

Revolutionary Concepts Inc
Form 10-K/A
June 30, 2011

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(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, 2010

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.

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

6000 Fairview Road, Suite 1425

Charlotte, NC 28210

980-225-5376

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

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

Title of each class	Name 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 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

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

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

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

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. \$1,024,237

State the number of shares outstanding of each of the issuer's classes of equity securities, as of the latest practicable date: At June 28, 2011, there were 37,857,533 shares of Common Stock, \$0.001 par value per share issued and outstanding

Documents Incorporated By Reference

None

EXPLANATORY NOTE:

The Board of Directors and officers of the Company have decided to revise and amend certain disclosures in this Form 10-K/A for the year ended December 31, 2010, specifically to revise certain matters in the financial statements and some Scribner's errors. Other than these changes, the disclosures in this amended report are as of the initial filing date of April 18, 2010 and this report does not include subsequent events.

Further, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), new certifications by our principal executive officer and principal financial officer are being filed as exhibits to this Form

10-K/A under Item 15 of Part IV hereof.

(1)

Table of Contents

TABLE OF CONTENTS

	PAGE
PART I	
ITEM 1: BUSINESS	4
ITEM 1A: RISK FACTORS	6
ITEM 2: PROPERTIES	12
ITEM 3: LEGAL PROCEEDINGS	12
ITEM 4: REMOVED AND RESERVED	12
PART II	
ITEM 5: MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	13
ITEM 6: SELECTED FINANCIAL DATA	14
ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	14
ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	
ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	23
ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	23
ITEM 9A: CONTROLS AND PROCEDURES	23
ITEM 9B: OTHER INFORMATION	24
PART III	
ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	25
ITEM 11: EXECUTIVE COMPENSATION	27
ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	35
ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	37
ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES	38
PART IV	
ITEM 15: EXHIBITS, FINANCIAL STATEMENT SCHEDULES	39
SIGNATURES	52
CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002	52
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002	52

(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:
 - o those described in the context of such forward-looking statements;
 - o future product development and manufacturing costs;
 - o changes in our incentive plans;
 - o timely development and acceptance of new products;
 - o the markets of our domestic and international operations;
 - o the impact of competitive products and pricing;
 - o the political, social and economic climate in which we conduct operations; and
 - o the risk factors described in other documents and reports filed with the Securities and Exchange Commission.

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

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 "Company" means Revolutionary Concepts, Inc., a Nevada corporation.

(3)

Table of Contents

PART I

Item 1. Business

The Company is a development stage company with no history of revenue. 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 intends to develop and market smart camera technologies that enable remote monitoring.

The Company's efforts to date have been devoted to establishing a remote video monitoring system that permits interactive two-way communications called the EyeTalk Communicator ("EyeTalk"). The Company engaged Photonic Discovery/UNC-Charlotte Optoelectronics and Optical Communication in 2009 to assist in identifying the best development partner for the EyeTalk Technology. Imaging Solutions Group of Rochester NY was the company recommended and as a result, RCI established a relationship with Imaging Solutions Group, a leading manufacturer of smart camera technology. Since the implementation of the EyeTalk technology is dependent on various other emerging technologies (smart phone, 3G/4G broadband) the research and development has coincided with the pace of these technologies. The system by design will provide for continuous software development and updates. Software as a Service (SAAS) is the next generation of virtual service delivery.

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 commons stock from authorized shares. In 2010, the Company partnered with US Financial and Rainco Industries to assist in Investor Relations activities and to identify additional funding sources. 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 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.

Introduction to the EyeTalk Communicator

The Company has designed and patented a communications and monitoring system which it expects to give users the ability to remotely and interactively monitor and communicate with, and have control of a smart camera offering multiple applications for use.

The 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 communicates to the user and also retrieves and stores information captured by the system camera. Access to the information may be achieved via a Personal Data Assistant (PDA), Handheld Computer (HC), Cellular phone, or other compatible device. The EyeTalk software platform will be able to interface with many new smart devices available in the market place today.

As an entry management solution, the EyeTalk system allows seamless communication to a residence allowing the owner to interact remotely with visitors to the home or building via any common personal communication device with the benefit of audio, video and data archive ability. The 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 if desired.

The Company expects the EyeTalk technology to provide benefits in the property management space and also has use as an application in the medical monitoring space with the benefits of fall prevention and detection.

(4)

Table of Contents

Preemption, Prevention and Protection –

The EyeTalk technology may augment the capabilities of current residential and commercial security monitoring systems through audio, video and data communication which are interactive and which can be used on a remote basis. Additionally, the value of video as evidence in legal proceedings will help support crime reduction.

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. The EyeTalk technology allows remote monitoring via handheld smart devices.

The technology is also very versatile and offers a wide range of uses and solutions ranging from verifying deliveries, confirming the safe arrival of school age kids and daily safe entry management.

Convenience and Efficiency – The EyeTalk technology may add convenience to home and business owners, providing remote access, screening of visitors and acceptance and monitoring of packages. As a medical monitoring solution, the systems remote video and 2 way audio connection establishes a virtual connection for instant and immediate interaction.

The EyeTalk has four distinct physical parts:

- an internal unit(s) (the ‘Indoor Mobile Monitor’)
- an external unit(s) (the ‘Welcome System’)
- a Central Application Server which may be a home personal computer (“PC”)
- a remote access device, typically a standard smart phone or compatible device

The system is expandable to include multiple peripheral devices. The main components of the system (the Indoor Mobile Monitor, the Welcome System and the Central Application Server) communicate with each other by way of RF communications using 802.11n or higher wireless LAN.

The Company management believes that the EyeTalk technology significantly differs from existing systems. The EyeTalk allows two way communications via a wireless network camera that communicates with a variety of other remote communication devices such as cell phones, PDAs, smart phones, computers, security and video monitoring devices. The smart camera technology enables the EyeTalk system to greet visitors when triggered, provide instructions or commands, offer directives to delivery personnel, provide an immediate connection between patients

and nurses or medical staff as well as provide a wide range of security applications.

Further, the EyeTalk technology allows owners to more accurately recognize and address true threats. The Company believes this will relieve the large number of false alarm security calls and unneeded emergency personnel visits. Unlike many competitors the EyeTalk system is not dependent on the internet although it can use the internet as a platform.

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 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 sustained net losses of \$(529,798) and \$(912,479), for the years ended December 31, 2009 and 2010 respectively. The Company has accumulated a deficit of \$2,809,229, since inception in March, 2004. Further, it may incur significant losses through 2011 and beyond, as it further develops and attempts to commercialize the remote network camera video system.

As of December 31, 2010, the Company had 37,857,533 shares of its common stock 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 6000 Fairview Rd, Suite 1425, Charlotte, NC 28210. 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.

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 2011. 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.

In 2011, the Company management is also seeking to acquire a company in the security space to assist in the effective roll out of the smart camera technology.

(5)

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 suffered net losses \$(529,798) at December 31, 2009 and \$(912,479) at December 31, 2010. We had accumulated deficits to our stockholder's equity of \$(1,901,567) and \$(2,814,046) for the years ended 2009 and 2010 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, 2009, the Company had loans to shareholders of approximately \$157,585 to its officers and directors. As of December 31, 2010, the outstanding loans to the officers and directors were \$121,952 . 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, 470 as of December 31, 2010 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 2011. 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 2011 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.

(6)

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.

(7)

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; however, the Company will receive the exercise price for each warrant exercised. If none of the warrants are exercised, 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 the exercise of its warrants, 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. Since there is no assurance that any of the warrants will be exercised 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.

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 46.05% 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.

(8)

Table of Contents

the company HAS NOT YET ESTABLISHED 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.

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 46.05% 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.

(9)

Table of Contents

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 does not currently have a fixed office space. The Company's president has allowed the Company to utilize his home office for Company business at no charge, until we begin generating revenues. Additionally, Directors Claude McDougal and Solomon Ali are allowing the Company to use its mailing address and conference room at no cost to the Company. The address is 6000 Fairview Rd. Suite 1425, Charlotte, NC 28210.

Item 3. LEGAL PROCEEDINGS

RCI was involved in two lawsuits, one in state court regarding legal malpractice, and one in federal court, to refute the false claims of a purported inventor, Emmanuel Ozoeneh. RCI sued its former law firm for legal malpractice regarding the handling of RCI's foreign patent rights. The Defendants moved to have the suit dismissed, claiming that the state court did not have jurisdiction to hear the case. The Court ruled in favor of RCI, and the Defendants are now appealing the ruling.

RCI 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 RCI. The terms of the agreement are confidential, but the result was that Ronald Carter and RCI were declared as the sole inventor and retains all rights to the patent(s) for the EyeTalk system.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for a note that was in default as of June 1, 2010, in the amount of \$20,559, plus 10% interest. On

January 7, 2011, the note holder amended the filing to include a personal loan to our president that was in default as of December 1, 2010 in the amount of \$80,437, plus 10% interest, which the Company guaranteed. The total amount of the claim is \$100,996, plus interest accumulated through the original due dates, and 18% interest after the default date of the notes through the date of the judgment and then at the statutory rate until resolved . On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. Mr. Carter and the Company are working to resolve the matters and are unable to determine the final outcome until settlement is reached or payment arrangements have been made.

Item 4. REMOVED AND RESERVED

(12)

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 "REVOQB. 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

On May 25, 2011, the closing bid price of our common stock was \$0.045.

Holders

As of December 31, 2010, there were 37,857,533 shares of our common stock issued and outstanding and held by 236 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, 2010. 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, 100 Second Avenue South, Suite 705S, St Petersburg, FL 33701 acts as transfer agent for our common stock.

(13)

Table of Contents

Item 6. SELECTED FINANCIAL DATA

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

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

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, 2009 or 2010.

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, 2010, 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.

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.

(14)

Table of Contents

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.

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, 2009 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.

Table of Contents

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 \$157,585 and \$121,952 in 2009 and 2010, 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 2009 and 2010 as follows:

	12/31/09	12/31/10
Ron Carter	\$ 83,675	\$ 44,824
Garry Stevenson	31,676	33,042
Bethiel Tesfasillasie	42,234	44,086
	\$ 157,585	\$ 121,952

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

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.

Table of Contents

Overview – Business Conditions

We are a development stage company with no history of revenue. We were 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. We intend to develop and market camera technologies that enable remote monitoring.

Efforts to date have been devoted to establishing a remote video monitoring system that permits interactive two-way communications called the EyeTalk Communicator (“EyeTalk”). In 2009, the Company engaged Photonic Discovery/UNC-Charlotte Optoelectronics and Optical Communication to assist in identifying an ideal development partner for the EyeTalk technology. Imaging Solutions Group of Rochester, NY is the Company identified. RCI and ISG have collaborated regarding the development of both the residential and medical applications of the EyeTalk system. Since the implementation of the EyeTalk technology is dependent on various other emerging technologies (smart phone, 3G/4G broadband) the research and development has coincided with the pace of these technologies. The system by design will provide for continuous software development and updates. Software as a Service (SAAS) is a means of recurring revenue and continuous upgrades.

We have funded our development through three private offerings in 2005, 2007 and 2009. We also borrowed \$307,500 from four non-related parties at 4% interest to fund ongoing operations, and patent new applications. These promissory notes began to become due in October 2008 and were repaid in November 2008 by issuing 630,811 shares of restricted commons stock from authorized shares. In 2010, the Company partnered with US Financial and Rainco Industries to assist with Investor Relations services and in identifying additional funding sources. This relationship has enabled RCI to achieve a listing with Standard and Poors, approval to trade on the Frankfurt Stock Exchange and the resolution of a portion of the Company’s debt.

Introduction to the EyeTalk Communicator

Our Company designed and patented a communications and monitoring system which it expects to give users the ability to remotely and interactively monitor and communicate with, and have control of a smart camera in a variety of markets.

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, greeting, 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 allows seamless communication to a residence allowing the owner to interact remotely with visitors to the home or building via any common personal communication device 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.

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.”

Our management believes that the EyeTalk technology will fill the technology gap related to false alarms in the security monitoring industry. Some municipalities no longer respond to calls from alarm companies unless an emergency has been visually verified. Traditional security monitoring companies rarely offer visual verification and therefore cannot visually ascertain that the signal is not a false alarm.

The EyeTalk system also records and archives via 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 EyeTalk system does not require wiring from the exterior of the building to its interior however in new construction wired systems are anticipated. The Company believes that the system, when fully implemented, will be relatively inexpensive to install and maintain.

(17)

Table of Contents

Our management expects the EyeTalk to provide three primary benefits:

Protection – The EyeTalk may augment the capabilities of current residential and commercial security monitoring systems through audio, video and data communication which are interactive and which can be used on a remote basis.

Monitoring – The 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 .

Convenience – The EyeTalk may add convenience to home and business owners, providing remote access, screening of visitors and acceptance and monitoring of packages.

The EyeTalk has four distinct physical parts:

- an internal unit(s) (the ‘Indoor Mobile Monitor’)
- an external unit(s) (the ‘Smart Camera EyeTalk Technology)
- a Central Application Server which may be a home personal computer (“PC”)
- a remote access device, typically a standard smart phone or other compatible smart device

The EyeTalk system is expandable to include multiple peripheral devices. The main components of the system (the Indoor Mobile Monitor, the Smart Camera and the Central Application Server) communicate with each other by way of RF communications using 802.11b or higher wireless LAN. The Central Application Server will communicate with the remote access device by way of a dial-up modem connection, DSL, cable modem or other Internet-compatible method of communication.

INDUSTRY

The United States security services have generally divided the market into the following segments: security officer and investigation services, armored car services, monitoring services, and consulting. Security officer and investigation services are the oldest and largest segment of the security industry.

According to the USBX 2006 Year End Security Update the network camera video segment of the security industry is valued at \$7 Billion annually and has experienced a 20% annual growth rate. While noting that the public market support for the segment has remained strong and actually led all security industry segments in 2007, hardware and software costs have shrunk which has pressured margins in the industry. According to USBX, “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%”

The report notes that each vertical market has differing applications but banking, gaming and inventory control are the premier growth applications. An estimated \$45 billion annually is lost in inventory shrinkage and bank fraud and network camera video is often at the forefront of industry efforts.

USBX also published a separate “white paper” in 2006 entitled “The Security Killer App: Intelligent Video Surveillance.” The white paper cites John Chambers, CEO of Cisco Systems and notes major contracts including \$255 Million from Lockheed Martin for video of New York City subways and \$2.5 Billion from Boeing to secure U. S. borders. The paper focuses on quickly developing vertical markets for intelligent video in retail, banking and financial and public safety and transit sectors.

Our management believes that the EyeTalk technology significantly differs from existing systems. The EyeTalk allows two way communication via a wireless smart camera that communicates with a variety of other remote communication devices such as smart phones, PDAs, smart devices , computers, security and video monitoring devices. Supported by its software interface the EyeTalk system can be used to greet visitors, provide instructions to delivery personnel, interact between remote staff and patients in medical settings, as well as in security applications.

Further, the EyeTalk allows security owners monitoring personnel to more accurately recognize and address the threat presented as well as verifying a true threat. We believe this will relieve the large number of false alarm security calls and unneeded emergency personnel visits. Unlike many competitors the EyeTalk system is not dependent on the internet although it can use the internet as a platform.

The communication can be initiated by a broad array of technologies, such as doorbells, glass breakage, heat or motion detectors, weapons detectors, biometric signaling or voluntarily. The EyeTalk is programmed to manage most events with standard greetings, identifications, commands, or directions. The EyeTalk can then notify designated personnel of the triggered event, sending images of the current situation and permitting audible response.

We expect to compete by emphasizing the unique aspects of the EyeTalk technology in its marketing directly to distributors and end users. We also intend to compete by direct contact with larger end users such as hospitals, banks, and government agencies concerned with homeland security.

(18)

Table of Contents

Future Plans and Potential Markets

Our management believes it has the capability to enter into a growing security marketplace. We are hopeful that the security industry will continue to experience increased spending on detection devices such as the EyeTalk for the residential, commercial, institutional, medical and homeland security markets. EyeTalk's ability to shift detection to a preemptive and preventive solution we anticipate will give the EyeTalk technology a clear competitive advantage.

Our management also believes the EyeTalk has advantages over existing and competing technologies. Many of these applications may not relate to the security field at all, but may nonetheless be commercially useful. The additional commercial benefits of the EyeTalk include:

- monitors appointments
- monitors deliveries
- records employee arrivals and departures
- provides remote access
- provides a database of activity to and from a facility

Our management also expects to identify additional companies that may be interested in licensing arrangements for sales to consumers. It believes the EyeTalk provides consumers with the functions and features that are superior to those currently available and offered by competitors. These include:

- allows the occupant to view, record or respond to visitors or guests without opening the door or even being in the home
- detects a visitor, providing a measure of convenience to guests who no longer need to search for and activate a doorbell button
- allows remote access to visitors by the owner/occupant of the building
- allows deliveries to be made and monitored while the owner of the home is away from the premises
- detects intruders, allowing for an immediate response from the property owner
- serves as a deterrent to criminals whose entry can be chronicled by the system and who cannot determine if persons are at home or not because of the nature of the remote interaction system.
- functions as a recordkeeping database of all visitors to the home, welcomed or un-welcomed, with date, time and photographic records.
- alerts the owner of a power outage at the facility.

Our management plans to use the following business development strategies:

- 1) Use internal contacts in the local medical community to negotiate placement in hospital patient rooms, senior living rooms, recovery rooms and other medical applications.
- 2) Arrange a schedule of appearances at security industry trade shows and presentations to trade groups.
- 3) Continue development of phase one of our contract with Photonic Discovery/UNC-Charlotte Optoelectronics and Optical Communication

Sales Strategy

We plan to acquire an existing security provider with established industry recognition in sales and service. The EyeTalk technology sales will be integrated into the ongoing operation of the security provider/new entity. This will enable to develop the technology, train installers and provide a turn-key service to end users. In expanding sales opportunities the product brand will be promoted via marketing, advertising and the website. Staff installers will be positioned to provide training to various resellers.

- Direct Selling
- Consumers, Internet, other direct marketing methods
- Multi-Tiered Distribution
- Existing security companies
- Determined by Market Size
- Determined by Geography
- Identification of Vertical Markets Rapid revenue growth in the shortest possible timeframe
- Sales leverage through different, but proven, sales and marketing techniques.
- Geographically, the initial focus will be on the North American and European marketplaces.
- The next two major markets will be Latin America and Asia, including Australia.

To date, our management has delayed the commercialization phase, due to its efforts to improve upon the application of the hardware and software and also awaiting further development of wireless broadband technology to increase to sufficiently allow seamless video transmission and audio more efficiently.

(19)

Table of Contents

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.”

A complete copy of the patent is on file at our offices and can be inspected.

In March, 2007, we commenced a lawsuit in the Superior Courts of Mecklenburg County, North Carolina against its prior patent attorneys. The lawsuit alleges that we retained these attorneys and requested that they file a Non-publication Request (“the Request”) pursuant to 35 U.S.C. § 122, in order to ensure that the Application would not be published by the United States Patent & Trademark Office (“USPTO”) until issued as a patent. The lawsuit further alleges that the attorneys failed to file the Request.

The purpose of the Request was for international patent rights under procedures established by the Patent Cooperation Treaty and U.S. law implementing that treaty. By virtue of the publication of the Application in the United States without the filing of a corresponding PCT or other foreign application relating back to a date before the date of publication, one or more requirements of patentability in certain advantageous foreign jurisdictions, including the European Union, Japan, and others, to wit the absolute public novelty of the invention, can no longer be fulfilled by the Company.

We believe our claims have merit in the lawsuit. We are unable to determine what rights it may still have, if any, to patent or intellectual property protection in other jurisdictions.

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, 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.

Table of Contents

Results of Operations

Comparison of Twelve months Periods Ended December 31, 2009 and December 31, 2010

Assets.

Assets decreased by \$13,168 to \$16,142 as of December 31, 2010, or approximately 45%, from \$29,310 as of December 31, 2009. This decrease was primarily due to the accumulated depreciation and amortization.

Liabilities. Total liabilities increased by \$312,550 to \$665,631 as of December 31, 2010, or approximately 89%, from \$353,081 as of December 31, 2009. The increase was primarily due to increases in notes payable, accrued payroll expenses for payroll and the related expected payroll liability and a contingent payroll liability that we have recorded as 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. We have reclassified \$289,787 in accounts payable to \$84,950 in accrued interest payable and \$204,837 to long term notes payable to reflect the assignment by some of our creditors of their balance to a note from an investor that will be paid one year or more past the original due date.

Stockholders' Equity. Stockholders' equity decreased by \$335,718 to \$(649,489) as of December 31, 2010 or approximately 107% from \$(313,771) as of December 31, 2009. The decrease was due primarily to increases in paid in capital from the issuance of stock for services valued at \$522,678 and a net loss of \$912,479 for the year.

The Company is still a development-stage company and has not had revenues from our operations or reached the level of our planned operations. Our general and administrative expenses were \$825,353 and \$536,619 for the years ended December 31, 2010 and 2009, 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.

Liquidity and Capital Resources

General. Our primary sources of cash have been sales of common stock through private placements, notes converted to stock and loans from affiliates. We are a developmental stage company and will rely upon more established third

party vendors for many aspects of the manufacture, sale and distribution of its product, if it becomes commercially available in this regard. We previously contracted with Absolutely New, Inc. a California company to identify potential licenses from their database. Under the agreement, Absolutely New identified approximately twenty companies that it believes have a particular use for the EyeTalk. We did not renew the agreement with Absolutely New. We will nonetheless pay Absolutely New twenty percent of any proceeds received as a result of the sale, license, assignment or transfer of the EyeTalk to one of the identified companies for 24 months the termination of the agreement. The termination of the agreement was on September 28th, 2008. We have engaged Photonic Discovery/UNC-Charlotte Optoelectronics and Optical Communication to design the hardware for the EyeTalk system. We expect the software and other sensing technology will be developed by Fusion Next, a North Carolina company. Since the implementation of the EyeTalk technology is dependent on various other emerging technologies (smart phone, 3G/4G broadband) the research and development has coincided with the pace of these technologies. The system by design will provide for continuous software development and updates.

Cash Flows from Operating Activities. Net cash used in operations of \$315,702 for the twelve-months period ended December 31, 2010 was attributable to a net loss of \$912,479 and a increase in accounts payable and accrued expenses of \$60,747 which was offset by a non-cash expense for depreciation and amortization of \$13,352 and the issuance of 4,709,124 shares for services received recorded at an average of \$.10 per share.

Cash Flows from Investing Activities. Net cash provided by financing activities was zero for the year ended December 31, 2010.

(21)

Table of Contents

Cash Flows from Financing Activities. Net cash provided by financing activities of \$15,886 for the twelve-month period ended December 31, 2010 was attributable to the issuance of notes payable \$261,803, plus the repayment of unpaid capital contributions in the amount of \$35,633.

Recent Accounting Pronouncements

FASB Accounting Standards Codification

(Accounting Standards Update (“ASU”) 2009-01)

In June 2009, FASB approved the FASB Accounting Standards Codification (“the Codification”) as the single source of authoritative nongovernmental GAAP. All existing accounting standard documents, such as FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other related literature, excluding guidance from the Securities and Exchange Commission (“SEC”), have been superseded by the Codification. All other non-grandfathered, non-SEC accounting literature not included in the Codification has become non-authoritative. The Codification did not change GAAP, but instead introduced a new structure that combines all authoritative standards into a comprehensive, topically organized online database. The Codification is effective for interim or annual periods ending after September 15, 2009, and impacts the Company’s financial statements as all future references to authoritative accounting literature will be referenced in accordance with the Codification. There have been no changes to the content of the Company’s financial statements or disclosures as a result of implementing the Codification during the fiscal year ended December 31, 2009.

As a result of the Company’s implementation of the Codification during the fiscal year ended December 31, 2009, previous references to new accounting standards and literature are no longer applicable. In the current annual financial statements, the Company will provide reference to both new and old guidance to assist in understanding the impacts of recently adopted accounting literature, particularly for guidance adopted since the beginning of the current fiscal year but prior to the Codification.

Subsequent Events

(Included in Accounting Standards Codification (“ASC”) 855 “Subsequent Events”, previously SFAS No. 165 “Subsequent Events”)

SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued (“subsequent events”). An entity is

required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company's financial statements. The Company evaluated for subsequent events through the issuance date of the Company's financial statements. No recognized or non-recognized subsequent events were noted.

Determination of the Useful Life of Intangible Assets

(Included in ASC 350 "Intangibles — Goodwill and Other", previously FSP SFAS No. 142-3 "Determination of the Useful Lives of Intangible Assets")

FSP SFAS No. 142-3 amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under previously issued goodwill and intangible assets topics. This change was intended to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset under topics related to business combinations and other GAAP. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS No. 142-3 became effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP SFAS No. 142-3 did not impact the Company's financial statements.

(22)

Table of Contents

Noncontrolling Interests

(Included in ASC 810 "Consolidation", previously SFAS No. 160 "Noncontrolling Interests in Financial Statements an amendment of ARB No. 51")

SFAS No. 160 changed the accounting and reporting for minority interests such that they will be re-characterized as non-controlling interests and classified as a component of equity. SFAS No. 160 became effective for fiscal years beginning after December 15, 2008 with early application prohibited. The Company implemented SFAS No. 160 at the start of fiscal 2009 and no longer records an intangible asset when the purchase price of a noncontrolling interest exceeds the book value at the time of buyout. The adoption of SFAS No. 160 did not have any other material impact on the Company's financial statements.

Consolidation of Variable Interest Entities — Amended

(To be included in ASC 810 "Consolidation", SFAS No. 167 "Amendments to FASB Interpretation No. 46(R)")

SFAS No. 167 amends FASB Interpretation No. 46(R) "Consolidation of Variable Interest Entities regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity. The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. SFAS No. 167 is effective for the first annual reporting period beginning after November 15, 2009, with earlier adoption prohibited. The Company will adopt SFAS No. 167 in fiscal 2010 and does not anticipate any material impact on the Company's financial statements.

"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.

(23)

Table of Contents

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.

This annual report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report on Form 10-K.

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, 2010.

Changes in Internal Control Over Financial Reporting

During the fiscal year ended December 31, 2010, 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

None.

(24)

Table of Contents

PART III

Item 10. Directors and Executive Officers and Corporate Governance

Directors and Executive Officers.

Name	Age	Title
Ronald Carter	56	Founder, President, CEO, Director
Garry Stevenson	60	Vice President, Director
Bethiel Tesfasillasi	37	Vice President, Director
Claude McDougal	57	Vice President
Solomon Ali	48	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

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

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 – Vice President, 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 Bachelors Degree in Chemistry from University of North Carolina at Charlotte.

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

(25)

Table of Contents

Claude McDougal – Vice President

As President and CEO of the U.S. Financial Alliance Consultants, LLC Group of companies, Claude D. McDougal has grown a secure foundational base that is built on a vast wealth of resources providing services in various financial and insurance arenas. Prior to forming USFAC, Claude McDougal spent over 20 years in one of the distribution arms for the financial giant Citigroup. As a Senior Vice President in that organization, Claude was directly responsible for recruiting, mentoring and developing Regional Vice Presidents as well as expanding revenue streams through cross-selling various financial products.

Solomon Ali – Vice President, Director

Mr. Ali comes to Revolutionary Concepts with 22 years' experience in investor relations, corporate finance, investment banking, mergers, acquisitions, corporate structure, and raising investment capital through capital markets, debt and private equity. He is a highly qualified corporate executive, and previously served as Vice President for Primerica, R & R Investments, and raised over \$80 million in investment capital and structured financing in his last two transactions. His experience also includes corporate valuation, capitalization structure, development of Private Placement Memoranda, business plans, client positioning, and managing the investment process with securities attorneys and CPA's for SEC regulatory compliance and corporate registration filings.

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, 2010 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; 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.

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).

(26)

Table of Contents**Item 11. Executive Compensation**

No compensation was awarded to or paid to any executive officer or director of the Company during the years 2005 through 2010 other than \$46,937 in 2008 and \$35,446 in 2009 recorded as other income and salary to our CEO Ron Carter. Salary for 2010 has been recorded, but remains unpaid.

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		Total (\$)
						Incentive Plan Compensation (\$)	All Other Compensation (\$)	
Ronald Carter Chairman of Board And CEO	2005	0	0	0	0	0	\$0	0
	2006	0	0	0	0	0	0	0
	2007	0	0	0	0	0	0	0
	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
Gary Stevenson CFO	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	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
Bethiel Tesfasillasie Director	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	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
Claude McDougal Vice President And Director	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0
	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	46,154	0	188,271	0	0	0	234,425
Solomon Ali Vice President And	2005	0	0	0	0	0	0	0
	2006	0	0	0	0	0	0	0

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

Director	20070	0	0	0	0	0	0
	20080	0	0	0	0	0	0
	20090	0	0	0	0	0	0
	201046,154	0	282,4070	0	0	0	328,561

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 \$157,585 and \$121,952 in 2009 and 2010, respectively and have been recorded as “Unpaid Capital Contributions”. The shares issued 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 salaries for 2010 have not been paid, but have been accrued.

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 2009 and 2010.

	<u>12/31/09</u>	<u>12/31/10</u>
Ron Carter	\$ 83,675	\$ 44,824
Garry Stevenson	31,676	33,042
Bethiel Tesfasillasie	42,234	44,086
	\$ 157,585	\$ 121,952

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.

(27)

Table of Contents**2010 and 2009 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE**

2010 and 2009 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

OPTION AWARDS							STOCK AWARDS			
NAME		Number of	Number of	Equity	Option	Option	Number of	Market	Un	
		Securities	Securities	Incentive				Value of		Units of
		Underlying	Underlying	Plan Awards:	Exercise	Expiration	Shares or	Shares or	Units of	
		Unexercised	Unexercised	Number of	Price	Date	Units of	Units of	Units of	
		Options	Option	Securities	(\$)		Stock That	Stock That	Stock That	
		#	#	Underlying			Have Not	Have Not	Have Not	
				Unexercised			Vested	Vested	Vested	
				Options			(#)	(#)	(#)	
				#						
		Exercisable	Unexercisable							
Ronald Carter	2009	0	0	0	0	0	0	0	0	
	2010	0	0	0	0	0	0	0	0	
Garry Steveson	2009	0	0	0	0	0	0	0	0	
	2010	0	0	0	0	0	0	0	0	
Bethiel Tesfalillasie	2009	0	0	0	0	0	0	0	0	
	2010	0	0	0	0	0	0	0	0	
Claude McDougal	2009	0	0	0	0	0	0	0	0	
	2010	0	0	0	0	0	0	0	0	
Solomon Ali	2009	0	0	0	0	0	0	0	0	
	2010	0	0	0	0	0	0	0	0	

Table of Contents**2010 and 2009 OPTION EXERCISES AND STOCK VESTED TABLE**

Name	Year	Option Awards				Stock Awards									
		Number of Shares Acquired on Exercise (#)				Value Realized on Exercise (\$)				Number of Shares Acquired on Vesting (#)				Value Realized on Vesting (\$)	
Ronald Carter	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010	0	0	0	0										
Garry Stevenson	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010	0	0	0	0										
Betheil Tesfasillasie	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010	0	0	0	0										
Claude McDougal	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010	0	0	0	0										
Solomon Ali	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010	0	0	0	0										

(29)

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	2009	0	0	0
	2010			
Garry Steveson	2009	0	0	0
	2010			
Claude McDougal	2009	0	0	0
	2010			
Bethiel Tesfalillasie	2009	0	0	0
	2010			
Solomon Ali	2009	0	0	0
	2010			

(30)

Table of Contents**2010 and 2009 NONQUALIFIED DEFERRED COMPENSATION TABLE**

NAME		Executive Contributions	Registrant	Aggregate Earnings	Aggregate	Aggregate Balance
		in Last Fiscal Year	Contributions	in Last Fiscal	Withdrawals/	at Last Fiscal
		(\$)	in Last Fiscal	Year	Distributions	Year-End
			Year	(\$)	(\$)	(\$)
Ronald Carter	2009	0	0	0	0	0
	2010	0	0	0	0	0
Garry Steveson	2009	0	0	0	0	0
	2010	0	0	0	0	0
Claude McDougal	2009	0	0	0	0	0
	2010	0	0	0	0	0
Bethiel Tesfalillasie	2009	0	0	0	0	0
	2010	0	0	0	0	0
Solomon Ali	2009	0	0	0	0	0
	2010	0	0	0	0	0

(31)

Table of Contents**2010 and 2009 ALL OTHER COMPENSATION TABLE**

NAME	Year	Perquisites and Other		Insurance Premiums	Company Contributions to Retirement and 401(k) Plans	Severance Payments / Accruals	Change in Control		Total
		Personal Benefits	Tax Reimbursements				Payments / Accruals	Payments / Accruals	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Ronald Carter	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Garry Steveson	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Claude McDougal	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Solomon Ali	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0

(32)

Table of Contents**2010 and 2009 PERQUISITES TABLE**

NAME	Year	Personal Use of	Financial Planning/	Club Dues	Executive Relocation	Total Perquisites and Other Personal Benefits
		Company	Legal Fees			
		Car/Parking				
Ronald Carter	2009	0	0	0	0	0
	2010	0	0	0	0	0
Garry Steveson	2009	0	0	0	0	0
	2010	0	0	0	0	0
Bethiel Tesfalillasie	2009	0	0	0	0	0
	2010	0	0	0	0	0
Claude McDougal	2009	0	0	0	0	0
	2010	0	0	0	0	0
Solomon Ali	2009	0	0	0	0	0
	2010	0	0	0	0	0

(33)

Table of Contents**2010 and 2009 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL TABLE**

NAME	Year	Before Change in Control Termination		After Change in Control Termination		Death	Disability	Change in Control	Basic salary
		w/o Cause or for Good Reason	w/o Cause for Good Reason	w/o Cause or for Good Reason	Voluntary Termination				
Ronald Carter	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Garry Steveson	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Bethiel Tesfalillasie	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Claude McDougal	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0
Solomon Ali	2009	0	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0	0

(34)

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, 2010 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.

<u>Name and Position</u>	Shares	Current Percentage	
Ron Carter President/CEO, Director	10,241,960	.2705	
Garry Stevenson, Vice President, CFO, Director	2,050,600	.0542	
Bethiel Tesfasillasi, Vice President, Director	434,800	.0115	
Claude McDougal, Vice President	1,882,713	.0497	
Solomon Ali, Vice President, Director	2,824,071	.0746	
Totals	17,434,144	46.05	%

DESCRIPTION OF SECURITIES

Our authorized capital stock consists of 65,000,000 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. 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.

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.

(35)

Table of Contents

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.

(36)

Table of Contents

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.

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

On January 19, 2005, the Company entered into a Consulting Services Agreement with Sedgefield Capital Corporation, a North Carolina management consultant firm. Sedgefield agreed to provide a range of advisory services including services related to payments of the preparation of a suitable private placement and a follow on registration statement seeking to register the shares sold in the 2005 private placement. Among other things, Sedgefield agreed to assist the Company in selecting securities counsel, auditors, transfer agents, edgarizing service providers, provide assistance in the selection of accounting services. They have also introduced the Company to strategic partners for marketing, public relations and distribution.

The Company paid Sedgefield \$150,000 and issued 670,000 restricted common shares, to date under the Agreement with Sedgefield Capital Corporation. Sedgefield owns less than 1% Of the issued and outstanding shares of the Company. These fees were to cover the costs of legal and audit expenses in connection with the public offering, initial listing in a recognized securities manual such as Standard & Poors or Mergent, registration fees and costs, costs of “Edgarization” and other services required for effectiveness. Sedgefield also assisted in the negotiations with our transfer agents, and has agreed to assist in preparation of materials and to attend meetings, roadshows and consultations with brokers and other industry professionals. A significant portion of these services continued for some time after we had established a trading market.

Gene Johnston, who is affiliated with Sedgefield, has agreed to assist the Company with bookkeeping and to work with our tax accountants and auditor in preparing information requested. These are areas that were not a part of the agreement with Sedgefield. Mr. Johnston is not under contract, but has agreed to work on a month to month basis, until the Company is in a position to staff the accounting area.

As of December 31, 2007, the Company mutually terminated a marketing and public relations agreement with Red Moon Marketing, Inc. and NexCom, both of Charlotte, North Carolina. These agreements involved marketing to a specific Fortune 1000 company, but discussions with that company ended in 2007. The Company paid \$83,580.10 to NexCom (Chad T. Jenkins) along with 56,000 shares of restricted common stock and \$50,000 to Red Moon and 87,500 sharers of restricted common stock. Red Moon created the website for the Company and provided certain maintenance and upgrades during the existence of their agreement. NexCom made introductions to Motorola Corporation to enter into a joint venture or similar manufacturing and marketing agreement. NexCom continued discussions on our behalf and believed them to be successful until Motorola decided to completely exit the security monitoring space to focus on core needs. Shortly thereafter we terminated the agreement with NexCom

Unpaid Capital Contributions

As of December 31, 2009, the Company had Loans to Shareholders of approximately \$157,585 to its officers and directors. As of December 31, 2010, the outstanding loans were \$121,952 . 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 Company has not entered into stock option agreements with the any individuals or companies. The management does anticipate that to secure the services of certain prospective employee that a stock option plan will need to be effective in the very near future. The Company anticipates that such a plan would allow for options at competitive market rates.

(37)

Table of Contents

Item 14. Principal Accounting Fees and Services

The financial statements for the years ended December 31, 2009 and 2010 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, 2009 and 2010 for professional services by our principal accountants, for the audit of our annual financial statements and the review of quarterly financial statements were \$12,000 and \$12,000 , 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, 2009 and 2010 for professional services by our principal accountants for tax compliance, tax advice, and tax planning were \$500 and \$500, respectively.

All Other Fees

Aggregate fees billed during the years ended December 31, 2009 and 2010 for products or other services by our principal accountants that are not reported in the previous three paragraphs were \$0 and \$0, respectively.

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents included as part of this report:

1. The financial statements for the Registrant are included in this report.

Balance Sheets for the years ended December 31, 2009 and 2010

Statements of Stockholders' Deficit for the years ended December 31, 2009 and 2010;

Statements of Cash Flows for the years ended December 31, 2009, and 2010;

Notes to Financial Statements

2. See the Index to Exhibits on page 50 of this Form 10-K.

(b) Exhibits required by Item 601 of Regulation S-K. See item (a) 3 above.

(39)

Table of Contents

BONGIOVANNI & ASSOCIATES, C.P.A.'s

19720 Jetton Road, 3 rd Floor

Cornelius, North Carolina 28031 (USA)

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, 2010 and 2009, and the statements of operations, stockholders’ deficit, and cash flows for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 and the results

of its operations and its cash flows for the years ended December 31, 2010 and 2009, 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

Bongiovanni & Associates

Certified Public Accountants

Cornelius, North Carolina

The United States of America

June 1, 2011

(40)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.
(A Development Stage Company)

BALANCE SHEETS
as of December 31, 2010 and 2009

	2010	2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 184	\$ —
Total Current Assets	184	—
Fixed Assets:		
Computer equipment	11,331	11,331
Accumulated depreciation	(10,577)	(10,425)
Total Net Fixed Assets	754	906
Other Assets:		
Patent costs	88,306	88,306
Accumulated Amortization	(74,602)	(64,472)
Patent Costs Net of Accumulated Amortization	13,704	23,834
Security deposits	1,500	1,500
Organizational costs	0	3,070
Total Other Assets (net of accumulated amortization)	15,204	28,404
TOTAL ASSETS	\$ 16,142	\$ 29,310
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 78,809	\$ 304,641
Accrued interest payable	88,860	—
Other accrued expenses	215,340	18,440
Total Current Liabilities	383,009	323,081
Long-Term Debt:		
Notes payable	204,837	—
Notes payable - related parties	77,785	20,000
Total Long-term Debt	282,622	20,000
Stockholders' Deficit:		
Preferred stock 10,000,000 shares authorized, none issued	—	—
Common stock, \$.001 par value, 37,857,611 and 19,606,611 shares issued and outstanding respectively, 65,000,000 authorized shares	37,858	19,607

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

Additional paid in capital	2,248,651	1,725,774
Unpaid capital contributions	(121,952)	(157,585)
Deficit accumulated during the development stage	(2,814,046)	(1,901,567)
	(649,489)	(313,771)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 16,142	\$ 29,310

See notes to financial statements

(41)

Table of Contents**Revolutionary Concepts, Inc.****(A Development Stage Company)****STATEMENT OF INCOME (LOSS)****For years ending December 31, 2009 and 2010****and the period from March 12, 2004 (Inception) to December 31, 2010**

	Year Ending December 31, 2010	Year Ending December 31, 2009	March 12, 2004 (Inception) to December 31, 2010
OPERATING EXPENSES			
Automobile expense	\$ 4,608	\$ 4,608	\$ 25,487
Bank charges	713	1,537	6,834
Compensation	—	35,446	35,446
Unpaid Accumulated Compensation	184,625	—	184,625
Depreciation and amortization expense	13,352	18,710	88,249
License and permits	500	3,580	6,333
Office expense	3,436	3,476	17,237
Office supplies	971	1,474	14,565
Payroll taxes	11,936	4,985	33,320
Printing and reproduction	570	4,455	15,620
Professional fees	597,648	381,273	1,568,158
Product research and development	—	37,687	560,958
Taxes	64	600	1,305
Telephone expense	1,192	4,948	21,297
Travel expense	3,792	26,489	98,926
Website development	729	2,825	13,754
Other expenses	1,217	4,526	50,400
Total Operating Expenses	\$ 825,353	\$ 536,619	\$ 2,742,514
OTHER INCOME AND (EXPENSE)			
Interest income	5,264	7,429	32,890
Other income	490	—	490
Interest expense	(92,880)	(608)	(104,912)

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

Total Other Income and (Expense)	(87,126)	6,821	(71,532)
NET (LOSS)	\$ (912,479)	(529,798)	\$ (2,814,046)
Weighted average number of common shares outstanding	28,732,072	18,443,890	28,732,072
Net (Loss) per common shares outstanding	\$ (0.03)	\$ (0.03)	\$ (0.10)

See notes to financial statements

(42)

Table of Contents

**REVOLUTIONARY
CONCEPTS, INC.
(A Development Stage
Company)**

**STATEMENTS OF
STOCKHOLDERS'
DEFICIT**

For the Period from
Inception (March 12, 2004)
and
for the Years Ended
December 31, 2005, 2006,
2007, 2008, 2009 and 2010

	Number of Preferred Shares	Number of Preferred Stock	Number of Common Shares	Common Stock	Additional Paid in Capital	Unpaid Capital Contribution	Deficit Accumulated During the Development Stage	Total
BALANCE MARCH 12, 2004 (Date of Inception)			10,000	1	32,499	—	(3,991)	28,509
Contributed Capital					99,500			99,500
Unpaid capital contributions (note 3)						(21,695)		(21,695)
Net (Loss)							(86,084)	(86,084)
BALANCE DECEMBER 31, 2004	0	0	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			1,000,000	1,000	99,000			100,000

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

received
Issued
February 2005
at \$.10 per
share

Private
placement
memorandum
I

Issued from
March 2005 to
12/31/05
at \$.50 per
share

Unpaid capital
contributions
(note 3)

Net (Loss)

BALANCE
DECEMBER 0 0
31, 2005

Private
placement
memorandum
I

Issued from
12/31/05 to
March 2006
at \$.50 per
share

Shares
repurchased
with cash

Unpaid capital
contributions
(note 3)

Net (Loss)

BALANCE
DECEMBER 0 0
31, 2006

850,000	850	455,151		456,001
			(130,532)	(130,532)
			(518,270)	(518,270)
17,850,000	\$ 17,850	\$ 686,150	\$ (152,227)	\$ (608,345)
150,000	150	61,994		62,144
(144,000)	(144)	(9,500)		(9,644)
			26,496	26,496
			(77,222)	(77,222)
17,856,000	\$ 17,856	\$ 738,644	\$ (125,731)	\$ (685,567)
642,200	642	320,458		321,100

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

Private
placement
memorandum
II
Issued from
May 2007 to
October 2007
at \$.50 per
share

Shares for professional services			313,500	314	156,436			156,750
Unpaid capital contributions (note 3)						18,335		18,335
Net (Loss)							(464,718)	(464,718)
BALANCE DECEMBER 31, 2007	0	0	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 (note 3)						(79,776)		(79,776)
Net (Loss)							(221,484)	(221,484)
BALANCE DECEMBER 31, 2008	0	0	19,442,511	\$ 19,443	\$ 1,530,313	\$ (187,172)	\$ (1,371,769)	\$ (9,185)
Shares issued for warrants 10,000 Class A @0.65/share 10,000 Class B @0.90/share			20,000	20	15,480			15,500
			111,600	112	139,388			139,500

Private
placement
memorandum
III
Issued from
April 21 to
Sept. 30, 2009
at \$1.25 per
share

Common shares for services received			32,500	32	40,593			40,625
Unpaid capital contributions (note 3)						29,587		29,587
Net (Loss)							(529,798)	(529,798)
BALANCE DECEMBER 31, 2009	0	0	19,606,611	\$ 19,607	\$ 1,725,774	\$ (157,585)	\$ (1,901,567)	\$ (313,771)
Shares issued for warrants 14,538 Class A @0.65/share 10,000 Class B @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 (Recorded at an average of \$0.10 per share)			4,709,124	4,709	465,969			470,678
Unpaid capital contributions (note 3)						35,633		35,633

Net (Loss)							(912,479)	(912,479)
BALANCE								
DECEMBER	0	0	37,857,533	\$ 37,858	\$ 2,248,651	\$ (121,952)	\$ (2,814,046)	\$ (649,489)
31, 2010								

See notes to financial statements

(43)

Table of Contents**Revolutionary Concepts, Inc.****(A Development Stage Company)****STATEMENTS OF CASH FLOWS****For the years ending December 31, 2009 and 2010****and the period from March 12, 2004 (Inception) to December 31, 2010**

	Year ended December 31, 2010	Year ended December 31, 2009	March 12, 2004 (Inception) to December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss)	\$ (912,479)	(529,798)	\$ (2,814,046)
Adjustments to reconcile (net loss) to net cash (used in) operating activities:			
Depreciation and amortization	13,352	18,710	85,179
(Increase) in other assets	—	—	(1,500)
Common shares issued for services received	522,678	40,625	820,684
Increase in accounts payable and accrued expenses	60,747	265,057	383,009
NET CASH (USED IN) OPERATING ACTIVITIES	(315,702)	(205,406)	(1,526,674)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of computer equipment	—	—	(11,331)
Investment in patent costs	—	—	(88,306)
NET CASH (USED BY) INVESTING ACTIVITIES	—	—	(99,637)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock shares from private placements	—	112	1,754
Issuance of common stock shares for warrants	18,450	20	18,470
Issuance of notes payable	261,803	20,819	590,122
Retirement of notes payable	—	—	(307,500)
Paid in capital from private placements and warrants	—	154,868	992,471
Capital contributions	—	—	462,774
Common stock shares repurchased with cash	—	—	(9,644)
Unpaid capital contributions (note 3)	35,633	29,587	(121,952)
NET CASH PROVIDED BY FINANCING ACTIVITIES	315,886	205,406	1,626,495

Edgar Filing: Revolutionary Concepts Inc - Form 10-K/A

NET INCREASE IN CASH	184	0	184
CASH AND CASH EQUIVALENTS BALANCE BEGINNING OF PERIOD	0	0	0
CASH AND CASH EQUIVALENTS BALANCE END OF PERIOD	\$ 184	0	\$ 184
SUPPLEMENTAL DISCLOSURES			
Interest paid	\$ 15,446	606	\$ 16,052
Income taxes paid	\$ —	—	\$ —

See notes to financial statements

(44)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

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 three months ended March 31, 2011 and 2010. For the periods from inception (March 12, 2004) to March 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

(45)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(46)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

FASB Accounting Standards Codification

(Accounting Standards Update (“ASU”) 2009-01)

In June 2009, FASB approved the FASB Accounting Standards Codification (“the Codification”) as the single source of authoritative nongovernmental GAAP. All existing accounting standard documents, such as FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other related literature, excluding guidance from the Securities and Exchange

Commission (“SEC”), have been superseded by the Codification. All other non-grandfathered, non-SEC accounting literature not included in the Codification has become non-authoritative. The Codification did not change GAAP, but instead introduced a new structure that combines all authoritative standards into a comprehensive, topically organized online database. The Codification is effective for interim or annual periods ending after September 15, 2009, and impacts the Company’s financial statements as all future references to authoritative accounting literature will be referenced in accordance with the Codification. There have been no changes to the content of the Company’s financial statements or disclosures as a result of implementing the Codification during the fiscal year ended December 31, 2009.

As a result of the Company’s implementation of the Codification during the fiscal year ended December 31, 2009, previous references to new accounting standards and literature are no longer applicable. In the current annual financial statements, the Company will provide reference to both new and old guidance to assist in understanding the impacts of recently adopted accounting literature, particularly for guidance adopted since the beginning of the current fiscal year but prior to the Codification.

Subsequent Events

(Included in Accounting Standards Codification (“ASC”) 855 “Subsequent Events”, previously SFAS No. 165 “Subsequent Events”)

SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued (“subsequent events”). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company’s financial statements. The Company evaluated for subsequent events through the issuance date of the Company’s financial statements. No recognized or non-recognized subsequent events were noted.

(47)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Determination of the Useful Life of Intangible Assets

(Included in ASC 350 “Intangibles — Goodwill and Other”, previously FSP SFAS No. 142-3 “Determination of the Useful Lives of Intangible Assets”)

FSP SFAS No. 142-3 amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under previously issued goodwill and intangible assets topics. This change was intended to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset under topics related to business combinations and other GAAP. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS No. 142-3 became effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP SFAS No. 142-3 did not impact the Company’s financial statements.

Non-controlling Interests

(Included in ASC 810 “Consolidation”, previously SFAS No. 160 “Non-controlling Interests in Financial Statements an amendment of ARB No. 51”)

SFAS No. 160 changed the accounting and reporting for minority interests such that they will be re-characterized as non-controlling interests and classified as a component of equity. SFAS No. 160 became effective for fiscal years beginning after December 15, 2008, with early application prohibited. The Company implemented SFAS No. 160 at the start of fiscal 2009 and no longer records an intangible asset when the purchase price of a non-controlling interest exceeds the book value at the time of buyout. The adoption of SFAS No. 160 did not have any other material impact

on the Company's financial statements.

Consolidation of Variable Interest Entities — Amended

(To be included in ASC 810 "Consolidation", SFAS No. 167 "Amendments to FASB Interpretation No. 46(R)")

SFAS No. 167 amends FASB Interpretation No. 46(R) "Consolidation of Variable Interest Entities regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity. The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. SFAS No. 167 is effective for the first annual reporting period beginning after November 15, 2009, with earlier adoption prohibited. The Company will adopt SFAS No. 167 in fiscal 2010 and does not anticipate any material impact on the Company's financial statements.

In January 2010, the Financial Accounting Standards Board ("FASB") issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for the Company with the reporting period beginning January 1, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for the Company in the reporting period beginning July 1, 2011. Other than requiring additional disclosures, adoption of this new guidance did not have a material impact on our consolidated financial statements.

On February 24, 2010, the FASB issued guidance in the "Subsequent Events" topic of the FASB to provide updates including: (1) requiring the Company to evaluate subsequent events through the date in which the financial

(48)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

statements are issued; (2) amending the glossary of the “Subsequent Events” topic to include the definition of “SEC filer” and exclude the definition of “Public entity”; and (3) eliminating the requirement to disclose the date through which subsequent events have been evaluated. This guidance was prospectively effective upon issuance. The adoption of this guidance did not impact the Company’s consolidated results of operations or financial condition.

The Company adopted ASC Topic 718, using a modified prospective application transition method, which establishes accounting for stock-based awards in exchange for employee services. Under this application, the Company is required to record stock-based compensation expense for all awards granted after the date of adoption and unvested awards that were outstanding as of the date of adoption. ASC Topic 718 requires that stock-based compensation cost is measured at grant date, based on the fair value of the award, and recognized in expense over the requisite services period. Any subsequent changes in the market value of the underlying common stock are reflected in the expense recorded in the subsequent period in which that change occurs.

Common stock, stock options and warrants issued to other than employees or directors in exchange for services are recorded on the basis of their fair value, as required by ASC Topic 718, which is measured as of the date required by ASC Topic 505-50. In accordance with ASC Topic 505-50, the non-employee stock options or warrants are measured at their fair value as of the earlier of the date at which a commitment for performance to earn the equity instruments is reached (“performance commitment date”) or the date at which performance is complete (“performance completion date”).

In April 2010, the FASB issued ASU No. 2010-13 which will clarify the classification of an employee share based payment award with an exercise price denominated in the currency of a market in which the underlying security trades. This ASU will be effective for the first fiscal quarter beginning after December 15, 2010. The Company adopted this ASU in the quarter ended March 31, 2011. Adoption of this ASU did not have a material financial impact on our consolidated financial statements.

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.

No other accounting standards or interpretations issued recently are expected to 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, 2009 and 2010 the advances totaled \$157,585 and \$121,952, respectively. These advances are described as unpaid capital contributions for financial reporting purposes in the accompanying balance sheets.

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable consist of the following:	12/31/10	12/31/09
Professional fees	\$ 8,169	\$ 94,235
Other	3,463	247
Legal fees	58,977	67,792
Consulting fees	8,200	123,200
	\$ 78,809	\$ 303,822

(49)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

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.

The Company alleges professional malpractice by a patent agent, professional malpractice by attorneys, failure to supervise a non-attorney employee, respondent superior, misappropriation of funds and breach of contract. The outcome of this lawsuit cannot be determined at this time and attorney’s fees associated with the lawsuit are contingent upon a successful outcome in this case.

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 on 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. The Company is working to resolve the matter through the court system, but is unable to determine the outcome. See Note 12 for further information.

NOTE 6 – CAPITAL FINANCING

The Company, through 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, filing 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.

NOTE 7 – INTELLECTUAL PROPERTY

The patent no. 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. To date, the Company has capitalized \$88,306 for filing and legal fees related to our patent and patent pending intellectual property.

NOTE 8 – COMMON STOCK SHARES FOR SERVICES RECEIVED

In July 2010, the Company issued 4,709,124 shares of restricted common stock for professional services. These shares were valued at \$.10 the price being quoted on the OTC Pink sheets on the date of issue. In October 2010, the Company issued 12,400 restricted common shares for services received.

(50)

Table of Contents

REVOLUTIONARY CONCEPTS, INC.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS as of December 31, 2010

NOTE 9 – CONVERSION OF DEBT TO EQUITY

On April 24, 2008 the Company issued two notes payable in the amount of \$7,500 to unrelated parties. On May 5, 2008 the Company issued another note payable \$300,000 to another non-related party at 4% interest which began to come due in October, 2008. These promissory notes were secured by a pledge of up to 612,000 shares of restricted common stock from our authorized but unissued shares. The Company has issued 631,000 shares of restricted common stock to the note holders in exchange for the retirement of debt and interest payable. During November and December 2010, the Company issued 13,517,200 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.

NOTE 10 – STOCK OPTIONS

During 2009, there were no stock options or new warrants offered. There were 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 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.

NOTE 11 – NOTES PAYABLE

In July and August 2009 the Company issued two notes payable in the collective amount of \$20,000. These notes bear interest at a rate of 10%. Principal and interest are due in May 2010. These notes are currently in default and a claim for judgment has been awarded. At various times during 2010 and 2011 the Company issued notes payable to US Financial, Rainco and Richard M. Carter totaling \$57,785, affiliates of two of our board members. The notes bear an interest of 10% and became due starting in November 2010. \$57,785 of the total is currently due on demand.

During 2010, the Company reclassified \$289,787 in accounts payable to long term notes payable in the amount of \$204,837 and \$84,950 to accrued interest payable, to reflect the assignment by some of our creditors of their balance to a note from an investor that will be paid one year or more past the original due date. These notes do not bear any interest and begin coming due in July 2011. The notes can be converted to common stock at a price of \$.005 per share of restricted common stock

NOTE 12 – 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 13 – SUBSEQUENT EVENTS

On October 1, 2010, the board of directors of the Company approved an amendment to the Company's Articles of Incorporation, as amended to date, increasing the number of authorized shares of common stock from 65,000,000 to 1,000,000,000. The increase in authorized shares will become effective pursuant to approval by a majority of shareholders and a Certificate of Amendment to the Articles of Incorporation filed with the Secretary of State of the State of Nevada on, and effective as of the filing date. A shareholder vote has not taken place to date.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for a note that was in default as of June 1, 2010, in the amount of \$20,559, plus 10% interest. On January 7, 2011, the note holder amended the filing to include a personal loan to our president that was in default as of December 1, 2010 in the amount of \$80,437, plus 10% interest, which the Company guaranteed. The total amount of the claim is \$100,996, plus interest accumulated through the original due dates, and 18% interest after the default date of the notes through the date of the judgment and then at the statutory rate of 8% until resolved. On the 10th day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. Mr. Carter and the Company are working to resolve the matters and are unable to determine the final outcome until a settlement is reached or payment arrangements have been made.

On June 14, 2011, Mr. Claude McDougal submitted his resignation from the Board of Directors, for personal reasons. The Board accepted the resignation on June 17, 2011. On June 20, 2011, the Board approved and appointed Ms. Judith Bentley to replace Mr. McDougal on the Board of Directors.

(51)

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 June 29, 2011

Ron Carter

President and Chief Executive Officer

By: /s/ Garry Stevenson June 29, 2011

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
<u>/s/ Ron Carter</u>	Director	June 29, 2011
Name: Ron Carter		
<u>/s/ Garry Stevenson</u>	Director	June 29, 2011
Name: Garry Stevenson		

/s/ Bethiel Tesfasillasie

Director June 29, 2011

Name: Bethiel Tesfasillasie

/s/ Judith Bentley

Director June 29, 2011

Name: Judith Bentley

/s/ Solomon Ali

Director June 29, 2011

Name: Solomon Ali

(52)

Table of Contents

Exhibit Index

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

Exhibit No. Description of Exhibit

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.