a very relevant and significant IP… a tremendous asset. The future of the company is bright and the options of development and/or licensing provide incredible latitude.

The company systematically filed patents over the past decade in the areas of medical, institutional, child monitoring, home healthcare and real estate markers. As these assets are now manifesting themselves one by one, the company's plans are unfolding perfectly. Each of the aforementioned markets are monumental and perfectly suited for the IP in our portfolio.

The company also believes that EyeTalk® has advantages over existing and competing technologies by virtue of its embedded intelligence and processing capabilities. . Many of these capabilities may not relate to the security field at all, but may nonetheless be commercially useful. The additional commercial benefits of the EyeTalk® include:

- Virtual reception capabilities for offices and businesses
- Advanced operations management and remote supervision
- Remote on-line education and real-time teacher/student interface (homeschooling)
- Home healthcare monitoring and independent living capabilities
- Sports applications and entertainment

Sales Strategy

The company plans to utilize multiple sales and distribution channels.

· **Multi-level Marketing**

Multi-level Marketing (MLM) is one of the sales strategies the company plans to employ. This idea was suggested by a vast number of shareholders who have MLM experience and can create an immediate sales force. As the company explored the MLM sales option, it became very evident that a MLM distribution channel could be very effective and lucrative. A number of key factors support this distribution approach.

1) Economic conditions make a MLM opportunity for people either out of work or needing to supplement their income very attractive. This fact combined with product appeal make the sale of EyeTalk® through a MM model very attractive.

2) Rapid growth and rapid revenue potential for the company are very possible given the network of supporters and shareholders with interest in marketing and selling the EyeTalk® systems

MLM sales worldwide sales are in excess of $100 billion dollars and growing annually. Every product category imaginable is now sold through MLM. Ease of entry, speed to market and relatively low startup marketing cost are two key factors to many companies selecting the MLM model. Products that are best sold through personal demonstration are highly successful in the MLM business model. A number of companies have entered the MLM industry and achieved over $100 million in annual revenue in less than five (5) years and several have reached $500 million or more in the same period. It is not uncommon for companies to achieve triple digit growth for a number of years in the startup phase.

Members of our management team, who are seasoned in the MLM industry, as well a number of our shareholders are considering establishing a contract with a new MLM company that would be formed and would have the exclusive marketing and distribution rights to the EyeTalk® home entry management system in the United States, with an option for other countries. Members of management may be involved in the organization and operation of the newly formed company. No assurances can be provided that such MLM company will be formed. All of these actions would require Board approval and the Company would endeavor to ensure all Nevada corporate requirements and SEC statutory disclosure requirements would be met, prior to any action being taken.

(24)

Table of Contents

— **Licensing**

Revolutionary Concepts currently holds the IP that provides the use of a wireless camera and it's interface with other devices enabling monitoring. The IP is very relevant to a multi-billion dollar industry. The company plans to offer licensing opportunities to companies who wish to utilize this technology and aggressively defend its patent rights.

· **Internet Sales**

The Company expects to sale a significant percentage of the EyeTalk® technology via direct internet sales. The company is currently developing 3 commercials that will be airing of television networks, YouTube and the company's website. It is anticipated that these commercials will generate interest and sales.

— **Existing Security Companies**

The use of wireless camera technology is so effective and efficient today that every security company will have to include the technology in their product offerings in order to remain competitive. Revolutionary Concepts will not only offer a wireless camera technology, but one the company believes will be vastly superior because of its smart capabilities. The company is in the process of developing key relationships with industry leaders to identify the fortune 500 companies we will target.

· **Commercials and Advertising**

The company has engaged the services of two individuals to assist in the development of its first 3 commercials to be aired on television networks, internet sites and the company's website.

Patent and Intellectual Property

On March 20, 2007, the United States Patent and Trademark Office issued to the Company a patent, number 7,193,644 B2. The patent abstract states:

"The invention is audio-video communication and answering system that synergistically improves communication between an exterior and an interior of a business or residence and a remote location, enables messages to be stored and accessed from both locally and remotely, and enables viewing, listening, and recording from a remote location. The system's properties make it particularly suitable as a sophisticated door answering-messaging system. The system has a DVMS module on the exterior. The DVMS module has a proximity sensor, a video camera, a microphone, a speaker, an RF transmitter, and an RF receiver. The system also has a computerized controller with a graphic user interface DVMS database application. The computerized controller is in communication with a public switching telephone network, and an RF switching device. The RF switching device enables communication between the DVMS module and the computerized controller. The RF switching device can be in communication with the other RF devices, such as a cell phone, PDA, or computer."

Legal

For several years, RCI has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for RCI's core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for RCI at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. RCI's trial counsel have assured the Company that the judge's ruling is contrary to law and that good grounds exist for appeal. A decision about whether to appeal is forthcoming.

COMPETITION

We expect to compete with much larger and better financed companies in the remote monitoring industry, all of which have superior name recognition, such as ADT, Alarm Force, ATT, Pinkerton's and others. RCI owns the patent by which many of the aforementioned companies will be dependent upon and "MAY" already be infringing in some manner

Remote monitoring is available through a variety of media and processes, including systems integrators, closed circuit television systems, intrusion detection systems, and others. These systems typically incorporate ultrasonic, infrared, vibration, microwave and other sensors to detect door and window openings, glass breakage, vibration, motion, temperature, and noise and transmit through alarms and other peripheral equipment.

For example, the ATT remote monitor integrates with Cingular and Yahoo through cell phones and wireless internet. The user can remotely select the device and determine whether notification will be triggered by door sensors, motion sensors, temperature sensors or a combination. The user can remotely control cameras with pan, tilt and zoom features. The user can download and record or view live camera. The EyeTalk® system provides similar capabilities; however with two-way communication and a programmable software interface enabling the system to effectively manage itself if the user desires.

Industry analysts report that both Cysco and IBM are developing new hardware and software applications for remote monitoring that, if successful, could have profound implications for the industry.

Regulation

We are subject to the same federal, state and local laws as other companies conducting business in the software field. Our products are subject to copyright laws. We may become the subject of infringement claims or legal proceedings by third parties with respect to its current or future products. In addition, we may initiate claims or litigation against third parties for infringement of its proprietary rights, or to establish the validity of our proprietary rights. Any such claims could be time-consuming, divert management from our daily operations, result in litigation, cause product delays or lead us to enter into royalty or licensing agreements rather than disputing the merits of such claims. Moreover, an adverse outcome in litigation or a similar adversarial proceedings could subject us to significant liabilities to third parties, require the expenditure of significant resources to develop non-infringing products, require disputed rights to be licensed from others or require us to cease the marketing or use of certain products, any of which could have a material adverse effect on our business and operating results.

(25)

Table of Contents

Results of Operations

Comparison of Twelve months Periods Ended December 31, 2010 and December 31, 2011

Assets. Assets increased by $112,779 to $128,921 as of December 31, 2011, or approximately 699%, from $16,142 as of December 31, 2010. This increase was primarily due to additional computers offset by the accumulated depreciation and amortization and a note receivable for $112,663 from a related party.

Liabilities. Total liabilities increased by $1,068,666 to $1,734,297 as of December 31, 2011, or approximately 161%, from $665,631 as of December 31, 2010. The increase was primarily due to increases notes payable, accrued payroll expenses for payroll and the related expected payroll liability and a contingent payroll liability that we have booked on unpaid capital contributions. As the Company continued to develop its technology, it has incurred additional development and legal cost associated with protecting its IP rights and furthering the abilities of the technology. Additionally, we were able to convert some of the accrued compensation and expenses of certain officers and vendors into long term notes payable, to reduce our current liabilities, improve our cash flow, and improve the Balance Sheet.

Stockholders' Equity. Stockholders' equity decreased by $955,887 to $(1,605,376) as of December 31, 2011 or approximately 147% from $(649,489) as of December 31, 2010 The decrease was due primarily to increases in paid in capital from the issuance of stock for services and debt retirement valued at $769,843 and a total net loss of $1,767,337 for the year.

We are still a development-stage company and have not had revenues from our operations or reached the level of our planned operations. Our general and administrative expenses were $825,353 and $1,692,432 for the years ended December 31, 2010 and 2011 respectively. General and administrative expenses principally consist of those costs required to maintain our corporate existence, and to meet our statutory requirements as a small public reporting company. Such costs include legal fees, accounting fees, auditing fees, transfer agent costs, and other fees for filing our reports with the Securities and Exchange Commission. Other significant costs include continued research and development and professional fees both related to our further development of our principal product EyeTalk® and the related patent. Compensation to officers is being accrued, even though most of the accrued compensation will not likely be paid in cash.

Liquidity and Capital Resources

General. Our primary sources of cash have been sales of common stock through private placements and loans from affiliates. We are a developmental stage company moving from Research and Development (“R & D”)to the initial stages of development. The transition from R & D to development and production requires a greater focus on operations, product infrastructure, distribution and channel partners and industry alliances. Over the next 6 - 12 months, we will be looking for the ideal acquisitions that will enable our company to take advantage of an existing customer base. Our management will also pursue appropriate Letter of Intents and Joint Ventures that will position our company to move its products into these ventures when successful production is completed.

Prior relationships with companies discussed in previous filings have been terminated. We are not involved with any of those companies that were very instrumental during the Research and Development stages, but are no longer engaged. We have engaged SIS Development as consulting technical officials for product development. SIS Development will assist RCI in identifying the necessary contracts and relationships moving forward. Additionally, industry expertise and consultation is being provided by advisors in the industry.

Overall, we had a net decrease in cash of $184 for the year ended December 31, 2011 compared to an increase of $184 over the same prior year.

Cash Flows from Operating Activities. Net cash used in operations of $749,868 for the twelve-months period ended December 31, 2011 was attributable to a net loss of $1,767,337 and an increase in accounts payable and accrued expenses of $460,826 which was offset by a non-cash expense for depreciation and amortization of $11,833 and the issuance of 13,149,436 shares for services received recorded at an average of $0.05 per share and a new note receivable for $112,663 from a related party.

Cash Flows from Investing Activities. Net cash used by investing activities was 12,133 for the year ended December 31, 2011. The Company purchased computer equipment for $900 and invested in patent for $11,233.

Cash Flows from Financing Activities. Net cash provided by financing activities of $761,817 for the twelve-month period ended December 31, 2011 was attributable to the issuance of notes payable $643,175, less retirement of notes payable of $35,336, retirement of debt and notes debt of $112,371, plus the repayment of unpaid capital contributions in the amount of $41,607.

Our Company’s Capital Structure. In its efforts to grow and expand the Company, management must obtain the necessary capital to achieve those objectives, decide on the best methods to obtain that capital, and the capital structure of the Company. The primary ways a company will raise capital is either through debt financing (borrowing money), or equity financing (selling a portion of the company via shares of stock) or a combination of both. The type of capital chosen (debt or equity), and methods of raising the capital depend on a number of factors including; the company’s life cycle stage, e.g., start-up, development, high-growth or maturity, future growth prospects, strength of the national economy and the credit markets.

Potential investors in any company, including ours will consider those factors and the relative risks to their investment capital. To limit their risks, these investors may limit the size of their investment, or provide it to the company in stages, that is contingent upon the company reaching stated goals e.g., production, marketing, distribution and revenues. The ultimate question for management is; how do you get the investors to commit to making what could be a high risk investment for them, although one that would correspondingly benefit the Company, however one that the investor could lose if the Company were to fail. Management considered both the equity and the debt financing options based on the Company's life cycle stage, economy, credit markets and other circumstances at the time, and reached the following conclusions;

(26)

Table of Contents

Equity Financing - Management decided not to raise additional capital through an equity offering in its initial start-up and development stage for a variety of reasons;

(1) The Company would have had to go through the process of filing a registration statement e.g. S-1 with the SEC, which would have been very difficult to have received approved and would have been very time consuming, given our situation at that time.

(2) The direct and indirect flotation costs of the issuance of an equity capital raise could have run $250,000 or more, and the Company did not have those funds available.

(3) It would have been very difficult to get an investment banker to underwrite a new issuance for a development stage company with a limited operating history and revenues.

(4) Many investors did not want to take an equity position in the Company at that time and the corresponding risks of ownership.

(5) The issuance of equity to these investors, after resolving the potential regulatory hurdles, legal issues, time constraints, and costs would have resulted in immediate dilution for the other shareholders, giving them only limited hopes that value would be created.

Therefore, due to the above stated reasons, the economic climate and the Company's circumstances at that time, management elected not to pursue raising capital through an equity offering at that time.

Debt Financing **–** Management elected to raise capital for the Company through debt financing for the following reasons;

(1) Due to the Companies need for further development of our patents, it had immediate and continuous need for capital.

(2) The investors were more willing to invest funds more expeditiously, and take a creditor's position instead of that as an owner by taking an equity position.

(3) With those immediately available funds, management could continue to develop our technology and create short-term economic value to the Company by contracting with various vendors for work, prior to any equity dilution taking place.

(4) The investors were issued Promissory Notes that were unsecured without any collateral (taking a high risk), except as called for in the agreements.

(5) The Notes required no monthly payments which allowed us to use that free cash flow for operating expenses, reduced our cash outlays, interest payments and improve our budget, plans and forecast our cash flow.

(6) The investors received the potential upside of conversion of the Notes into equity while protecting our downside with the use of the cash flow.

(7) Should the investors decide to convert the Notes into common stock, then the Company's debt would be eliminated from its balance sheet.

(8) The tax benefits of debt financing is that it's less expensive, while the Company is taxed on earnings, it is not generally taxed on borrowed money and the interest on the Notes is tax deductible.

(9) Since the investors does not have any equity interests, it has no voting rights or other control over the management of the Company, its operations and no claim to its future earnings.

(10) If the Company ever suffers a negative financial situation, it is much easier to re-negotiate the terms of the Notes with the individual investors than with a bank, or a group of investors through an equity or bond offering.

Based on the reasons above, and since the Company required immediate capital to rapidly expand, grow, restructure its operations, continue development. finance potential acquisitions and execute its marketing plans; raising capital through debt financing was our best alternative. This strategy resulted in our expanding on our technology patents; thereby, increasing our potential assets, market capitalization value and our shareholders owning a portion of a much larger and more valuable company. As the Company continues to advance and develop through the different stages of its business life cycle, management will evaluate options, alternatives, and make strategic decisions for the best investment opportunities, financing and capital structure at that time.

Table of Contents

Debt

Debt

In its efforts to expand and grow, we issued debt instruments to borrow funds from various creditors to raise capital. These are long-term Notes with various rates and maturities, that grants the Note Holder the right, (but not the obligation), to convert them into shares of our common stock in lieu of receiving payment in cash. The issued Notes are secured obligations. The principal amount of the Notes may be prepaid upon agreement of both parties and a prepayment penalty, in whole or part at any time, together with all accrued interest upon written notice.

Our management believes that there are a number of benefits when issuing debt versus issuing equity capital. The interest paid on debt capital is tax exempt; hence, our loan costs are lowered. Outside of their contractual debt documents, creditors have no control in the conduct of the business, so by issuing debt capital, we do not dilute the ownership rights of our shareholders (unless and until any debt is converted into equity). Also, as the interest rates are predetermined, the management is able to budget for the payments. Generally, debt is less costly and the time involved to be able to raise the capital is shortened. In many cases, raising capital through equity requires regulatory approval, which can take months and is dilutive to all shareholders.

2010

On December 30, 2010, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $19,705 at 10% interest. The holder has the right to convert the note to common stock. On August 4, 2011 this Note was converted to 3,941,000 restricted common shares,

On December 31, 2010, we entered into a two (2) year convertible Promissory Note with three non-related creditors for $289,787, which included $84,950 in prior accrued interest payable at 0% interest. The holders have the right to convert the note to common stock at $0.005 per share. On October 1, 2011, these Notes were modified to include interest and two of the notes were assigned by the original note holders to an unrelated third party.

2011

On January 15, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $42,500 at 10% interest. The holder has the right to convert the note to common stock. On August 4, 2011 this Note was converted to 8,500,068 restricted common shares of which 2,200,000 shares had previously been issued,

On April 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $76,194 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On April 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $12,000 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On May 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $12,000 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On May 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $10,000 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On June 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $140,663 and $3,404 in interest. The holder has the right to convert the note to common stock at $0.005 per share. On November 30, 2011, the holder converted $50,166 of the note leaving a principal balance due of $90,497.

On August 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $44,600 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On September 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $177,522 at 10% interest. The holder has the right to convert the note to common at stock at $0.005 per share.

On October 1, 2011, we entered into a two (2) year convertible Promissory Note with Ronald Carter, our President and CEO for $92,308 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at $0.005 per share.

On October 1, 2011, we entered into a two (2) year convertible Promissory Note with our Senior Vice President, Solomon Ali for $46,154 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at $0.005 per share.

On October 1, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $63,818 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share. This note was originally dated 12/31/10

On October 1, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $27,018 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share. This note was assigned to an unrelated third party and was originally issued 12/31/10.

On October 1, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $198,950 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share. This note was assigned to an unrelated third party and was originally issued 12/31/10.

On October 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $8,700 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On November 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $8,500 at 10% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On December 30, 2011, we entered into a two (2) year convertible Promissory Note with a non-related creditor for $4,700 at 12% interest. The holder has the right to convert the note to common stock at $0.005 per share.

The investors and private equity firms are very astute and have many years of experience and expertise in making successful investments in many companies. They have been investing with the Company for several years, and have provided us with critical short and long-term funds that we have used for operations, working capital, and investment capital for our business acquisitions to expand and grow the Company. They have the option to convert their Notes into stock after a six month holding period per SEC guidelines. However, most have elected to hold their Notes for 1 to 3 years and therefore have taken a long-term investment strategy in the Company. Without their continuous long-term commitment to investment in the Company, it is unlikely that the growth and expansion that we have achieved would have been possible.

(28)

Table of Contents

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

In January 2011, the FASB released Accounting Standards Update No. 2011-01 (“ASU 2011-01”), Receivables (Topic 310): Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20, which deferred the disclosure requirements surrounding troubled debt restructurings. These disclosures are effective for reporting periods ending on or after June 15, 2011. We do not expect the disclosure requirements to have a material impact on our current disclosures.

In April 2011, the FASB released Accounting Standards Update No. 2011-02 (“ASU 2011-02”), Receivables (Topic 310): A Creditor’s Determination of Whether a Restructuring is a Troubled Debt Restructuring. ASU 2011-02 clarifies the guidance for determining whether a restructuring constitutes a troubled debt restructuring. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must conclude that 1) the restructuring constitutes a concession and 2) the debtor is experiencing financial difficulties. ASU 2011-02 also requires companies to disclose the troubled debt restructuring disclosures that were deferred by ASU 2011-01. The guidance in ASU 2011-02 is effective for public companies in the first reporting period ending on or after June 15, 2011, but the amendment must be applied retrospectively to the beginning of the annual period of adoption. ASU 2011-02 is not expected to materially impact our consolidated financial statements.

No other accounting standards or interpretations issued recently are expected to a have a material impact on the Company’s consolidated financial position, operations or cash flows.

Table of Contents

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Annual Report on Form 10-K, other than statements that are purely historical, are forward-looking statements.

Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions also identify forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. These forward-looking statements are based on management's expectations as of the date hereof, that necessarily contain certain assumptions and are subject to certain risks and uncertainties. The Company does not undertake any responsibility to update these statements in the future. The Company's actual future performance and results could differ from that contained in or suggested by these forward-looking statements as a result of the factors set forth in this Management's Discussion and Analysis of Financial Condition and Results of Operations, the Business Risks described in Item 1 of this Report on Form 10-K and elsewhere in the Company's filings with the Securities and Exchange Commission.

Item 8. Financial Statements and Supplementary Data

The information required as to this Item is incorporated by reference from the financial statements and supplementary data listed in Item 15 of Part IV of this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no events required to be disclosed by the Item.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, Revolutionary Concepts, Inc. management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to Revolutionary Concepts required to be included in Revolutionary Concepts' periodic filings under the Exchange Act.

Management's Report on Internal Control Over Financial Reporting

Our principal executive officer and our principal financial officer, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Management is required to base its assessment of the effectiveness of our internal control over financial reporting on a suitable, recognized control framework, such as the framework developed by the Committee of Sponsoring Organizations (COSO). The COSO framework, published in *Internal Control-Integrated Framework*, is known as the COSO Report. Our principal executive officer and our principal financial officer have chosen the COSO framework on which to base their assessment.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2011.

Changes in Internal Control Over Financial Reporting

During the fiscal year ended December 31, 2011, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On November 17, 2011, Mr. Claude McDougal resigned as an officer of the Company and agreed to cancel the consulting agreement between the Company and US Financial Alliance Consultants, LLC.

For several years, RCI has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for RCI's core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for RCI at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. RCI's trial counsel have assured the Company that the judge's ruling is contrary to law and that good grounds exist for appeal. A decision about whether to appeal is forthcoming.

(30)

Table of Contents

PART III

Item 10. Directors and Executive Officers and Corporate Governance

Directors and Executive Officers.

Name	Age	Title
Ronald Carter	57	Founder, President, CEO, Director
Garry Stevenson	61	CFO, Vice President, Director
Bethiel Tesfasillasie	38	Director
Judith Bentley	57	Director
Solomon Ali	49	Sr. Vice President, Director

Our Bylaws provide that we shall have that number of directors determined by the majority vote of the board of directors. Currently we have five directors. Each director will serve until our next annual shareholder meeting. Directors are elected for one-year terms. Our Board of Directors elects our officers at the regular annual meeting of the Board of Directors following the annual meeting of shareholders. Vacancies may be filled by a majority vote of the remaining directors then in office. Our directors and executive officers are as follows:

Ron Carter – Founder, President, CEO, Chairman and Director

Mr. Carter is the inventor of the EYETALK®. He is a North Carolina native, married with three children. As a career government employee, Mr. Carter has been responsible for housing code, planning and development in several metropolitan areas in North Carolina. Mr. Carter formerly worked from the City of Charlotte as the Chief Housing Development Specialist from 1995 until 2004. Prior to this position, Mr. Carter was served as the Housing Rehabilitation Supervisor in Winston-Salem, NC.

Mr. Carter is a graduate of North Carolina A&T State University in Greensboro, where he earned a BA degree in Political Science. He is the 1988 recipient of the President's Award presented by the North Carolina Section 8 Housing Association. He also founded the Professional Housing Rehabilitation Association of North Carolina Housing and served as Chairman of Education and Training for the NC Community Development Association.

Garry Stevenson – CFO, Vice President, Director, Secretary

Mr. Stevenson is a successful and proven entrepreneur. He has been the owner and CEO of Body Image, LLC, a fitness center for women and Point of Love and Grace Inc. of Shelby, NC, a group home for boys, since 2000. Mr. Stevenson has over thirty years of corporate experience; he served as Senior Vice President of World Connect Communications from 1997 until 2003. He worked for twenty-five years in corporate management as Division Manager at United Parcel Service where he retired in 1997.

Mr. Stevenson received a Juris Doctor Degree from North Carolina Central University School of Law in 1976.He is married and the father of three children.

Bethiel Tesfasillasie – Director

Ms. Tesfasillasie is an established professional. Ms. Tesfasillasie became the youngest vice president at World Connect Communications from 1999 until 2001. She also had a successful career as a Quality Inspector Technician for IBM from 1994 to 1998. From 2001 and 2003 she was in the sales and accounting department of a local car dealer. Ms. Tesfasillasie became a licensed real estate agent in 2003 and continues her real estate from time to time.

Ms. Tesfasillasie was born in East Africa and moved to the United States with her family when she was eleven years old. She was raised in Charlotte, NC and attended the Charlotte-Mecklenburg public schools. Ms. Tesfasillasie graduated from West Charlotte High School and received her Bachelor's Degree in Chemistry from University of North Carolina at Charlotte.

Ms. Tesfaillasie is a Board Member of the Charlotte Black Chamber of Commerce and speaks four languages. In 2001, Ms. Tesfaillasie filed for protection from creditors under a chapter of the U. S. Bankruptcy Code which was discharged and closed in 2005.

Solomon Ali – Sr. Vice President, Director

Solomon RC Ali was appointed as Senior Vice President of Corporate Finance and Investor Relations and Director on July 16, 2010. He has over 23 years' experience in investor relations, investment banking, mergers, acquisitions, corporate structure, marketing, asset management and is an expert in financial engineering and raising investment capital. He has personally managed and completed over 140 mergers and acquisitions in his career. As a highly qualified corporate executive he served as CEO of Rainco Industries, managed over 500 employees, managed over $100 million in assets and arranged over $250 million in investment capital and structured financing. His experience also includes corporate valuation, capitalization structure, development of Private Placement Memoranda, business plans, client positioning, managing the investment process with securities attorneys and accountants, for SEC and FINRA regulatory compliance and corporate registration filings. Mr. Ali has developed and implemented new policies, systems, procedures and strategically re-organized, re-structured, re-financed and turned around many troubled small cap companies and improved their operations and market capitalization value.

Judith Bentley – Director

Ms. Bentley has more than 25 years of Administrative and office management experience including hands on experience in logistics, operations, research, project and program management.

Prior to relocating to Charlotte, Judith worked as Project Coordinator and Executive Assistant with Pitney Bowes Corporate Headquarters in Stamford Connecticut, where she supported the Corporate Legal, IP, Communications, Diversity, Research, and Marketing Departments forecasting and managing a yearly budget in excess of $15M and working independently with more than 50 vendors across five corporate channels, including corporate marketing, corporate communications, corporate research, corporate diversity and community outreach. Ms. Bentley also served as the point of contact for Corporate Crisis Management where she was directly responsible for website content and graphic highlights serving as crisis management update to all Pitney Bowes employees worldwide. She began her employment with Pitney Bowes in 1999 until her relocation to Charlotte, North Carolina in 2008.

Ms. Bentley’s significant career accomplishment while she was in the U.S. Military. As the Battalion’s Legal Clerk she developed and produced the Battalion’s legal Standard Operations Procedure Policy Manual (SOP) for a newly created Unit with 7 outlying companies throughout Germany, directly charting all legal procedures including military court martial and discharges, and is still being used to date.

Ms. Bentley attended the Warren Harding High School, Norwalk Technical College and Phoenix University and soon will complete and attain her dual Bachelor’s degree in Office Management and Legal Studies. Her leadership style is – “set an example that mirrors the words you utter dispensing compassion and sincerity along the way.”

(31)

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of securities ownership and changes in such ownership with the SEC and NASDAQ. Officers, directors, and greater-than-ten-percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file.

Based solely upon a review of Forms 3, Forms 4, and Forms 5 furnished to us pursuant to Rule 16a-3 under the Exchange Act, we believe that all such forms required to be filed pursuant to Section 16(a) of the Exchange Act during the year ended December 31, 2011 were timely filed, as necessary, by the officers, directors, and security holders required to file such forms, except that Mr. Carter filed one Form 4 late.

Involvement in Certain Legal Proceedings

To the best of our knowledge, during the past five years, none of the following occurred with respect to a present or former director or executive officer of our Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities, except as noted below; and (4) being found by a court of competent jurisdiction (in a civil action), the SEC or the commodities futures trading commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

On June 8, 2011, the Company became aware of an investigation by the Secretary of State of North Carolina, into possible securities violations by Mr. Claude McDougal and US Financial Alliance Consultants, LLC, a company affiliated with Mr. McDougal. Mr. McDougal tendered his resignation as an officer of the Company, but maintained his Director position on the Board of Directors. The Company later became aware that Mr. McDougal and US Financial Alliance Consultants, LLC had signed a Consent Order with the Secretary of State of North Carolina barring certain securities transactions within the state of North Carolina. Mr. McDougal and US Financial Alliance Consultants, LLC voluntarily signed the Consent Order without denying or admitting the facts and allegations being investigated. On November 17, 2011, after providing a copy of the Consent Order to the Board of Directors, Mr. McDougal resigned as an officer of the Company and agreed to cancel the consulting agreement between the Company and US Financial Alliance Consultants, LLC.

Based on the facts reviewed by the Company, at no time were the activities of Mr. McDougal or US Financial Alliance Consultants, LLC that were being investigated, related to the Company.

Indemnification of Officers and Directors

As permitted by Nevada law, our Articles of Incorporation provide that we will indemnify its directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

Pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable.

Exclusion of Liability

The Nevada Business Corporation Act excludes personal liability for directors for monetary damages based upon any violation of their fiduciary duties as directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, acts in violation of the Nevada Business Corporation Act, or any transaction from which a director receives an improper personal benefit. This exclusion of liability does not limit any right that a director may have to be indemnified and does not affect any director's liability under federal or applicable state securities laws.

Code of Conduct and Ethics

We are committed to maintaining the highest standards of business conduct and ethics. We have adopted a code of conduct and ethics applicable to our directors, officers and employees. The code of conduct and ethics reflects our values and the business practices and principles of behavior that support this commitment. The code of conduct and ethics satisfies SEC rules for a “code of ethics” required by Section 406 of the Sarbanes-Oxley Act of 2002, as well as the American Stock Exchange rules for a “code of conduct and ethics.” A form of the code of conduct and ethics is filed as Exhibit 14.1 was filed as an Exhibit to the Company's Registration Statement on Form S-1 (Registration No. 333-151177).

(32)

Table of Contents

Item 11. Executive Compensation

The shares issued in 2010 to directors, Claude McDougal and Solomon Ali, were issued as part of their agreements and valued at the market value at the time of issuance, $0.10 per share. The shares issued to Directors in August 2011 were issued by the Board for their contributions to milestones reached by the Company over the previous year in lieu of compensation. The shares were and valued at the market value at the time of issuance, $0.05 per share. The salaries recorded for 2011 have not been paid, but have been accrued

The following table and the accompanying notes provide summary information for each of the last five fiscal years concerning cash and non-cash compensation paid or accrued.

Summary Compensation Table

Name And Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards	Option Awards($)	Non-Equity Incentive Plan Compensation	All Other Compensation ($)	Total ($)
Ronald Carter	2006	0	0	0	0	0	$0	0
Chairman of Board,	2007	0	0	0	0	0	0	0
President And CEO	2008	0	0	0	0	0	46,937	46,937
	2009	35,446	0	0	0	0	0	35,446
	2010	92,308	0	0	0	0	0	92,308
	2011	200,000	0	90,000	0	0	0	290,000
Gary Stevenson	2006	0	0	0	0	0	0	0
CFO, Vice President	2007	0	0	0	0	0	0	0
And Director	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	60,000	0	0	0	60,000
Bethiel Tesfasillasie	2006	0	0	0	0	0	0	0
Director	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	20010	0	0	0	0	0	0	0
	20111	0	0	60,000	0	0	0	60,000
Claude McDougal*	2006	0	0	0	0	0	0	0
Former Vice President And	2007	0	0	0	0	0	0	0
Director	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	46,154	0	188,271	0	0	0	234,425
	2011	103,856	0	185,459	0	0	0	289,315

Solomon Ali	2006	0	0	0	0	0	0	0
Sr. Vice President And	2007	0	0	0	0	0	0	0
Director	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2001	046,154	0	282,407	0	0	0	328,561
	2011	150,000	0	60,000	0	0	0	210,000
Judith Bentley	2006	0	0	0	0	0	0	0
Director	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0

The officers and directors have taken limited salary but have taken loans in lieu of salary or other compensation. These loans are unsecured, bear a 5% interest and have five year repayment term. The total balance of loans to officers and directors was $121,952 and $80,435 in 2010 and 2011, respectively and have been recorded as “Unpaid Capital Contributions”.

The Company expects these loans to be repaid on a rolling basis throughout the term of the five year loans. After subtracting re-payments made and adding in accumulated interest, the following balances were owed as of years ended 2010 and 2011.

	12/31/10	12/31/11
Ron Carter	$44,824	$-0-
Garry Stevenson	33,042	34,428
Bethiel Tesfasillasie	44,086	45,917
	$121,952	$80,345

In the event that the loans are not fully repaid, any shortfall will be expensed as salary to the officers. The Company does not consider these advances to be management compensation, but we have been advised by tax counsel that there is a possibility that the Internal Revenue Service may disagree with its position, in which case it will be required to book the advances as compensation and will owe applicable taxes on the entire amounts, together with possible penalties and interest.

(33)

Table of Contents

2010 and 2011 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

		OPTION AWARDS					STOCK AWARDS			
		Number of Securities Underlying Unexercised Options #	Number of Securities Underlying Unexercised Option #	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options #	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentiv Plan Av Market Payout of Unea Shares, or Othe Rights T Have N Vested ($)
NAME		Exercisable	Unexercisable							
Ronald Carter	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0
Garry Steveson	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0
Claude McDougal	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0
Solomon Ali	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0
Judith Bentley	2010	0	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0	0

(34)

Table of Contents

2010 and 2011 OPTION EXERCISES AND STOCK VESTED TABLE

Name	Year	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Ronald Carter	2010	0	0	0	0
	2011	0	0	0	0
Garry Stevenson	2010	0	0	0	0
	2011	0	0	0	0
Betheil Tesfasillasie	2010	0	0	0	0
	2011	0	0	0	0
Claude McDougal*	2010	0	0	0	0
	2011	0	0	0	0
Solomon Ali	2010	0	0	0	0
	2011	0	0	0	0
Judith Bentley	2010	0	0	0	0
	2011	0	0	0	0

(35)

Table of Contents

2010 and 2009 PENSION BENEFITS TABLE

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Ronald Carter 2010-2011		0	0	0
Garry Stevenson 2010-2011		0	0	0
Bethiel Tesfasillasie 2010-2011		0	0	0
Claude McDougal* 2010-2011		0	0	0
Solomon Ali 2010-2011		0	0	0
Judith Bentley 2010-2011		0	0	0

Table of Contents

2010 and 2011 NONQUALIFIED DEFERRED COMPENSATION TABLE

Name		Executive Contributions in Last Fiscal Year ($)	Registrant Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)
Ronald Carter	2010	0	0	0	0	0
	2011	0	0	0	0	0
Garry Stevenson	2010	0	0	0	0	0
	2011	0	0	0	0	0
Bethiel Tesfasillasie	2010	0	0	0	0	0
	2011	0	0	0	0	0
Claude McDougal*	2010	0	0	0	0	0
	2011	0	0	0	0	0
Solomon Ali	2010	0	0	0	0	0
	2011	0	0	0	0	0
Judith Bentley	2010	0	0	0	0	0
	2011	0	0	0	0	0

(37)

Table of Contents

2010 and 2011 DIRECTOR COMPENSATION TABLE

Name	Year	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Ronald Carter	2010	92,308	0	0	0	0	0	92,308
	2011	200,000	90,0000	0	0	0	0	290,000
Garry Stevenson	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Claude McDougal	2010	46,154	188,271	0	0	0	0	234,425
	2011	103,856	188,271	0	0	0	0	289,315
Solomon Ali	2010	46,154	181,407			0	0	328,561
	2011	150,000	60,000	0	0	0	0	210,000
Judith Bentley	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0

(38)

Table of Contents

2010 and 2011 ALL OTHER COMPENSATION TABLE

NAME	Year	Perquisites and Other Personal Benefits ($)	Tax Reimbursements ($)	Insurance Premiums ($)	Company Contibutions to Retirement and 401(k) Plans ($)	Severance Payments / Accruals ($)	Change in Control Payments / Accruals ($)	Total ($)
Ronald Carter	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Garry Steveson	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Claude McDougal*	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Solomon Ali	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Judith Bentley	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0

(39)

Table of Contents

2010 and 2011 PERQUISITES TABLE

NAME	Year	Personal Use of Company Car/Parking	Financial Planning/ Legal Fees	Club Dues	Executive Relocation	Total Perquisites and Other Personal Benefits
Ronald Carter	2010	0	0	0	0	0
	2011	0	0	0	0	0
Garry Steveson	2010	0	0	0	0	0
	2011	0	0	0	0	0
Bethiel Tesfalillasie	2010	0	0	0	0	0
	2011	0	0	0	0	0
Claude McDougal	2010	0	0	0	0	0
	2011	0	0	0	0	0
Solomon Ali	2010	0	0	0	0	0
	2011	0	0	0	0	0
Judith Bentley	2010	0	0	0	0	0
	2011	0	0	0	0	0

Table of Contents

2010 and 201 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL TABLE

NAME	Year	Benefit	Before Change in Control Termination w/o Cause or for Good Reason	After Change in Control Termination w/o Cause or for Good Reason	Voluntary Termination	Death	Disability	Change in Control	Basic salary
Ronald Carter	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0
Garry Steveson	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0
Claude McDougal	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0
Solomon Ali	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0
Judith Bentley	2010	0	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0	0

Table of Contents

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table contains certain information as of December 31, 2011 as to the number of shares of Common Stock beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's Common Stock, (ii) each person who is a Director of the Company, (iii) all persons as a group who are Directors and Officers of the Company, and as to the percentage of the outstanding shares held by them on such dates.

Current

Name and Position	Shares	Percentage
Ron Carter **President/CEO, Director**	**9,249,960**	**.1298**
Garry Stevenson, Vice President, CFO, Director	2,908,517	.0408
Bethiel Tesfasillasie, Director	1,534,800	.0215
Claude McDougal, Former Vice* President, Director	5,591,887	.0784
Solomon Ali, Vice President, Director	5,245,033	.0736
Judith Bentley, Director	0	0
Totals	24,530,197	34.41%

***Mr. McDougal resigned as a Director on June 8, 2011 and as Vice President on November 17, 2011.**

DESCRIPTION OF SECURITIES

Our authorized capital stock consists of 1,000,000,000 shares of Common Stock, par value $.001 per share. The following statements relating to the capital stock set forth the material terms of our securities; however, reference is made to the more detailed provisions of, and such statements are qualified in their entirety by reference to, the Certificate of Incorporation, amendment to the Certificate of Incorporation and the By-laws, copies of which are filed as exhibits to this registration statement.

COMMON STOCK

Holders of shares of common stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefore. In the event of a liquidation, dissolution or winding up of the Company, the holders of common stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. All of the outstanding shares of common stock are fully paid and non-assessable. Holders of common stock have no preemptive rights to purchase our common stock. There are no conversion or redemption rights or sinking fund provisions with respect to the common stock.

The Board of Directors does not at present intend to seek stockholder approval prior to any issuance of currently authorized stock, unless otherwise required by law or stock exchange rules.

PREFERRED STOCK

The Company is authorized to issue 10,000,000 shares of Preferred Stock, $0.001 par value, of which none shares have issued. been The Board of Directors may issue such shares of Preferred Stock in one or more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions.

(42)

Table of Contents

DIVIDENDS

Dividends, if any, will be contingent upon our revenues and earnings, if any, capital requirements and financial conditions. The payment of dividends, if any, will be within the discretion of our Board of Directors. We presently intend to retain all earnings, if any, for use in its business operations and accordingly, the Board of Directors does not anticipate declaring any dividends prior to a business combination.

INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Neither our Articles of Incorporation nor Bylaws prevent us from indemnifying our officers, directors and agents to the extent permitted under the Nevada Revised Statute ("NRS"). NRS Section 78.502, provides that a corporation shall indemnify any director, officer, employee or agent of a corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with any the defense to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to Section 78.502(1) or 78.502(2), or in defense of any claim, issue or matter therein.

NRS 78.502(1) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

NRS Section 78.502(2) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

NRS Section 78.747 provides that except as otherwise provided by specific statute, no director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the director or officer acts as the alter ego of the corporation. The court as a matter of law must determine the question of whether a director or officer acts as the alter ego of a corporation.

No pending material litigation or proceeding involving our directors, executive officers, employees or other agents as to which indemnification is being sought exists, and we are not aware of any pending or threatened material litigation that may result in claims for indemnification by any of our directors or executive officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed hereby in the Securities Act and we will be governed by the final adjudication of such issue.

Amendment of our Bylaws

Our bylaws may be adopted, amended or repealed by the affirmative vote of a majority of our outstanding shares. Subject to applicable law, our bylaws also may be adopted, amended or repealed by our Board of Directors.

Table of Contents

Item 13. Certain Relationships and Related Transactions, and Director Independence

None

Unpaid Capital Contributions

As of December 31, 2010, the Company had loans from shareholders of the Company of approximately $121,952 to its officers and directors. As of December 31, 2011, the outstanding loans were $80,345. The advances carry an interest rate of 5% and have been recorded as “Unpaid Capital Contributions”. In the event that the loans are not fully repaid, any shortfall will be written off as compensation expense in our income statement.

Stock Option Agreements

The 2011 Stock Option Plan provides for the granting of (i) options to purchase Common Stock that qualify as “incentive stock options” (“Incentive Stock Options” or “ISOs”) within the meaning of Section 422 of the Internal Revenue Code (the “Code”), (ii) options to purchase Common Stock that do not qualify as Incentive Stock Options (“Nonqualified Options” or “NQSOs”) and (iii) restricted stock. The total number of shares of Common Stock with respect to which awards may be granted under the 2011 Stock Option Plan shall be 2,000,000 shares of common stock.

To date, no options have been awarded pursuant to the 2011 Stock Option Plan.

The 2011 Stock Option Plan is administered by a committee currently consisting of the Board of Directors (the "Committee"). The Committee is generally empowered to interpret the Stock Option Plan; to prescribe rules and regulations relating thereto; to determine the terms of the option agreements; to amend the option agreements with the consent of the optionee; to determine the key employees and directors to whom options are to be granted; and to determine the number of shares subject to each option and the exercise price thereof. The per share exercise price of options granted under the Stock Option Plan will be not less than 100% (110% for ISOs if the optionee owns more than 10% of the common stock) of the fair market value per share of common stock on the date the options are granted. The Stock Option also provides for the issuance of stock appreciation rights at the discretion of the Committee and provides for the issuance of restricted stock awards at the discretion of the Committee.

Options will be exercisable for a term that will not be greater than ten years from the date of grant (five years from the date of grant of an ISO if the optionee owns more than 10% of the common stock). In the event of the termination of the relationship between the option holder and the Company for cause (as defined in the Stock Option Plan), all options granted to that option holder terminate immediately. Options may be exercised during the option holder's lifetime only by the option holder or his or her guardian or legal representative.

Options granted pursuant to the Stock Option Plan which are ISOs are intended to enjoy the attendant tax benefits provided under Sections 421 and 422 of the Internal Revenue Code of 1986, as amended. Accordingly, the Stock Option Plan provides that the aggregate fair market value (determined at the time an ISO is granted) of the common stock subject to ISOs exercisable for the first time by an option holder during any calendar year (under all plans of the Company) may not exceed $100,000. The Board of Directors of the Company may modify, suspend or terminate the Stock Option Plan; provided, however, that certain material modifications affecting the Stock Option Plan must be approved by the stockholders, and any change in the Stock Option Plan that may adversely affect an option holder's rights under an option previously granted under the Stock Option Plan requires the consent of the option holder.

The Committee may grant shares of Common Stock on such terms and conditions and subject to such repurchase or forfeiture restrictions, if any, as the Committee shall determine in its sole discretion (“Restricted Stock”), which terms, conditions and restrictions shall be set forth in the instrument evidencing the Restricted Stock award. The Committee may provide that the forfeiture restrictions shall lapse on the passage of time, the attainment of one or more performance targets established by the Committee or the occurrence of such other event or events determined to be appropriate by the Committee. The grantee of a Restricted Stock award shall have the right to receive dividends with respect to the shares of Common Stock subject to a Restricted Stock award, to vote the shares of Common Stock subject thereto and to enjoy all other stockholder rights with respect to the shares of Common Stock subject thereto, except that, unless provided otherwise, (i) the grantee shall not be entitled to delivery of the Common Stock certificate until the applicable forfeiture restrictions have expired, (ii) the Company or an escrow agent shall retain custody of the shares of Common Stock until the forfeiture restrictions have expired, (iii) the grantee may not transfer the Common Stock until the forfeiture restrictions have expired and (iv) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock agreement shall cause a forfeiture of the Restricted Stock award.

The Committee may grant Stock Appreciation Rights (SARs). A stock appreciation right generally permits a Participant who receives it to receive, upon exercise, shares of Common Stock equal in value to the excess of (a) the fair market value, on the date of exercise, of the shares of Common Stock with respect to which the SAR is being exercised, over (b) the exercise price of the SAR for such shares. The 2011 Stock Option Plan provides for the grant of SARs, either in tandem with options or on a freestanding basis. With respect to a tandem SAR, the exercise of the option (or the SAR) will result in the cancellation of the related SAR (or option) to the extent of the number of shares in respect of which such option or SAR has been exercised.

The Committee, in its sole discretion, may waive the repurchase or forfeiture period and any other terms, conditions or restrictions on any Restricted Stock under such circumstances and subject to such terms and conditions as the Committee shall deem appropriate. However, the Committee may not waive the repurchase or forfeiture period with respect to a Restricted Stock award that has been granted if such award has been designed to meet the exception for performance-based compensation under Section 162(m) of the Code.

The 2011 Stock Option Plan may be amended, terminated or suspended by the Board at any time. The 2011 Stock Option Plan will terminate not later than the ten-year anniversary of its effective date. However, awards granted before the termination of the 2011 Stock Option Plan may extend beyond that date in accordance with their terms.

The Board of Directors of the Company believes that the 2011 Stock Option Plan reserves sufficient additional shares to provide for additional grants to employees in the near future in order to attract and retain such key personnel.

The Board of Directors of the Company believes that the 2011 Stock Option Plan reserves sufficient additional shares to provide for additional grants to employees in the near future in order to attract and retain such key personnel.

The 2011 Stock Option Plan was ratified by the shareholders by written consent on August 1, 2011 (as published in Schedule 14C, filed on November 9, 2011 with the Securities and Exchange Commission.

(44)

Table of Contents

Item 14. Principal Accounting Fees and Services

The financial statements for the years ended December 31, 2010 and 2011 have been audited by our auditors, Bongiovanni & Associates, P.A. The Chief Executive Officer pre-approves all audit and non-audit services prior to the performance of services by our independent accountants. The percentage of hours expended on the audit by persons other than full time, permanent employees of each accounting firm was 20 hours.

Audit Fees

Aggregate fees billed to us during years ended December 31, 2010 and 2011 for professional services by our principal accountants, for the audit of our annual financial statements and the review of quarterly financial statements were $22,000 and $22,000, respectively.

Audit-Related Fees

There were no fees billed to us in the previous two fiscal years for assurance and related services our principal accountants that are reasonably related to the performance of the audit or review of our financial statements and that are not reported in the previous paragraph.

Tax Fees

Aggregate fees billed to us during the years ended December 31, 2010 and 2011 for professional services by our principal accountants for tax compliance, tax advice, and tax planning were $0 and $0, respectively.

All Other Fees

Aggregate fees billed during the years ended December 31, 2010 and 2011 for products or other services by our principal accountants that are not reported in the previous three paragraphs were $0 and $0, respectively.

Item 15. Exhibits, Financial Statement Schedules

A.	Documents included as part of this report:	PAGE
	1. The financial statements for the Registrant are included in this report.	
	Balance Sheets at December 31, 2010 and 2011;	47
	Statements of Operations for the years ended December 31, 2010 and 2011;	48
	Statements of Cash Flows for the years ended December 31, 2010, and 2011;	49
	Statements of Stockholders' Deficit for the years ended December 31, 2010 and 2011;	50
	Notes to Financial Statements	51
	2. See the Index to Exhibits on page 53 of this Form 10-K	57
B.	Exhibits required by Item 601 of Regulation S-K. See item (a) 3 above	

(45)

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors of

Revolutionary Concepts, Inc.

We have audited the accompanying balance sheets of Revolutionary Concepts, Inc. (A Development Stage Company) ("The Company") as of December 31, 2011 and 2010, and the statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness for the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Revolutionary Concepts, Inc. (A Development Stage Company) as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses, negative cash flows from operations and has a net working capital deficiency, factors which raise substantial doubt about the Company's ability to continue as a going concern.

Management's plans in regards to these matters are described in note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Bongiovanni & Associates , CPA'S

Bongiovanni & Associates, CPA'S

Certified Public Accountants

Cornelius, North Carolina

The United States of America

April 13, 2012

www.bai-cpa.com

(46)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.
(A Development Stage Company)
BALANCE SHEETS
as of:

	December 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ -	$ 184
Total Current Assets	-	184
Fixed Assets		
Computer equipment	12,231	11,331
Accumulated depreciation	(10,626)	(10,577)
Total Net Fixed Assets	1,606	754
Other Assets		
Patent costs	99,539	88,306
Accumulated amortization	(86,387)	(74,602)
Total Patent Costs net of accumulated amortization	13,152	13,704
Related party note receivable	112,663	-
Security deposits	1,500	1,500
Total Other Assets net of accumulated amortization	127,315	15,204
TOTAL ASSETS	$ 128,921	$ 16,142
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 220,225	$ 78,809
Accrued interest payable	51,140	88,860
Other accrued expenses	572,470	215,340
Total Current Liabilities	843,836	383,009
Long-term Debt		
Notes payable	752,000	204,837
Notes payable - related parties	138,462	77,785
Total Long-term Debt	890,461	282,622
Stockholders' Deficit		
Preferred stock 10,000,000 shares authorized, none issued	-	-
Common stock, $.001 par value, 71,281,189 and 37,857,533 shares issued and outstanding, 1,000,000,000 authorized, respectively	71,281	37,858
Additional paid in capital	2,985,071	2,248,651
Unpaid capital contributions (see note 3)	(80,345)	(121,952)

Deficit accumulated during the development stage	(4,581,383)	(2,814,046)
	(1,605,376)	(649,489)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 128,921	$ 16,142

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

(47)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.
(A Development Stage Company)
STATEMENTS OF INCOME (LOSS)

For the Years Ending December 31, 2011 and 2010
and the period from March 12, 2004 (Inception) to December 31, 2011

	For the Years Ending December 31,		March 12, 2004 (Inception) to December 31,
	2011	2010	2011
OPERATING EXPENSES			
Automobile expense	3,456	4,608	28,943
Bank charges	756	713	7,590
Compensation		-	35,446
Unpaid accumulated compensation	793,735	184,625	978,360
Depreciation & amortization expense	11,833	13,352	100,082
License and permits	1,588	500	7,921
Office expense	2,880	3,436	20,117
Office supplies	599	971	15,164
Payroll taxes	48,109	11,936	81,429
Printing and reproduction	809	570	16,429
Professional fees	776,245	597,648	2,344,403
Rent expense	5,671	-	5,671
Research and development expense	35,480	-	596,438
Telephone expense	2,098	1,192	23,395
Travel expense	6,558	3,792	105,484
Website development expense	356	729	14,110
Other expenses	2,261	1,217	53,966
Total Operating Expenses	1,692,432	825,353	4,434,946
OTHER INCOME & (EXPENSE)			
Interest income	(15,892)	5,264	16,998
Other income	-	490	490
Interest expense	(59,013)	(92,880)	(163,925)
Total Other Income and Expense	(74,905)	(87,126)	(146,437)
NET (LOSS)	(1,767,337)	(912,479)	(4,581,383)
Weighted average number of common shares outstanding	54,569,361	28,732,072	28,957,935

Net (Loss) per common shares outstanding	$(0.03)	$(0.03)	$(0.16)

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

(48)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.
(A Development Stage Company)

STATEMENT OF CASH FLOWS
for the Years Ended December 31, 2011 and 2010
and the period from March 12, 2004 (Inception) to December 31, 2011

	December 31, 2011	December 31, 2010	March 12, 2004 (Inception) to December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss)	$(1,767,337)	$(912,479)	$(4,581,383)
Adjustments to reconcile (net loss) to net cash (used in) operating activities:			
Depreciation and amortization	11,833	13,352	97,012
(Increase) in other assets	(112,663)	—	(114,163)
Common shares issued for services received	657,472	522,678	1,478,156
Increase (decrease) in accounts payable	141,416	(225,832)	220,225
Increase (decrease) in accrued expenses and other liabilites	319,410	286,579	623,610
NET CASH (USED IN) OPERATING ACTIVITIES	(749,868)	(315,702)	(2,276,542)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of computer equipment	(900)	—	(12,231)
Investment in patent costs	(11,233)	—	(99,539)
NET CASH (USED BY) INVESTING ACTIVITIES	(12,133)	—	(111,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock shares from private placements	—	—	1,754
Issuance of common stock shares for warrants	—	18,450	18,470
Issuance of common stock shares for retirement of debt	112,371	—	112,371
Issuance of notes payable	643,175	261,803	1,233,297
Retirement of notes payable	(35,336)		(342,836)
Paid in capital from private placements and warrants	—	—	992,471
Capital contributions	—	—	462,774
Common stock shares repurchased with cash	—	—	(9,644)
Unpaid capital contributions (see note 3)	41,607	35,633	(80,345)
NET CASH PROVIDED BY FINANCING ACTIVITIES	761,817	315,886	2,388,312
NET INCREASE (DECREASE) IN CASH	(184)	184	(0)
CASH AND CASH EQUIVALENT BALANCE BEGINNING OF PERIOD	$184	$—	$—
CASH AND CASH EQUIVALENT BALANCE END OF PERIOD	$(0)	$184	$(0)

SUPPLEMENTAL DISCLOSURES

Interest paid	$16,052	$15,446	$16,052
Taxes paid	$—	$—	$—
Issuance of common stock for the conversion of debt	$50,166	$—	$50,166

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

(49)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.
(A Development Stage Company)

STATEMENT OF STOCKHOLDERS' DEFICIT
For the period of Inception (March 12, 2004) and
For the Years Ended December 31, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011

	Number of Preferred Shares	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid in Capital	Unpaid Capital Contribution	Deficit Accumulated During the Development Stage	Total
Balance as of March 12, 2004 (Date of Inception)			100,000	$1	$32,499	$—	$(3,991)	$28,509
Contributed Capital					99,500			99,500
Unpaid capital contributions (see note 3)						(21,695)		(21,695)
Net (Loss)							(86,084)	(86,084)
Balance as of December 31, 2004	—	—	10,000	1	131,999	(21,695)	(90,075)	20,230
Common Shares issued after re-domicile			15,990,000	15,999				15,999
Common Shares for services received			1,000,000	1,000	99,000			100,000
Private placement memorandum I issued from March 2005 to December 2005 at $0.50/share			850,000	850	455,151			456,001
Unpaid capital contributions (see note 3)						(130,532)		(130,532)
Net (Loss)							(518,270)	(518,270)
Balance as of December 31, 2005	—	—	17,850,000	17,850	686,150	(152,227)	(608,345)	(56,572)
Private placement memorandum I issued from January 2006 to March 2066 at $0.50/share			150,000	150	61,994			62,144
Shares purchased with cash			(144,000)	(144)	(9,500)			(9,644)

Unpaid capital contributions (see note 3)						26,496		26,496
Net (Loss)							(77,222)	(77,222)
Balance as of December 31, 2006	—	—	17,856,000	17,856	738,644	(125,731)	(685,567)	(54,798)
Private placement memorandum II issued from May 2007 to Oct. 2007 at $0.50/share			646,200	642	320,458			321,100
Common Shares for Services received			313,500	314	156,436			156,750
Unpaid capital contributions (see note 3)						18,335		18,335
Net (Loss)							(464,718)	(464,718)
Balance as of December 31, 2007	—	—	18,811,700	18,812	1,215,538	(107,396)	(1,150,285)	(23,331)
Shares issued for retirement of debt			630,811	631				631
Additional paid in capital					314,775			314,775
Unpaid capital contributions (see note 3)						(79,776)		(79,776)
Net (Loss)							(221,484)	(221,484)
Balance as of December 31, 2008	—	—	19,442,511	19,443	1,530,313	(187,172)	(1,371,769)	(9,185)
Shares issued for warrants 10,000 class A at $0.95/share			20,000	20	15,480			15,500
Private placement memorandum II issued from April 21 to Sep. 30, 2009 at $1.25/share			111,600	112	139,388			139,500
Common Shares for services received			32,500	32	40,593			40,625
Unpaid capital contributions (see note 3)						29,587		29,587
Net (Loss)							(529,798)	(529,798)
Balance as of December 31, 2009	—	—	19,606,611	19,607	1,725,774	(157,585)	(1,901,567)	(313,771)
Shares issued for warrants: 14,538 class A at $0.65/share and 10,000 class B at $0.90/share			24,538	25	18,425			18,450

Common shares issued for retirement of debt			13,517,260	13,517	38,483			52,000
Common Shares for services received			4,709,124	4,709	465,969			470,678
Unpaid capital contributions (see note 3)						35,633		35,633
Net (Loss)							(912,479)	(912,479)
Balance as of December 31, 2010	—	—	37,857,533	37,858	2,248,651	(121,952)	(2,814,046)	(649,489)
Common Shares for services received			6,549,436	6,549	310,923			317,472
Common shares issued for officer compensation			6,600,000	6,600	333,400			340,000
Common shares issued for retirement of debt			20,274,220	20,274	92,097			112,371
Unpaid capital contributions (see note 3)						41,607		41,607
Net (Loss)							(1,767,337)	(1,767,337)
Balance as of December 31, 2011	—	—	71,281,189	$71,281	$2,985,071	$(80,345)	$(4,581,383)	$(1,605,376)

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

(50)

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations - Revolutionary Concepts, Inc. (the “Company”) was originally organized in North Carolina on March 12, 2004. On February 28, 2005 the Company was reorganized and re-domiciled as a Nevada corporation. The Company is in the product development stage. Recently, the Company completed the initial development of a working prototype of the EyeTalk® Communicator (“EyeTalk®”). This technology has many applications. The EyeTalk® specifically provides wireless technology that offers consumers an opportunity to interact with visitors to their front door. This is initiated through a doorbell or a motion sensor, which sets off a series of events that result in a phone call to the consumer who then can interact with the visitor through both video and audio. This same wireless technology could also be made portable so that you could see a child’s sporting event or school play even when you not present. The Company is also exploring other applications for the technology. The Company may need to raise additional capital to further develop the EyeTalk® and to begin the commercialization of the EyeTalk® technology. They have obtained a patent on certain key components of the technology.

Basis of presentation - These financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements on a going concern basis, which assumes the realization of assets and the discharge of liabilities in the normal course of operations for the foreseeable future. The Company maintains its financial records on an accrual method of accounting. The Company’s ability to continue as a going concern is dependent upon continued ability to obtain financing to repay its current obligations and fund working capital until it is able to achieve profitable operations. The Company will seek to obtain capital from equity financing through the exercise of warrants and through future common share private placements. The Company may also seek debt financing, if available. Management hopes to realize sufficient sales in future years to achieve profitable operations. There can be no assurance that the Company will be able to raise sufficient debt or equity capital on satisfactory terms. If management is unsuccessful in obtaining financing or achieving profitable operations, the Company may be required to cease operations. The outcome of these matters cannot be predicted at this time. These financial statements do not give effect to any adjustments which could be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Revenue recognition – The Company will recognize sales revenue at the time of delivery when ownership has transferred to the customer, when evidence of a payment arrangement exists and the sales proceeds are determinable and collectable. Provisions will be recorded for product returns based on historical experience. To date, the

Company's revenue is primarily comprised of interest income.

Options and warrants issued – The Company allocates the proceeds received from equity financing and the attached options and warrants issued, based on their relative fair values, at the time of issuance. The amount allocated to the options and warrants is recorded as additional paid in capital.

Stock-based compensation – The Company accounts for stock-based compensation at fair value in accordance with the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 718, "Stock Compensation", which establishes accounting for stock-based payment transactions for employee services and goods and services received from non-employees. Under the provisions of ASC Topic 718, stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award, and is recognized as expense in the consolidated statements of operations pro ratably over the employee's or non-employee's requisite service period, which is generally the vesting period of the equity grant. The fair value of stock option awards is generally determined using the Black-Scholes option-pricing model. Restricted stock awards and units are valued using the market price of the Company's common stock on the grant date. Additionally, stock-based compensation cost is recognized based on awards that are ultimately expected to vest, therefore, the compensation cost recognized on stock-based payment transactions is reduced for estimated forfeitures based on the Company's historical forfeiture rates. Additionally, no stock-based compensation costs were capitalized for the years ended December 31, 2011 and 2010. For the periods from inception (March 12, 2004) to December 31, 2011, no stock options were committed to be issued to employees.

Income taxes – Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards that are available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When it is not considered to be more likely than not that a deferred tax asset will be realized, a valuation allowance is provided for the excess. Although the Company has significant loss carry forwards available to reduce future income for tax purposes, no amount has been reflected on the balance sheet for deferred income taxes as any deferred tax asset has been fully offset by a valuation allowance.

Reclassifications – Certain amounts in 2009 have been reclassified to conform with 2010 presentation.

Loss per share – Basic loss per share has been calculated using the weighted average number of common shares issued and outstanding during the year.

Use of Estimates - _ The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions, where applicable, that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. While actual results could differ from those estimates, management does not expect such variances, if any, to have a material effect on the financial statements.

Research and Development Costs - Research and development costs are expensed as incurred in accordance with generally accepted accounting principles in the United States of America. *Research* is planned search or critical investigation aimed at discovery of new knowledge with the hope that such knowledge will be useful in developing a new product or service or a new process or technique or in bringing about a significant improvement to an existing product or process. Development is the translation of research findings or other knowledge into a plan or design for a new product or process or for a significant improvement to an existing product or process whether intended for sale or use. It includes the conceptual formulation, design, and testing of product alternatives, construction of prototypes, and operation of pilot plants. It does not include routine or periodic alterations to existing products, production lines, manufacturing processes, and other on-going operations even though those alterations may represent improvements and it does not include market research or market testing activities. Elements of costs shall be identified with research and development activities as follows: The costs of materials and equipment or facilities that are acquired or constructed for research and development activities and that have alternative future uses shall be capitalized as tangible assets when acquired or constructed. The cost of such materials consumed in research and development activities and the depreciation of such equipment or facilities used in those activities are research and development costs. However, the costs of materials, equipment, or facilities that are acquired or constructed for a particular research and development project and that have no alternative future uses and therefore no separate economic values are research and development costs at the time the costs are incurred. Salaries, wages, and other related costs of personnel engaged in research and development activities shall be included in research and development costs. The costs of contract services performed by others in connection with the research and development activities of an enterprise, including research and development conducted by others in behalf of the enterprise, shall be included in research and development costs.

Depreciation – Depreciation is computed using the straight-line method over the assets' expected useful lives.

Valuation of Long-Lived Assets - The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Intangible and Other Long-Lived Assets, Net - (Included in Accounting Standards Codification ("ASC") 350 "Goodwill and Other Intangible Assets" previously SFAS No. 142 and ASC 985 "Accounting for Costs of Computer Software to be Sold, Leased, or Otherwise Marketed" previously SFAS No. 86)

Intangible assets are comprised of software development costs and legal fees incurred in order to obtain the patent. The software development costs are capitalized in accordance with SFAS 86. Costs of producing product masters incurred subsequent to establishing technological feasibility shall be capitalized. Those costs include coding and testing performed subsequent to establishing technological feasibility. Software production costs for computer software that is to be used as an integral part of a product or process shall not be capitalized until both (a) technological feasibility has been established for the software and (b) all research and development activities for the other components of the product or process have been completed. The fees incurred in order to obtain the patent are capitalized in accordance with SFAS 142 “Goodwill and Other Intangible Assets. This Statement applies to costs of internally developing identifiable intangible assets that an entity recognizes as assets APB Opinion 17, paragraphs 5 and 6. The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Amortization – Deferred charges are amortized using the straight-line method over six years.

(51)

Table of Contents

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

In January 2011, the FASB released Accounting Standards Update No. 2011-01 ("ASU 2011-01"), Receivables (Topic 310): Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20, which deferred the disclosure requirements surrounding troubled debt restructurings. These disclosures are effective for reporting periods ending on or after June 15, 2011. We do not expect the disclosure requirements to have a material impact on our current disclosures.

In April 2011, the FASB released Accounting Standards Update No. 2011-02 ("ASU 2011-02"), Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring. ASU 2011-02 clarifies the guidance for determining whether a restructuring constitutes a troubled debt restructuring. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must conclude that 1) the restructuring constitutes a concession and 2) the debtor is experiencing financial difficulties. ASU 2011-02 also requires companies to disclose the troubled debt restructuring disclosures that were deferred by ASU 2011-01. The guidance in ASU 2011-02 is effective for public companies in the first reporting period ending on or after June 15, 2011, but the amendment must be applied retrospectively to the beginning of the annual period of adoption. ASU 2011-02 is not expected to materially impact our consolidated financial statements.

No other accounting standards or interpretations issued recently are expected to a have a material impact on the Company's consolidated financial position, operations or cash flows.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Board of Directors have authorized the officers of the Company to receive advances from the Company for the foreseeable future, in lieu of taking compensation, under terms of promissory notes bearing 5% interest, beginning January 1, 2006. As of December 31,

2010 and 2011 the advances totaled $121,952 and $80,345, respectively. These advances are described as unpaid capital contributions for financial reporting purposes.

Ronald Carter. Under Ronald Carter’s employment agreement, he has agreed to serve as the President and Chief Executive Officer. His term of service under this agreement commenced on April 1, 2010 and continues for a term of two (2) years with renewal options. The agreement provides for a base salary of $200,000 for the first year of the term and an annual increase of at least 8% thereafter. The agreement also provides Mr. Carter with cash and equity incentives based on performance that must be approved by the Board of Directors. The agreement also provides for participation in the Company’ s programs to acquire options or equity incentives in common stock subject to the discretion of the Board of Directors, expense reimbursements, participation in retirement and benefit plans, paid time off and indemnification and liability coverage. The Company can terminate Mr. Carter's employment with cause, or without cause upon certain written notice and Mr. Carter can terminate the agreement for "good reason" as defined in the agreement. There are specific severance provisions, as well as confidentiality and non-solicitation requirements resulting from any termination.

Solomon Ali. Under Solomon Ali's employment agreement, he has agreed to serve as the Senior Vice President. His term of service under this agreement commenced on August 16, 2010 and continues for a term of two (2) years with renewal options. The agreement provides for a base salary of $150,000 for the first year of the term and an annual increase of at least 8% thereafter. The agreement also provides Solomon Ali with cash and equity incentives based on performance that must be approved by the Board of Directors . The agreement also provides for participation in the Company’ s programs to acquire options or equity incentives in common stock, subject to the discretion of the Board of Directors, expense reimbursements, participation in retirement and benefit plans, paid time off and indemnification and liability coverage. The Company can terminate Solomon Ali's employment with cause, or without cause upon certain written notice and Solomon Ali can terminate the agreement for "good reason" as defined in the agreement. There are specific severance provisions, as well as confidentiality and non-solicitation requirements resulting from any termination.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was $100,996, plus interest at 8% and legal costs. On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4th day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is $144,066.76 including interest, of which the Company has received a promissory note from Mr. Carter for $112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

On August 4, 2011, the Company issued 6,600,000 restricted common shares to the officers of the Company, for contributions to the Company over the past year. The shares were recorded at the market price on the date of issue of an aggregate of $340,000 (Also See Note 8).

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with its President and CEO, Ronald Carter for $92,308 at 10% interest for the balance of the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at $.005.

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with its Vice President, Solomon Ali for $46,154 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at $.005.

(52)

Table of Contents

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable consist of the following:	12/31/10	12/31/11
Professional fees	$8,169	$33,267
Other	463	11,695
Legal fees	58,977	125,063
Consulting fees	8,200	50,200
	$78,809	$220,225

NOTE 5 – COMITMENTS AND CONTENGINCIES

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Recoveries from third parties, which are probable of realization are separately recorded, and are not offset against the related liability, in accordance with FASB No. 39, "Offsetting of Amounts Related to Certain Contracts." The Company is the plaintiff in a lawsuit seeking damages against the law firm retained to file for "EyeTalk®" product patent.

For several years, RCI has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for RCI's core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for RCI at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. RCI's trial counsel have assured the Company that the judge's ruling is contrary to law and that good grounds exist for appeal. A decision about whether to appeal is forthcoming.

In July and August 2009, the Company issued two notes payable in the total amount of $20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, the Board of Directors agreed to guarantee a personal loan to the President of the Company, Mr. Ron Carter of $75,000 with interest of 10%, by a shareholder. The note became due in November 2010.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was $100,996, plus interest at 8% and legal costs. On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4th day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is $144,066.76 including interest, of which the Company has received a promissory note from Mr. Carter for $112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

NOTE 6 – CAPITAL FINANCING

The Company, though a Private Placement Memorandum ("PPM") dated April 24, 2007, raised capital of $321,100. The PPM offered 642,200 shares of common stock at a price of $.50 per share. Expenses of this offering, $18,000, were paid from the proceeds and included legal and accounting expenses, filling fees, printing costs and other offering costs. No commission, discount, finder's fee or other similar remuneration or compensation was paid, directly or indirectly to any person for soliciting any prospective purchaser. This was a non-contingent offering and there was no minimum number of shares required to be sold, except the minimum of $1,000 (2,000 shares) per purchaser was required to accredited investors. During 2009, the Company raised $139,500 in a private placement priced at $1.25 per share for a total of 111,600 shares and had 10,000 Class A warrants exercised at $0.65 per share and 10,000 Class B warrants exercised at $0.90 per share, for 20,000 common shares. During the nine months ending September 30, 2010 the Company had 14,538 Class A warrants exercised at $0.65 per share and 10,000 Class B warrants exercised at $0.90 per share, for 24,538 common shares, increasing paid in capital $18,450. The warrants have now expired and no further warrants may be exercised.

The patent number US 7,193644 B2, for the prototype was successfully obtained on March 20, 2007. In accordance with FASB 86, the Company has established a technological feasibility date on July 21, 2004, the date that Phase I was delivered and presented. The software development costs have been analyzed and it has been determined that all software development costs were incurred subsequent to the feasibility date. The useful life of capitalized software costs has been assumed to be 5 years. Total software development costs were $32,200 and the appropriate minimum amortization has been taken, also in accordance with FASB 86. The following are patent pending applications; Video system for individually selecting and viewing events at a venue. The Detection and viewing system method for providing multiple viewing opportunities of events at a venue. Feeding pacifier with removable fluid source. Mole surveillance system. Medical audio/video communications system. Real estate audio/video monitoring communication system. As of December 31, 2011, the Company has expensed $99,539 for filing and legal fees related to our patent and patent pending intellectual property.

(53)

Table of Contents

NOTE 7 – COMMON STOCK SHARES FOR SERVICES RECEIVED

On August 4, 2011, the Company issued 6,549,436 restricted common shares for professional services provided to the Company. The shares were recorded at the market price on the date of issue of an aggregate of $317,472.

On August 4, 2011, the Company issued 6,600,000 restricted common shares to the officers of the Company, for contributions to the Company over the past year, the shares were recorded at the market price on the date of issue of an aggregate of $340,000 (Also See Note 3).

NOTE 8 – CONVERSION OF DEBT TO EQUITY

During November and December 2010, the Company issued 13,517,260 shares of restricted common stock to the note holders in exchange for the retirement of debt and interest payable. To date, these shares have retired $52,000 in accounts payable.

On August 4, 2011, the Company converted two of its long term notes payable dated 12/30/10 and 1/15/11, for a total of $62,205 and issued 12,441,068 restricted common shares of which 2,200,000 shares had previously been issued, for that conversion. This conversion of debt reduced our long-term notes payables $62,205, upon conversion the accrued interest payable of $2,915was forgiven.

On December 13, 2011, the Company received a notice of conversion from an unrelated third part as part of the settlement of the judgment against the Company and its President Ronald Carter for 10,033,152. This conversion of debt reduced our long-term notes payables $50,166.

NOTE 9 – NOTES PAYABLE

Also during 2010, the Company reclassified $289,787 in accounts payable to long term notes payable in the amount of $204,836 and $84,950 to accrued interest payable, to reflect the assignment by three of our creditors of their balance to a note that will be paid one year or more past the original due date. The $204,836 of the notes do not bear any interest and begin coming due in July 2011. The notes can be converted to restricted common stock. In October 2011, these notes were modified and two of the notes were assigned to an unrelated third part, See Notes dated October 1, 2011 below.

For fiscal 2011 year, the Company has issued several long term notes payable for a total of $530,089 and retired $112,371 in long term notes payable. The notes bear an interest of 10% to 12% and begin becoming due starting in January 2013. The notes can be converted to restricted common stock.

<u>NOTE 10 – LONG TERM NOTES PAYABLE</u>

On December 30, 2010 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $19,705 at 10% interest. The holder has the right to convert the note to common stock. On August 4, 2011 this Note was converted.	-	19,705
On December 31, 2010 the Company entered into a two (2) year convertible Promissory Note with three non-related creditors for $262,917, which included $84,950 in prior accrued interest payable at 0% interest. The holders have the right to convert the note to common stock. On October 1, 2011, these Notes were modified to include interest and two were assigned by the original note holders to an unrelated third party.	-	262,917
On January 15, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $42,500 at 10% interest. The holder has the right to convert the note to common stock. On August 4, 2011 this Note was converted.	-	-
On April 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $76,194 at 10% interest. The holder has the right to convert the note to common stock.	76,194	-
On April 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $12,000 at 10% interest. The holder has the right to convert the note to common stock.	12,000	-
On May 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $12,000 at 10% interest. The holder has the right to convert the note to common stock.	12,000	-
On May 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $10,000 at 10% interest. The holder has the right to convert the note to common stock.	10,000	-
On June 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $140,663 and $3,404 in interest. The holder has the right to convert the note to common stock. On November 30, 2011, the holder converted $50,166 of the note leaving a principal balance due of $90,497.	90,497	-
On August 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $44,600 at 10% interest. The holder has the right to convert the note to	44,600	-

common stock.

On September 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $177,522 at 10% interest. The holder has the right to convert the note to common at stock.	177,522	-
On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with Ronald Carter, its President and CEO for $92,308 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock.	92,308	-
On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with its Senior Vice President, Solomon Ali for $46,154 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock.	46,154	-
On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $63,818 at 10% interest. The holder has the right to convert the note to common stock. This note was assigned to an unrelated third party and was originally issued 12/31/10	63,818	-
On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $27,018 at 10% interest. The holder has the	27,018	-

right to convert the note to common stock. This note was originally issued 12/31/10		
On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $198,950 at 10% interest. The holder has the right to convert the note to common stock. This note was assigned to an unrelated third party and was originally issued 12/31/10	198,950	-
On October 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $8,700 at 10% interest. The holder has the right to convert the note to common stock.	8,700	-
On November 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $8,500 at 10% interest. The holder has the right to convert the note to common stock.	8,500	-
On December 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $4,700 at 12% interest. The holder has the right to convert the note to common stock.	4,700	-
Total long-term note payable	890,461	282,622
Less current portion	-	-
Long-term portion of note payable	$ 890,461	$ 282,622

In its efforts to expand and grow, the Company has issued debt instruments to borrow funds from various creditors to raise capital. These are long-term Notes with various rates and maturities, that grants the Note Holder the right, (but not the obligation), to convert them into common stock of the Company in lieu of receiving payment in cash. The issued Notes are secured obligations. The principal amount of the Notes may be prepaid upon agreement of both parties and a prepayment penalty, in whole or part at any time, together with all accrued interest upon written notice.

It could take several years to convert all of the Notes to stock if all of the lenders requested it. It's possible that some of the parties may never convert their Notes to stock and may take cash only, when the Company is in the best position to settle the obligation on a cash basis.

Principal maturities of notes payable as of December 31, 2011 for the next five years and thereafter is as follows:

2011	$-0-
2012	$309,492
2013	$580,969
2014	$-0-
2015	$-0-
Total	$890,461

(54)

Table of Contents

NOTE 11 – GOING CONCERN

The losses, negative cash flows from operations, and negative working capital deficiency sustained by the Company raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 12 – SUBSEQUENT EVENTS

On January 31, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $28,000 at 12% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On February 6, 2012, the Board of Directors approved a request for an adjustment to the conversion price of a Long Term Note dated April 30, 2011 for $76,194 from $0.005 t0 $0.0022.

On February 29, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $5,000 at 12% interest. The holder has the right to convert the note to common stock at $0.005 per share.

On March 22, 2012 the Company completed a partial conversion of one of its Notes payable dated April 30, 2011, with a principal amount of $76,194. A total of $26,000 worth of the Note was converted, and 11,817,900 common shares were issued for that part of the conversion, which leaves a remaining balance of $50,194 of the principal of the Note. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by $26,000.

On March 22, 2012, the Company issued 159,000 restricted common shares for professional services provided to the Company and expensed in 2011. The issuance will reduce the Company's accounts payable by $4,990.

On March 30, 2012 the Company completed a conversion of one of its Notes payable to one of our Officers and Directors Mr. Solomon Ali, dated October 1, 2011, with a principal amount of $46,154. The Note was converted, and 9,230,768 common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by $46,154.

On March 30, 2012 the Company completed a conversion of one of its Notes payable to one of our Officers and Directors Mr. Ronald Carter, dated October 1, 2011, with a principal amount of $92,308. The Note was converted, and 18,461,544 common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by $92,308.

On March 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for $70,000 at 12% interest. The holder has the right to convert the note to common stock at $0.005 per share.

(55)

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Revolutionary Concepts, Inc.

By:/s/ Ron Carter April 13, 2012

Ron Carter

President and Chief Executive Officer

By: /s/ Garry Stevenson April 13, 2012

Garry Stevenson

Chief Financial Officer, Principal Accounting Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ron Carter Name: Ron Carter	Director	April 13, 2012
/s/ Garry Stevenson Name: Garry Stevenson	Director	April 13, 2012
/s/ Bethiel Tesfasillasie	Director	April 13, 2012

Name: Bethiel Tesfasillasie

/s/ Judith Bentley

Director April 13, 2012

Name: Judith Bentley

/s/ Solomon Ali Director April 13, 2012

Name: Solomon Ali

(56)

Table of Contents

Exhibit Index

The following is a list of Exhibits on file with the commission:

Exhibit No.	Description of Exhibit
3.1*	Articles of Incorporation
3.2*	Bylaws
4.1*	Form of Stock Certificate
4.2*	Form of Class A Warrant Certificate
4.3*	Form of Class B Warrant Certificate
4.4*	Warrant Agreement
10.1*	Agreement with Absolutely New
10.2*	Agreement with Dr. Jones
10.3*	Agreement with Tillman Wright

10.4* Agreement with JDSL

10.7* Consulting Agreement with Sedgefield Capital

10.8* Additional Services Agreement with Sedgefield Capital

14.1* Code of Ethics

31.1 Certification of our Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(2)

31.2 Certification of our Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(2)

32.1 Certification of our Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)

32.2 Certification of our Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)

99.2* US Patent

- Previously filed as an Exhibit to the Company's Registration Statement on Form S-1 (Registration No. 333-151177) and incorporated herein by reference.

(57)