FINDEX COM INC
Form 10-K
April 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[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

For the transition period for _________________________ to ___________________________

Commission file number: 0-29963

FINDEX.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada	88-0379462
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4437 South 134th Street, Omaha, Nebraska	68137
(Address of principal executive offices)	(Zip Code)

(402) 333-1900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.001 par value

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

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 [X]

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 [X] 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [_] Accelerated filer [_]
Non-accelerated filer [_] (Do not check if a smaller reporting company) Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [_] No [X]

As of April 15, 2011, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average of the closing bid and asked prices on such date was approximately $125,000.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes [_] No [_]

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At April 15, 2011, the registrant had outstanding 69,161,238 shares of common stock, of which there is only a single class.

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PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K, press releases and certain information provided periodically in writing or verbally by our officers or our agents contain statements which constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “expect”, “estimate”, “anticipate”, “believe”, “intend”, “plan”, “goal”, and similar expressions and variations t intended to specifically identify forward-looking statements. These statements appear in a number of places in this Form 10-K and include all statements that are not statements of historical fact regarding the intent, belief or current expectations of us, our directors or our officers, with respect to, among other things: (i) our liquidity and capital resources, (ii) our financing opportunities and plans, (iii) our ability to attract customers to generate revenues, (iv) competition in our business segment, (v) market and other trends affecting our future financial condition or results of operations, (vi) our growth strategy and operating strategy, and (vii) the declaration and/or payment of dividends.

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that might cause such differences include, among others, those set forth in Part II, Item 7 of this annual report on Form 10-K, entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and including without limitation the “Risk Factors” section contained in Part I, Item 1A. Except as required by law, we undertake no obligation to update any of the forward-looking statements in this annual report on Form 10-K after the date hereof.

ITEM 1. BUSINESS.

OVERVIEW

We develop, publish, market, and distribute and directly sell consumer and business software products for PC, Macintosh® and Mobile devices. We develop our software products through in-house initiatives supplemented by outside developers. We market and distribute our software products principally through direct marketing and Internet sales programs, but also through retailers and distributors.

CORPORATE FORMATION, LEGACY & SUBSIDIARIES

We were incorporated in the State of Nevada on November 7, 1997 as EJH Entertainment, Inc. On December 4, 1997, a predecessor corporation with the same name as our own but domiciled in Idaho was merged with and into us. Although the predecessor Idaho corporation was without material assets or operations as of the time of the merger, since being organized in 1968, it had historically been involved in mining and entertainment businesses unrelated to our current business.

Beginning in 1997, and although we were not then a reporting company under the Securities Exchange Act, our common stock was quoted on the OTC Bulletin Board (originally under the symbol “TIXX”, which was later changed to “TIXXD”). On May 13, 1999, we changed our name to FINdex.com, Inc. On March 7, 2000, in an effort to satisfy a newly imposed NASD Rule eligibility requirement that companies quoted on the OTC Bulletin Board be fully reporting under the Securities Exchange Act (thereby requiring recently audited financial statements) and current in their filing obligations, we acquired, as part of a share exchange in which we issued 150,000 shares of our common stock, all of the outstanding capital stock of Reagan Holdings, Inc., a Delaware corporation. At the time of this transaction, Reagan Holdings was subject to the requirements of having to file reports pursuant to Section 13 of the Securities Exchange Act, had recently audited financial statements and was current in its reporting obligations. Having no operations, employees, revenues or other business plan at the time, however, it was a public shell company. As a result of this transaction, Reagan Holdings, Inc. became our wholly owned subsidiary and we became the successor issuer to Reagan Holdings for reporting purposes pursuant to Rule 12g-3 of the Securities Exchange Act. Shortly thereafter, we changed our stock symbol to “FIND”. Though it does not currently have any operations, employees, or revenues, Reagan Holdings remains our wholly owned subsidiary.

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In addition to Reagan Holdings, we also have one other wholly owned subsidiary, Findex.com, Inc. (i.e. the same name as our own), a Delaware corporation. Like Reagan Holdings, this entity, too, does not currently have any operations, employees, or revenues. This subsidiary resulted from an acquisition on April 30, 1999 pursuant to which we acquired all of the issued and outstanding capital stock of FINdex Acquisition Corp., a Delaware corporation, from its then stockholders in exchange for 4,700,000 shares of our common stock, which, immediately following the transaction, represented 55% of our total outstanding common stock. Our purpose for this acquisition was to broaden our then-existing stockholder base, an important factor in our effort to develop a strong market for our common stock. On May 12, 1999, in exchange for the issuance of 457,625 shares of FINdex Acquisition Corp. common stock, FINdex.com, Inc., another Delaware corporation (originally incorporated in December 1995 as FinSource, Ltd.), was merged with and into FINdex Acquisition Corp., with FINdex Acquisition Corp. remaining as the surviving entity. Our purpose for this merger was to acquire a proprietary financial information search engine for the Internet which was to serve as the cornerstone for a Web-based development-stage business, but which has since been abandoned. As part of the certificate of merger relating to this transaction, FINdex Acquisition Corp. changed its name to FINdex.com, Inc. We currently own 4,700,000 shares of FINdex.com, Inc. (the Delaware corporation), representing 100% of its total outstanding common stock.

STRATEGY

We are currently in the early stages of a defining transformative period in our development. In recent years, we have come to be recognized as a consumer desktop software company that serves a demographic defined largely by an interest in Christianity and faith-based "inspirational" values. The nature of our products historically, and the fact that our product lines have not extended materially beyond the boundaries of this affinity group, have fostered this perception. Indeed, as the publisher of one of the industry-leading Bible study desktop software products, QuickVerse®, we are known to many users of that product only as "QuickVerse", not Findex. While we believe that the QuickVerse® brand has substantial brand recognition, and we greatly value the goodwill that our reputation in this regard has engendered, we also believe that working to expand that reputation into one which is more closely associated with providing high quality branded software and content products generally – and ones that extend across both consumer and business segments – will afford us significantly greater opportunities in both the near and long term to steadily increase revenues and earnings, and, ultimately, to enhance shareholder value.

As part of that objective, we acquired FormTool.com and the FormTool® line of products in February 2008. In September 2008, we re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® line of form creation and form filler products, and also a one-stop shop for finding, purchasing and downloading customizable forms for a wide range of business and consumer needs. Our model includes the ability to purchase forms on an individual basis, in bulk packs, or on a subscription basis.

PRODUCT LINE DEVELOPMENT

We attempt to focus our development and publishing activities principally around software products that are, or have the potential to become, titles possessing sustainable consumer or business appeal and brand recognition. We are also in continual pursuit of both licensing opportunities with respect to software titles and title versions as well as corporate acquisition opportunities, in each case where we determine such opportunities offer attractive returns on capital investment and that may additionally provide strategic value to our existing product lines in terms of cross-marketing opportunities. As part of this initiative, we may acquire businesses that (i) only recently commenced operations, (ii) are development-stage enterprises in need of additional funds to expand into new products or markets, or (iii) are established businesses that may be experiencing financial or operating difficulties and need additional capital.

PRODUCT DEVELOPMENT

Our product development methodology is modeled around elements of the consumer packaged goods and software industry. Within this model, our management assesses the current market and establishes a direction for each of our products, while key personnel monitor quality, delivery schedules, development milestones and budget. Prior to final approval, whether developed internally or externally by our third-party developers, we test all new titles and title versions for bugs.

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The manufacturing time and gross margin percentages for each of our products can vary significantly from platform to platform. For each of our products we establish and periodically review an individual product development timeline and expenditure budget, taking into consideration, among others, the following business factors:

- prior year or season selling rates for existing and competitive products;
- known or estimated growth rates for existing and competitive products;
- new market opportunities for products, product categories, or product platforms;
- competitive products and known competitive strategies;
- general consumer market and consumer economic sentiments including past, present, and projected future conditions and/or events;
- technological changes, improvements, new platforms, and platform market share shifts;
- general distribution channels and customer feedback;
- current and perceived corporate cash flow;
- availability and limitations related to knowledgeable/expert talent and workforce; and
- known or projected risks associate with each of these factors.

We develop our titles and title versions using a strategic combination of our internal development group and external, independently contracted developers, a team of which are located in the Russian Federation and several others of which are located in the United States, India, and Ghana.

We strive to provide our in-house team the independence and flexibility needed to foster creativity and teamwork. Employing an in-house development team provides us with the following advantages:

- our developers work collaboratively, sharing development techniques, software tools, software engines and useful experience, to form a strong collective and creative environment;
- the ability to re-focus efforts quickly to meet the changing needs of key projects;
- more control over product quality, scheduling and costs; and
- our developers are not subject to the competing needs of other software publishers.

We maintain in-house development in Naperville, Illinois, and we also maintain technical staff at our Omaha, Nebraska headquarters.

We select our external developers based on their track record and expertise in producing titles and title versions within certain categories. This selection process allows us to strengthen and leverage the particular expertise of our internal and external development resources, as well as to scale up and down as necessary, to maximize the productivity of our development budget.

The following summarizes our approximate product development costs incurred for the years ended December 31, 2010 and 2009:

	2010	2009
Total costs incurred	$ 323,000	$ 415,000
Total costs capitalized	$ 160,000	$ 236,000
Total costs expensed	$ 163,000	$ 179,000

OUR PRODUCTS

Faith-Based Software

Bible Study

For the fiscal year ended December 31, 2010, approximately 86% of our revenues were derived from sales of our flagship product, QuickVerse®, an industry-leading Bible-study software now in its 22nd year and 15th version. Originally introduced into the market in 1989, QuickVerse® has sold over one million copies since its introduction and is currently believed by us to be the market leader in its category.

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QuickVerse® simplifies biblical research, allowing users to view multiple reference materials, including Bibles, dictionaries, commentaries and encyclopedias, side-by-side on the computer screen. A built-in “QuickSearch” feature enables the user to highlight a word or Bible verse and find all of its occurrences in a particular text. Advanced search options enable users to search by word, phrase or verse across multiple books, offering search options that locate all forms of a given search word without the need for embedded symbols. For example, a search for the word “rise”, will yield the words “arise”, “risen”, “rising”, and “rise”.

QuickVerse® 2011, our latest version, is currently available in five DVD-Rom editions for PC with a range in retail price from $39.95 to $799.95. Each edition and platform of QuickVerse® contains several Bible translations (e.g., the King James Version, the American Standard Version, etc.) along with numerous reference titles (e.g., dictionaries, commentaries, encyclopedias, etc.). Furthermore, each QuickVerse® purchase includes access to additional books and content, which can be unlocked or downloaded and made accessible for an additional fee.

QuickVerse® Mobile is compatible on both Pocket PC® and Palm OS® operating systems. QuickVerse® 4.0 Mobile, our latest version, is currently available in two editions as a download with a range in retail price from $39.95 to $69.95. QuickVerse® Macintosh is compatible with Macintosh® OS X 10.4.11 (Tiger, Leopard, Snow Leopard) or higher operating systems. QuickVerse® 3.0 Macintosh, our latest version, is currently available in three editions with a range in retail price from $59.95 to $349.95. QuickVerse® Mobile and QuickVerse® Macintosh each provide the same simplified access and many of the personal Bible study features found in the QuickVerse® PC versions.

QuickVerse® customers include (i) individuals devoted to or otherwise interested in studying Christianity and (ii) religious and other spiritual organizations including schools, churches and other faith-based ministries.

For our QuickVerse® customers, we also develop and market certain other Bible study software packages such as the Pulpit Commentary®, the Biblical Illustrator®, the QuickVerse® Commentary Series, the Warren Wiersbe® Collection, the John MacArthur® Collection and many others. These titles currently range in retail price from $19.95 to $249.95 per unit.

In addition, our website, www.quickverse.com, offers additional content which can be downloaded into the QuickVerse® software for immediate use. The content offered includes approximately 200 individual books and/or collections with a range in retail price from $4.95 to $249.95.

Other Faith-Based Products

Our faith-based software titles and title versions also include those categorized as Print and Graphic, Church Management, Pastoral, Children’s and Language products. These categories include titles such as ClickArt Christian Publishing™ Suite III, Sermon Builder™ 5.0, Ministry Notebook™ 2.0, Jonah and the Whale™, Greek Tutor™ and Hebrew Tutor™. These titles currently range in retail price from $5.97 to $69.95. For the fiscal year ended December 31, 2010, approximately 6% or our revenues were derived from sales of our other faith-based software titles.

Form Creation

Our form creation titles currently consist of the FormTool® software product line. On February 25, 2008 we acquired the FormTool® software product line from ORG Professional, LLC. FormTool.com and the FormTool® product line offers quality, professionally designed forms for business, accounting, construction, sales, real estate, human resource and personal organization needs. FormTool® 7.0, our latest version, is currently available in three editions that range in retail price from $29.99 to $199.99. Furthermore, in September 2008, we re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® product line, as well as a “one-stop” shop for finding, purchasing, and downloading customizable forms for a wide range of business and consumer needs. For the year ended December 31, 2010, approximately 8% of our revenues were derived from sales of FormTool® products and forms.

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OUR MARKET

Generally

While, historically, we have defined ourselves by virtue of the niche faith-based market we have been focused upon serving, we believe that, going forward, our markets may broaden significantly as we introduce products and content with much wider appeal and which serve not only consumers, but also businesses and other organizations more generally. Taking a somewhat opportunistic approach to our future growth in this regard, and recognizing consequently that future products and content are likely to be aimed at target demographics that we cannot reasonably predict, an analysis of our market is only meaningful as it relates to our current products and product lines.

Faith-Based Products

According to a 2010 Gallup poll, 45% of Americans identified themselves as Protestant, while 21% identified themselves as Catholic, and 8% identified themselves as “Other Christian”. According to the same survey, 54% of Americans say that religion is “very” important to them in their own lives, and another 26% say that religion is “fairly” important in their lives. Additionally, 42% describe themselves as “born-again” or “evangelical Christian”.

According to the most recent media information posted on the Christian Bookseller’s Association (“CBA”) website, Christian-product sales through all distribution channels are valued at $4.63 billion. Christian books are purchased 47% in retail, 41% direct-to-consumer, and 12% though other outlets. The 1,700-store CBA segment includes several different chains, Family Christian Stores being the largest with over 300 stores.

Form Creation Products

Given that most businesses, large and small, routinely use forms of some sort or another, we believe the FormTool® line of products has broad applicability across the entire business spectrum, regardless of business size or scope. Therefore, it is difficult for us to quantify the potential market size for the FormTool® line of products.

MARKETING AND ADVERTISING

In developing a marketing strategy for our products, we seek brands or titles that we believe will appeal to the interests of our target users. We strive to create marketing campaigns which are consistent with this strategy and generally market our software through:

- our Websites (www.quickverse.com/www.formtool.com) and the Internet sites of others;
- print advertising;
- opt-in e-mail campaigns;
- fax campaigns;
- affiliate merchants;
- product sampling through trial and limited content software versions;
- in-store promotions, displays and retailer assisted co-operative advertising;
- publicity activities; and
- trade shows.

SALES

Generally

Our approach to sales methodology depends in all cases on the specific products and/or product lines involved, and is dictated to a significant degree by historical results obtained. In general, we seek to adopt the lowest-cost sales methodologies that enable us to achieve satisfactory unit volume and corresponding revenue levels. We also seek to become increasingly less reliant over time on retail distribution and increasingly more reliant upon direct sales, including most notably those realized through online channels.

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Direct Marketing / Online Sales

Direct sales accounted for approximately 61% of our 2010 fiscal year revenue and approximately 63% of our 2009 fiscal year revenue. Over the past eight years, we have devoted significant and increasing resources to the development of our direct-marketing program. Through this program, we market our products directly to consumers through a combination of opt-in e-mailings and direct-mailings of our product title catalogs and brochures. An important aspect of this initiative is our online sales. We maintain a full-service online store with many of the kinds of features and capabilities that online shoppers have come to expect from cutting-edge Internet retailers. Furthermore, we have made technological advancements to our Website in order to provide more downloadable products and/or content. We are currently marketing our products online through multiple sources including our own www.quickverse.com and www.formtool.com Internet Websites, other Internet Websites such as www.amazon.com, as well as several widely used search engines such as Google® and Yahoo®.

Retail Sales

Retail sales accounted for approximately 39% of our 2010 fiscal year revenue and approximately 37% of our 2009 fiscal year revenue. Our domestic retail sales involve thousands of retail stores across the United States through which our products are sold, many of which are members of the CBA. These stores vary from small, family-owned Christian bookstores to large chain bookstores such as LifeWay Christian Stores and Family Christian Stores®. We face the continuing challenge of reaching these stores on a consistent basis to keep them informed of new releases, promotional offers, etc. In addition to advertising in trade publications and maintaining visibility at CBA trade shows and events, we believe that it is critical to be in direct personal contact with each customer routinely, in order to maintain or increase our market position. Towards that end, our sales representatives are expected to contact each of our customers as well as each of the independent stores that are not yet our customers regularly and present them with the latest in our products and promotions. We believe our personalized approach to marketing provides us with an edge over our competition, which we believe rely predominantly on advertising to maintain and develop their relations with CBA customers.

The secular retail market includes chains such as Sam’s Club, Frys, OfficeMax™ and Apple® Stores. We have also partnered with Smith Micro Software, Inc., a major publisher and distributor of software in the secular market, to distribute our products.

International Sales

International sales accounted for approximately 1% of our 2010 fiscal year revenue and approximately 3% of our 2009 fiscal year revenue. We currently sell to distributors and retailers in Africa, Australia, Canada, Philippines, Singapore and the United Kingdom. These distributors and retailers, in turn, sell our products into both Christian and large, secular retail outlets that sell off-the-shelf consumer software packages.

Returns and Price Concessions

At the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. Management makes these estimates and assumptions based on actual historical experience regarding allowances for estimated price concessions and product returns. In determining the percentage of sales for product return reserves, management considers a number of different statistical factors. First, it reviews the rate of actual product returns (in total) for the period. Second, it reviews return rates for the same period(s) of prior years. Third, it reviews its sales by individual retail customers to assess any unusual return exposure. Fourth, it reviews actual return rates of specific title and title versions to determine if there are any unusual trends taking place. Fifth, the potential for an increase in actual returns resulting from upcoming new title or title version releases is reassessed. Sixth, management reviews the actual returns from the balance sheet date to the date of calculation to determine if anything unexpected has taken place. Seventh, and finally, management reviews outside factors such as general economic conditions that could potentially cause an increase in returns.

We give all of our distributors and retail customers a written product return policy providing for returns, upon written request, within nine months of the invoice date for credit only. If a new title or title version release falls within that nine month time span, a distributor has 60 days from the announced release date to return the old title or title version in exchange for the new title or title version only. We provide our end-user consumers with a 30 day satisfaction guarantee, allowing them to return a title or title version within that time frame if for any reason unsatisfied. Our warranty policy for defective software is to provide replacement or repair for a period of 30 days from the invoice date. We believe that these measurement dates provide a consistent period for assessment and the opportunity to adequately estimate channel inventory levels for appropriately estimating our return reserves.

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We generally grant price concessions to our wholesale retail customers when we deem those concessions necessary to maintain our relationships with those retailers and maintain continued access to their retail channel customers. Further, if consumer demand for a specific title falls below expectations or significantly declines below previous rates of wholesale retail sell-through, then a price concession or credit may be requested by our retail customers to spur further retail channel sell-through.

Trends that our returns typically follow include (i) the seasonality of sales, and (ii) the fact that, generally, relatively higher return rates occur during periods of new title or title version releases. Historically, actual returns have been within management's prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. Management continually monitors and adjusts these allowances to take into account actual developments and sales results in the marketplace. In the past, particularly during title and title version transitions, we have had to increase price concessions to our retail customers.

MANUFACTURING AND FULFILLMENT

We prepare a set of master program copies, documentation and packaging materials for each platform on which a title or title version is available. A small number of our software products are manufactured through third-party subcontractors while a majority is produced in-house. Orders for master program copies and documentation for our PC, Macintosh and Mobile based titles and title versions generally take seven to ten days, and reorders take three to five days. Orders for packaging materials for similar titles and title versions generally take fourteen to twenty-one days, and reorders take seven to fourteen days. To date, we have not experienced any material returns due to product defects.

We currently fulfill all of our direct-to-consumer sales and all of our retail sales out of our own warehouse located in Omaha, Nebraska.

SIGNIFICANT CUSTOMERS AND SUPPLIERS

During the fiscal years ended December 31, 2010 and 2009, we had one customer, Lifeway Christian Resources, that individually accounted for 10% or more of annual sales. As we introduce new and enhanced software titles into the market and increase our focus on direct sales, we anticipate our sales to a single customer, as a percentage of gross consolidated revenue, will remain below 10%.

Also for the fiscal years ended December 31, 2010 and 2009, significant product and material purchases were as follows:

	% to Total Product	
	2010	2009
Sonic Media Solutions Inc. (cd's and retail boxes)	47%	12%
Midlands Packaging Corporation (retail boxes)	9%	41%
Omaha Box Company (corrugated)	8%	2%

IsoDisc (cd’s)	7%	10%
TurnKey Solutions (cd’s)	7%	0%

We currently have no long-term written agreements with any of these suppliers. The payment terms are generally net 30 days, and we are not substantially dependent upon any one or more of them; all are easily replaceable with any locally available supplier.

REGULATION

We are not currently subject to direct regulation by any government agency, other than regulations applicable to businesses generally.

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COMPETITION

The market for our products is rapidly evolving and intensely competitive as new software products and platforms are regularly introduced. Competition in the software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher's access to retail shelf space;
- the price of each title; and
- the number of titles then available.

In relation to our faith-based products, we face competition from other software publishers, all of which generally sell through the same combination of channels that we do, including chain store, secular, CBA, direct and online sales.

Specifically, and in relation to our QuickVerse® family of products, we believe we are the market leader in our category. We currently compete with the following companies and products, among others, in the PC, Macintosh and Mobile categories:

- Logos Research Systems, Inc. – Logos Bible Software®
- Biblesoft, Inc. – PC Study Bible® Version
- Thomas Nelson, Inc. – Nelson eBible® for PC and Mobile devices
- WordSearch Bible Publishers – WordSearch®
- Zondervan – Zondervan Bible Study Library® for PC and Macintosh
- Oak Tree Software, Inc. – Accordance Bible Software®
- Laridian – PocketBible®
- WordSearch Bible Publishers – Life Application Bible Pocket Library®
- Zondervan – NIV Bible Study Suite PDA®
- Olive Tree Bible Publishers – Olive Tree Bible Software®

Although each of these companies publishes software packages in several different variations, generally in a range that includes a standard package, an expanded package, and a deluxe package (the same way that we do), in each of these respective categories we believe that QuickVerse® offers the best value in that it is relatively inexpensive but the most comprehensive in terms of the number of Bibles and reference titles included. We believe QuickVerse's® reputation to be among the most well-respected in its category.

In relation to our FormTool® products, we currently compete with the following companies and comparable products, among many others:

- FormDocs, LLC – FormDocs for Windows
- Nuance Communications, Inc. – OmniPage 17

While FormDocs publishes software packages in several different variations, generally in a range that includes a basic edition, a deluxe edition, and a professional edition package, (as is true with our FormTool®), in each of these respective categories we believe that FormTool® offers the best value in that it is relatively inexpensive but more comprehensive in terms of the number of form templates it includes. Additionally, FormDocs does not have an "on the shelf" presence in the retail market place.

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While in the general category as our FormTool®, we believe that the OmniPage product line is more focused on document conversion from paper to electronic format than form creation and editing. OmniPage also sells at a considerably higher price point than the FormTool® product line.

Our general approach to competition as it relates to our FormTool® products is to offer competitive products at lower price points.

INTELLECTUAL PROPERTY

Overview

We rely for our business on a combination of copyrights, trademarks, and trade secrets to protect our intellectual property. Our copyrighted software content and the brand recognition associated with our related product trademarks are among the most important assets that we possess in our present ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. Our intellectual property rights derive from a combination of licenses from third parties, internal development and confidentiality and non-disclosure agreements.

We cannot be certain that the precautions we have taken will provide meaningful protection from unauthorized use by others. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in the process. Finally, we may not have adequate remedies if our proprietary content is appropriated, our proprietary rights are violated or our trade secrets are disclosed.

Copyrights

Our copyrights, some of which have been registered and others of which remain unregistered, derive from a combination of program and source code embodied in software titles that we license from third parties, as well as program and source code embodied in software titles that we have internally developed on our own.

We entered into a license agreement in June 1999 with Parsons Technology, Inc. which forms the basis of our copyright protection for products that accounted for approximately 92% of our revenues in 2010, including those generated from sales of QuickVerse®, by far our largest selling software title. A copy of the license that we obtained from Parsons Technology, which has since been assigned to Houghton Mifflin Harcourt Publishing Company, the latest licensor-assignee in a succession of assignments by Parsons Technology that have occurred since June 1999, is incorporated by reference into this annual report on Form 10-K for the year ended December 31, 2010 as Exhibit 10.3. At the time, it was acquired as part of a combination of related transactions involving ourselves, Parsons Technology, then a wholly owned subsidiary of Mattel, Inc.®, and TLC Multimedia Inc., then also a wholly owned subsidiary of Mattel, Inc.® Aside from the license, the transactions involved an asset sale, a product distribution agreement, and a related services agreement. Taken as a whole, and essentially, we had acquired from TLC Multimedia a software publishing and sales division (known and referred to by many then as the “Parsons Church Group”). In accordance with its terms, we agreed to pay a one-time non-recurring fee of $5 million to obtain the license, which fee was payable over a subsequent approximate one year period. The related asset sale involved separate consideration.

The license that we acquired in 1999 provided us with the right, originally for a term of ten years, to publish, use, distribute, sublicense and sell, exclusively worldwide in non-secular channels and non-exclusively (with the continuing right retained by Houghton Mifflin Harcourt Publishing Company, successor to Parsons Technology) on an unrestricted basis in secular channels, a collection of 65 individual top-selling Christian-related software titles owned by Parsons Technology, including QuickVerse®, among others. The license covered a variety of other add-on content titles (e.g., various Bible translations, study guides and sermon preparation tools). The license also included the right for us to modify the programs (including the source code) in order to prepare derivative works and future versions of the programs, and stated that we would exclusively own all rights associated with any such modifications.

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Beginning in 2000, we became involved in a series of mediations arising out of or otherwise in connection with the 1999 license. The first of these involved the payment terms of the $5 million licensing fee. Rather than making payments in accordance with the fee schedule as originally set forth in the agreement, we entered into an arrangement with Parsons Technology's direct sales group whereby we provided resale products and in turn received an offset credit against the balance due under the fee provision in the license. The dispute centered on the amount of product actually resold, and, therefore, the amount of offset credit to which we were entitled. Prior to the resolution of this contest, a second dispute arose, naming Parsons Technology and ourselves, among others, as parties thereto. The first mediation was set aside, and ultimately resolved in conjunction with the latter proceeding as described in the following paragraph.

In October 2001, due to being in arrears with respect to certain royalty payments owed to The Zondervan Corporation, then a content provider to QuickVerse®, we became party to a second mediation ultimately resulting in a multi-party settlement agreement, on October 20, 2003, the terms of which provided for our payment to Zondervan of $500,000 plus 5% simple interest in installments, as well as for our destruction of all inventory containing Zondervan-owned content, all of which we satisfied within months thereafter. As part of the settlement agreement, we received a covenant in perpetuity with respect to our rights under the 1999 license, effectively extending it indefinitely with no continuing financial obligations owed by us. A copy of the settlement agreement which resulted in the effective extension is incorporated by reference into this annual report on Form 10-K for the fiscal year ended December 31, 2010 as Exhibit 10.14.

Since 1999, the developments, including modifications and improvements, that we have made to the originally acquired copyrighted programs covered by the license have been extensive. We have used both in-house developers and third-party contractors in these modifications and improvements over which we retain the exclusive ownership. Given these developments, which have been made through nine subsequent versions, eight different editions and three new platforms of QuickVerse®, and various subsequent versions of some of the other titles to which we acquired rights under the license (including those in each of the print and graphics, pastoral, children's, and language tutorial product categories), we believe that the real value of the copyrights associated with these titles lay almost exclusively at this point in the improvements that we own rather than the base copyrights that we were originally granted and that continue to be owned by Houghton Mifflin Harcourt Publishing Company. Moreover, it is our belief that the original source code covered by the license has been effectively rendered valueless by virtue of these subsequent modifications and improvements. Although we do not believe that any third parties have been granted any rights to date in addition to our own to publish or sell these titles into secular channels, and do believe that, even if this has occurred or should occur in the future, the barriers to entry created by the extensive developments that we have made and now own to these otherwise licensed titles would make it practically infeasible for any third party to effectively compete with us in relation to these products in any market, there can be no assurance that one or more competitors will not emerge at some point or that they will not impact on our sales and revenues.

As noted above, our largest-selling title, QuickVerse®, is one from which we originally derived our rights under the 1999 license. One of the features that make QuickVerse® such a popular title is its breadth of content. A very significant percentage of this content is licensed by us from various third-party content providers for inclusion in QuickVerse®. We are therefore responsible for paying royalties on a regular basis to these providers in connection with our sales of QuickVerse®. In total, we currently have content licensing agreements with 48 different publishers for approximately 1,350 individual Bible translations and other biblical or related scholarly works which are incorporated in various editions of our QuickVerse® products, or in some cases sold as stand-alone or add-on content. These licensing agreements are typically non-exclusive and for a fixed duration (e.g., a term of 3 or 5 years). Royalties are calculated as a percentage of net sales from a work (e.g., ranging from 3% to 10% according to the licensing agreements), based upon factors such as value as a stand-alone product as compared to, for example, value when bundled with other titles within a collective work. These license agreements typically cover content in the context of both stand-alone products and as bundled works. For example, consumers who purchase QuickVerse® pay the suggested retail price and are in part paying for the technology within the program along with the content. QuickVerse® titles sold to new consumers or new users are subject to royalties on all content within each specific QuickVerse® title. However, upgrade sales to existing users are only subject to royalties on new content additions of the upgraded version.

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In addition to the copyrights associated with the 1999 license described above, copyright protection exists in relation to the software titles that we resell published by others. These copyrights, however, are held by the publishers and/or their respective third-party content providers.

While some of our copyrighted software programs are registered with the U.S. Copyright Office, others remain unregistered, including all of the works included in the enhancements that we have made to titles from which we originally derived our rights under the 1999 license. In the U.S., works afforded the benefit of copyright protection can either be registered with the U.S. Copyright Office or remain unregistered, and, although registration offers certain advantages to the holder in being able to assert its rights (including a rebuttable presumption of ownership and entitlement to statutory damages and attorneys fees), the fact remains that an original work in the U.S. becomes protected by the copyright laws from the moment it is “fixed in a tangible medium,” which, as it relates to software, has long been interpreted to mean when it is stored on a hard drive or removable disk.

Trademarks

As part of the 1999 license, we acquired the unlimited right to use the registered trademarks associated with the various titles licensed thereunder exclusively worldwide in non-secular channels and non-exclusively in secular channels. Because of the fact that QuickVerse® has been on the market for approximately ten years by the time we acquired the license, and had a substantial existing user base, the trademark for this product alone was deemed at the time to be of great importance and value. In October 2010, we acquired outright ownership of the QuickVerse® trademark from Houghton Mifflin Harcourt Publishing Company. We believe that our initiatives in introducing subsequent versions, editions and platforms of this title prior to and since then, as well as our having maintained extremely high publishing standards throughout the period that we have been publishing this title, have served to sustain and enhance the importance and value of this trademark.

Following our acquisition of FormTool®, we filed a trademark application for the FormTool® name with the United States Patent and Trademark Office. On September 30, 2008, this trademark was approved and registered to the Company.

Trade Secrets

Whenever we deem it important for purposes of maintaining competitive advantages, our policy requires parties with whom we share, or who otherwise are likely to become privy to, our trade secrets or other confidential information, including source code, to execute and deliver to us confidentiality and/or non-disclosure agreements prior to their exposure to any such information. Among others, this includes employees, consultants and other advisors, including our in-house and outsourced software developers and collaborators, each of whom we require to execute such an agreement upon commencement of their employment, consulting or advisory relationships. These agreements generally provide that all confidential information developed or made known to the individual by us during the course of the individual’s relationship with us is to be kept confidential and not to be disclosed to third parties except in specific circumstances. In the case of employees and consultants, the agreements provide that all inventions conceived by the individual in the course of their employment or consulting relationship shall be our exclusive property.

EMPLOYEES

As of April 15, 2011, we had nine full-time employees and one part-time employee. Of those ten, two were part of the senior-level executive and financial management team, three were in the product development team, four were on the sales team, and one was in fulfillment, administration, and related support positions. For the fiscal year ended December 31, 2010, our annual employee costs (including gross wages, related payroll taxes and benefits) totaled approximately $900,000, equivalent to 46% of gross revenues. In addition, we have engaged the services of several consulting firms who are working full or part-time for us in the area of product development.

We rely heavily on our current officers and directors in operating the business. We are not subject to any collective bargaining agreements and believe that our relationships with our employees are good.

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SEASONALITY

Historically, our business has been highly seasonal. More than 50% of our annual sales have generally occurred in the five months of September through January; the five months of April through August have generally been our weakest, historically accounting for less than 30% of annual sales. Although we believe that a shifting strategy toward more business-oriented products over time is likely to reduce the seasonality of our business generally, we expect that operating results will continue to fluctuate seasonally to some degree for the foreseeable future.

ITEM 1A. RISK FACTORS.

Several of the matters discussed in this annual report on Form 10-K for the fiscal year ended December 31, 2010 contain forward-looking statements that involve risks and uncertainties. Factors associated with the forward-looking statements that could cause actual results to differ from those projected or forecast are included in the statements below. In addition to other information contained in this annual report, readers should carefully consider the following cautionary statements and risk factors.

GENERAL BUSINESS RISKS

Our liquidity and capital resources are very limited.

Our ability to fund working capital and anticipated capital expenditures will depend on our future performance, which is subject to general economic conditions, our customers, actions of our competitors and other factors that are beyond our control. Our ability to fund operating activities is also dependent upon (i) the extent and availability of bank and other credit facilities, (ii) our ability to access external sources of financing, and (iii) our ability to effectively manage our expenses in relation to revenues. Although we believe that our existing working capital, together with cash flow from operations, will be adequate to meet our minimum anticipated liquidity requirements over the next twelve months, given our initiative toward rapid revenue growth and due to our need to service certain long-term liabilities, it is likely to become necessary for us to raise additional capital to support growth and/or otherwise finance potential acquisitions. Furthermore, there can be no assurance that our operations or access to external sources of financing will continue to provide resources sufficient to satisfy our liabilities arising in the ordinary course of business, and while it may be possible to borrow funds as required, any such additional capital is likely to require that we sell and issue additional equity and/or convertible securities, including shares issuable upon exercise of currently outstanding warrants, any of which issuances would have a dilutive effect on holdings of existing shareholders. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”.

There is uncertainty as to our ability to continue as a going concern.

Our audited financial statements for the period ending December 31, 2010, including the footnotes thereto, call into question our ability to continue as a going concern. This conclusion was drawn from the fact that, as of the date of those financial statements, we had a negative current ratio and total liabilities in excess of total assets. Those factors, as well as questions surrounding our ability to secure additional financing for continued operations, have resulted in uncertainty regarding our ability to continue as a going concern. See Note 2 in the Notes to the Consolidated Financial Statements for the year ended December 31, 2010.

Our accumulated deficit makes it harder for us to borrow funds.

As of December 31, 2010, and as a result of historical losses in prior years, our accumulated deficit was $9,193,959. The fact that we maintain an accumulated deficit, as well as the extent of our accumulated deficit relative to recent earnings, negatively affects our ability to borrow funds because lenders generally view an accumulated deficit as a negative factor in evaluating creditworthiness. Any inability on our part to borrow funds if and when required, or any reduction in the favorability of the terms upon which we are able to borrow funds if and when required, including amount, applicable interest rate and collateralization, would likely have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”.

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RISKS ASSOCIATED WITH OUR BUSINESS AND INDUSTRY

We face serious competition in our business segments.

The market for our products is rapidly evolving and intensely competitive as new consumer software products and platforms are regularly introduced. Competition in the consumer software industry is based primarily upon:

- brand name recognition;
- availability of financial resources;
- the quality of titles;
- reviews received for a title from independent reviewers who publish reviews in magazines, Websites, newspapers and other industry publications;
- publisher's access to retail shelf space;
- the price of each title; and
- the number of titles then available.

We face competition from other software publishers, all of which generally sell through the same combination of channels that we do. In relation to our faith-based titles, these channels include chain store, secular, CBA, direct and online sales, and our competitors include Logos Research Systems, Inc., Biblesoft, Inc., Thomas Nelson, Inc., WordSearch Bible Publishers and The Zondervan Corporation, among others. In relation to our form creation, these channels also include retail chain stores, direct and online sale and our competitors include FormDocs, LLC and Nuance Communications, Inc.

To remain competitive in our market segments we rely heavily upon our product quality, marketing and sales abilities, proprietary technology and product development capability. However, some of our competitors have longer operating histories, larger customer bases and greater financial, marketing, service, support, technical and other resources than we do. Due to these greater resources, certain of our competitors have the ability to undertake more extensive marketing campaigns, adopt more aggressive pricing policies, pay higher fees to licensors and pay more to third-party software developers than we can. Only a small percentage of titles introduced into the software market achieve any degree of sustained market acceptance. If our titles, including special editions, are not successful, our business, our financial condition, including liquidity and profitability, and our results of operations will be negatively impacted. Moreover, we believe that competition from new entrants will increase as the markets for faith-based products and productivity tools continue to expand. See "Description of Business – Competition".

We currently depend on only a single title for the overwhelming majority of our revenue.

In fiscal year 2010, approximately 86% of our total revenue was derived from one software title, QuickVerse®, compared to 88% of our total revenue for fiscal year 2009. We expect that QuickVerse® will continue to produce a disproportionately large percentage of our revenue for the foreseeable future. Due to this dependence on a single title, the failure of such title, or individual versions of such title, to achieve anticipated results would have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See "Description of Business – Our Products".

We have experienced, and may continue to experience, reduced revenues and fluctuations in our quarterly operating results due to delays in the introduction and distribution of our products.

Historically, a significant portion of our revenue for any given quarter has been generated by the sale of new titles and title versions introduced during that quarter or shipped in the immediately preceding quarter. Our inability to timely begin volume shipments of a new title or title version in accordance with our internal development schedule, as has repeatedly been the case in the past, will cause earnings fluctuations and will negatively impact our business, our financial condition, including liquidity and profitability, and our results of operations. Timely introduction of a new title or title version is largely contingent upon the timing of a variety of other factors. Included among these are development processes themselves, debugging, approval by third-party content licensors and duplication and packaging processes. Furthermore, the complexity of next-generation systems (such as Macintosh® OS X and Windows® Mobile) has resulted in longer development cycles, higher development expenditures and the need to more carefully monitor and plan development processes associated with these products.

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We cannot be certain that we will be able to meet planned release dates for some or all of our new titles or title versions. In the past, we have experienced significant delays in our introduction of some new titles and title versions. It is likely in the future that delays will continue to occur and that some new titles or title versions will not be released in accordance with our internal development schedule, having a negative impact on our business, our financial condition, including liquidity and profitability, and our results of operations in that period. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Revenues”.

We have experienced, and may continue to experience, reduced revenues and fluctuations in our quarterly operating results due to the limited life cycle of certain of our products.

The average life cycle of a new consumer software title ranges anywhere from a few years to indefinitely, and the average life cycle of a new title version ranges anywhere from twelve to eighteen months, making our revenue and operating results difficult to predict and susceptible to substantial fluctuations from quarter to quarter. While there can be no assurance, we expect, based on historical experience, that a majority of sales for a new title or title version will occur within the first thirty to one hundred twenty days following its release, and that net revenue associated with the initial introduction will generally account for a disproportionately large percentage of total net revenue over the life of the title or title version. Furthermore, factors such as competition, market acceptance, seasonality and technological developmental and/or promotional expenses associated with a title or title version can shorten the life cycle of older titles and title versions and increase the importance of our ability to regularly release new titles and title versions. Consequently, if net revenue in a given period is below expectation, our business, our financial condition, including liquidity and profitability, and our results of operations for that period are likely to be negatively affected, as has repeatedly occurred in the past.

Product returns, price protections or price concessions that exceed our anticipated reserves could result in worse than expected operating results.

In relation to our retail sales, at the time we ship our products we establish reserves, including reserves that estimate the potential for future product returns and price concessions. In the past, particularly during title version transitions, we have had to increase price concessions to our wholesale retail customers. If consumer demand for a specific title or title version falls below expectations or significantly declines below previous rates of retail sell-through, then a price concession or credit may be requested by our wholesale retail customers to spur further retail channel sell-through. Coupled with more competitive pricing, if product returns, price protections or price concessions exceed our reserves the magnitude of quarterly fluctuations will increase and our operating and financial results will be negatively impacted. Furthermore, if we incorrectly assess the creditworthiness of any one of our wholesale customers who take delivery of our products on credit, we could be required to significantly increase reserves previously established.

Typically we experience the highest reserves at the end of the first quarter and fourth quarter and the lowest at the end of the third quarter. Historically, actual returns have been within management’s prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Revenues”.

Errors or defects in our software products may cause a loss of market acceptance and result in fewer sales and/or greater returns of our products.

Our products are complex and may contain undetected errors or defects when first introduced or as new versions are released. In the past, we have discovered software errors in some of our new products and enhancements following introduction into the market. Because our products are complex, we anticipate that software errors and defects will be present in new products or releases in the future. Although to date, we have not discovered any material errors, future errors and defects could result in adverse product reviews and a loss of, or delay in, market acceptance of our products.

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We may not have available funds to develop products that customers want.

The Bible-study, faith-based content and productivity software markets are subject to rapid technological developments. Although the life of most of our titles may be quite long, the life of any given version tends to be relatively short, in many cases less than three years. To develop products that consumers and organizations desire, we must continually improve and enhance our existing products and technologies and develop new products and technologies that incorporate these technological developments. Our inability to do this would likely have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations.

We focus our development and publishing activities principally on new versions of our existing titles. We cannot, however, be certain that we will have the financial and technical resources available to continue to develop these new title versions particularly since we must undertake these initiatives while remaining competitive in terms of performance and price. This will require substantial investments in research and development, often times well in advance of the widespread release of a product into the market and any revenues these products may generate.

Our costs for product development for the fiscal year ended December 31, 2010 were lower than the fiscal year ended December 31, 2009; however, we anticipate our product development costs will increase in the future as a result of the higher costs associated with releasing more software titles or new title versions across multiple user interface platforms, and the complexity of developing such titles and title versions for next-generation systems, among other reasons. We anticipate that our profitability will continue to be impacted by the levels of research and development expenditures relative to revenue and by fluctuations relating to the timing of development in anticipation of future user interface platforms.

The loss of any of our key executives could have a material adverse effect on our business.

Our success depends to a large degree upon the skills of our two key executives, Steven Malone and William Terrill. We presently do not maintain key person life insurance on any of our two key executives. There can be no assurance that we will be able to retain these executives or attract and retain additional key executives. The loss of any one of our two key executives would likely have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. See “Management – Directors and Executive Officers”.

The successful development of our products depends on our ability to attract, integrate, motivate and retain highly skilled personnel.

Our success depends to a large extent on our ability to attract, hire and retain skilled software developers, programmers and other highly skilled technical personnel. The software industry is characterized by a high level of employee mobility and aggressive recruiting among competitors for personnel with programming, technical and product development skills. We may not be able to attract and retain skilled personnel or may incur significant costs in order to do so. If we are unable to attract additional qualified employees or retain the services of key personnel, our business, our financial condition, including liquidity and profitability, and our results of operations could be negatively impacted.

Our intellectual property may not be adequately protected from unauthorized use by others, which could increase our litigation costs and adversely affect our sales.

Our copyrighted software content and the brand recognition associated with our related product trademarks are the most important assets that we possess in our ability to generate revenues and profits, and we rely very significantly on these intellectual property assets in being able to effectively compete in our market. There can be no assurance that these intellectual property assets will provide meaningful protection to us from unauthorized use by others, which could result in an increase in competing products and a reduction in our own sales. If we must pursue litigation in the future to enforce or otherwise protect our intellectual property rights, or to determine the validity and scope of the proprietary rights of others, we may not prevail and will likely have to make substantial expenditures and divert valuable resources in any case. This is particularly true given the fact that the copyrights that we own to the source code and other improvements made to our largest-selling product since 1999 has not been registered, which means that we may not rely upon the otherwise existing advantage of a rebuttable presumption of ownership in the event of, and in connection with, any such litigation. See "Description of Business – Intellectual Property".

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If our products infringe any proprietary rights of others, a lawsuit may be brought against us that could require us to pay large legal expenses and judgments and redesign or discontinue selling one or more of our products.

We are not aware of any circumstances under which our products infringe upon any valid existing proprietary rights of third parties. Any infringement claims, however, whether or not meritorious, could result in costly litigation or require us to enter into royalty or licensing agreements. If we are found to have infringed the proprietary rights of others, we could be required to pay damages, redesign the products or discontinue their sale. Any of these outcomes, individually or collectively, could have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations.

Revenue from our consumer products varies due to the seasonal nature of consumer software purchases.

Our consumer products business is highly seasonal. More than 50% of our annual sales in this category are expected to occur in the five months of September through January; the five months of April through August have historically been our weakest, typically generating less than 30% of our annual sales. The seasonal pattern in this regard is due primarily to the increased consumer demand for software during the year-end holiday selling season and the reduced demand for software during the summer months. Historically, our revenues have varied significantly and been materially affected by releases of popular titles and title versions and, accordingly, may not necessarily reflect the seasonal patterns of the industry as a whole. Although we believe that a shifting strategy toward more business-oriented products over time is likely to reduce the seasonality of our business generally, we expect that operating results will continue to fluctuate seasonally to some degree for the foreseeable future.

RISKS ASSOCIATED WITH AN INVESTMENT IN OUR COMMON STOCK

Unless an active trading market develops for our common stock, you may not be able to sell your shares.

We are a reporting company and our common stock is listed on the OTC Bulletin Board (owned and operated by the Nasdaq Stock Market, Inc.), however, there is no active trading market for our common stock. There can be no assurance that an active trading market will ever develop for our common stock or, if it does develop, that it will be maintained. Failure to develop or maintain an active trading market will have a generally negative effect on the price of our common stock, and you may be unable to sell your shares or any attempted sale of such shares may have the effect of lowering the market price, and therefore your investment could be a complete or partial loss.

Unless and until we garner analyst research coverage, we are unlikely to create long-term market value in our common stock.

Although we are a reporting company and our common shares are listed on the OTC Bulletin Board, we are unaware of any investment banking firms, large or small, that currently provide analyst research coverage on our company and, given our relatively small size within the public securities markets, it is unlikely that any investment banks will begin doing so in the near future. Without continuing research coverage by reputable investment banks or similar firms, it is considerably more difficult, and unlikely, to attract the interest of most institutional investors, which are generally considered to be very important in achieving a desirable balance in shareholder composition and long-term market value in a stock. While we intend to continue to aggressively pursue investor relations initiatives designed to create visibility for our company and common stock, and hope to garner analyst coverage in the future, there can be no assurance that we will succeed in this regard and any inability on our part to develop such coverage is likely to materially impede the realization of long-term market value in our common stock.

Since our common stock is thinly traded, it is more susceptible to extreme rises or declines in price, and you may not be able to sell your shares at or above the price you paid.

You may have difficulty reselling shares of our common stock, either at or above the price you paid, or even at a fair market value. The stock markets often experience significant price and volume changes that are not related to the operating performance of individual companies, and because our common stock is thinly traded, it is particularly susceptible to such changes. These broad market changes may cause the market price of our common stock to decline regardless of how well we perform as a company, and, depending on when you determine to sell, you may not be able to obtain a price at or above the price you paid.

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Trading in our common stock on the OTC Bulletin Board may be limited thereby making it more difficult for you to resell any shares you may own.

Our common stock trades on the OTC Bulletin Board. The OTC Bulletin Board is not an exchange and, because trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a national exchange or on the Nasdaq Global Select Market, you may have difficulty reselling any of the shares of our common stock that you purchase from the selling stockholders.

Our common stock is subject to the "penny stock" regulations, which is likely to make it more difficult to sell.

Our common stock is considered a "penny stock", which generally is a stock trading under $5.00 and not registered on any national securities exchanges. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. This regulation generally has the result of reducing trading in such stocks, restricting the pool of potential investors for such stocks, and making it more difficult for investors to sell their shares. Prior to a transaction in a penny stock, a broker-dealer is required to:

- deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market;
- provide the customer with current bid and offer quotations for the penny stock;
- explain the compensation of the broker-dealer and its salesperson in the transaction;
- provide monthly account statements showing the market value of each penny stock held in the customer's account; and
- make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

These requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that is subject to the penny stock rules. Since our common stock is subject to the penny stock rules, investors in our common stock may find it more difficult to sell their shares.

As an issuer of "penny stock," we do not currently benefit from the protection provided by the federal securities laws relating to forward-looking statements.

Although, generally, federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, and since our common stock has consistently traded in recent years at a level at which it is considered to constitute a "penny stock", we do not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that any material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading. Such an action could hurt our financial condition.

Our stock price could be volatile, and your investment could suffer a decline in value.

The trading price of our common stock is likely to be highly volatile and could be subject to extreme fluctuations in price in response to various factors, many of which are beyond our control, including:

- the trading volume of our shares;
- the number of securities analysts, market-makers and brokers following our common stock;
- changes in, or failure to achieve, financial estimates by securities analysts;
- new products introduced or announced by us or our competitors;

announcements of technological innovations by us or our competitors;
our ability to produce and distribute retail packaged versions of our software in advance of peak retail selling seasons;
actual or anticipated variations in quarterly operating results;
conditions or trends in the consumer software and/or Christian products industries;
announcements by us of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
additions or departures of key personnel;
sales of our common stock; and
stock market price and volume fluctuations of publicly-traded, particularly microcap, companies generally.

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The volatility of our common stock is illustrated by reference to the fact that, during fiscal year 2010, our trading price fluctuated from a low of $0.001 to a high of $0.015 per share.

The stock market has recently experienced significant price and volume fluctuations. Volatility in the market price for particular companies has often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In addition, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. A securities class action suit against us could result in substantial costs, potential liabilities and the diversion of management's attention and resources from our business. Moreover, and as noted above, our shares are currently traded on the OTC Bulletin Board and, further, are subject to the penny stock regulation. Price fluctuations in such shares are particularly volatile and subject to manipulation by market-makers, short-sellers and option traders.

Future sales of our common stock by our officers or directors may depress our stock price.

Our officers and directors are not contractually obligated to refrain from selling any of their shares; therefore, our officers and directors may sell any shares owned by them which are registered under the Securities Act, or which otherwise may be sold without registration to the extent permitted by Rule 144 or other exemptions. Because of the perception by the investing public that a sale by such insiders may be reflective of their own lack of confidence in our prospects, the market price of our common stock could decline as a result of a sell-off following sales of substantial amounts of common stock by our officers and directors into the public market, or even the mere perception that these sales could occur.

Future issuances of our common or preferred stock may depress our stock price and dilute your interest.

We may want to issue additional shares of our common stock in future financings and may grant stock options to our employees, officers, directors and consultants under our stock incentive plan. Any such issuances could have the effect of depressing the market price of our common stock and, in any case, would dilute the interests of our common stockholders. In addition, we could issue serial preferred stock having rights, preferences and privileges senior to those of our common stock, including the right to receive dividends and/or preferences upon liquidation, dissolution or winding-up in excess of, or prior to, the rights of the holders of our common stock. This could depress the value of our common stock and could reduce or eliminate the amounts that would otherwise have been available to pay dividends on our common stock (which are unlikely in any case) or to make distributions on liquidation.

If you require dividend income, you should not rely on an investment in our common stock.

Because we have very limited cash resources and a substantial accumulated deficit relative to recent earnings, we have not declared or paid any dividends on our common stock since our inception and we do not anticipate declaring or paying any dividends on our common stock in the foreseeable future. Rather, we intend to retain earnings, if any, for the continued operation and expansion of our business. It is unlikely, therefore, that holders of our common stock will have an opportunity to profit from anything other than potential appreciation in the value of our common stock held by them. If you require dividend income, you should not rely on an investment in our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

There were no reportable events under this Item 1B during the fiscal year ended December 31, 2010.

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ITEM 2. PROPERTIES.

Our principal executive offices are located at 4437 South 134th Street, Omaha, Nebraska. We lease this 5,000 square foot facility under a month-to-month lease agreement with Dock High, LLC. Our monthly rent is $2,591.17. In accordance with the terms of this leasehold agreement, we are responsible for all associated taxes, insurance, and utility expenses.

As of April 15, 2011, four of our full-time employees work at their homes. We do not pay for any space associated with these operations.

ITEM 3. LEGAL PROCEEDINGS.

As of the date of this annual report on Form 10-K for the fiscal year ended December 31, 2010, and to the best knowledge of our officers and directors, there were no pending material legal proceedings to which we were a party and we were not aware that any were contemplated. There can be no assurance, however, that we will not be made a party to litigation in the future.

ITEM 4. (REMOVED AND RESERVED).

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET INFORMATION

Our common stock is traded on the OTC Bulletin Board, a service provided by the Nasdaq Stock Market Inc., under the symbol "FIND".

The following table sets forth for the periods indicated the high and low bid prices for our common stock as reported each quarterly period within the last two fiscal years on the OTC Bulletin Board, and as obtained from NASDAQ.com. The prices are inter-dealer prices, do not include retail mark-up, markdown or commission and may not necessarily represent actual transactions.

	Common Stock	
2009	High	Low
First Quarter	$ 0.035	$ 0.010
Second Quarter	$ 0.029	$ 0.021
Third Quarter	$ 0.021	$ 0.005
Fourth Quarter	$ 0.045	$ 0.003
2010	High	Low
First Quarter	$ 0.015	$ 0.005
Second Quarter	$ 0.008	$ 0.002
Third Quarter	$ 0.008	$ 0.002
Fourth Quarter	$ 0.010	$ 0.001

STOCKHOLDERS

As of April 15, 2011, there were approximately 620 holders of record of our common stock, with any shares held by persons or companies in street or nominee name counted only under such street or nominee name.

DIVIDENDS

Since inception, no dividends have been paid on our common stock and we do not anticipate paying any dividends in the foreseeable future. Although it is our intention to utilize all available funds for the development of our business, no restrictions are in place that would limit or restrict our ability to pay dividends.

EQUITY COMPENSATION PLAN INFORMATION

Please refer to Part III, Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters as reported in this annual report on Form 10-K for the information regarding our equity compensation plans.

RECENT SALES OF UNREGISTERED SECURITIES

There were no previously unreported sales of unregistered securities during the fourth quarter of the fiscal year ended December 31, 2010.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by the Company itself, or any affiliated purchaser during the fourth quarter of the fiscal year ended December 31, 2010.

ITEM 6. SELECTED FINANCIAL DATA.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read together with our consolidated financial statements for the period ended December 31, 2010 and the Notes to the Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies, including the assumptions and judgments underlying them, are more fully described in the Notes to the Consolidated Financial Statements. We have consistently applied these policies in all material respects. These policies primarily address matters of expense recognition and revenue recognition, including amortization of software development cost and the calculation of reserve for returns. Investors are cautioned that these policies are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially. Below are the accounting policies that we believe are the most critical in order to gain an understanding of our financial results and condition.

Accounts Receivable

Accounts receivable arise in the normal course of business. It is the policy of management to continuously review the outstanding accounts receivable, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Individual accounts are charged against the allowance when they are deemed uncollectible.

Intangible Assets

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350-30, General Intangibles Other Than Goodwill, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives. All intangible assets are tested for impairment annually during the fourth quarter.

Software Development Costs

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a "beta" version for testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months, but up to 60 months), or (ii) the ratio of current revenues to total projected product revenues.

Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management's best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues.

ASC 730, Research and Development, establishes accounting and reporting standards for research and development. In accordance with ASC 730, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs.

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Revenue Recognition

We derive revenues from the sale of packaged software products, product support and multiple element arrangements that may include any combination of these items. We recognize software revenue for software products and related services in accordance with ASC 985-605, Software Revenue Recognition. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectibility is probable.

We sell some of our products on consignment to a limited number of resellers. We recognize revenue for these consignment transactions only when the end-user sale has occurred. Revenue associated with advance payments from our customers is deferred until we ship the product or offer the support service. Revenue for software distributed electronically via the Internet is recognized when the customer has been provided with the access codes that allow the customer to take immediate possession of the software on its hardware and evidence of the arrangement exists.

In accordance with ASC 605-50, Customer Payments and Incentives, we account for cash considerations (such as sales incentives – rebates and coupons) that we give to our customers as a reduction of revenue rather than as an operating expense.

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products. We also reduce product revenue for the estimated redemption of end-user rebates on certain current product sales. Our rebate reserves are estimated based on the terms and conditions of the specific promotional rebate program, actual sales during the promotion, the amount of redemptions received and historical redemption trends by product and by type of promotional program.

Trends that our returns typically follow include (i) the seasonality of sales, and (ii) the fact that, generally, relatively higher return rates occur in connection with recently released title or title versions. Historically, actual returns have been within management's prior estimates, however, we cannot be certain that any future write-offs exceeding reserves will not occur or that amounts written off will not have a material adverse effect on our business, our financial condition, including liquidity and profitability, and our results of operations. Management continually monitors and adjusts these allowances to take into account actual developments and sales results in the marketplace. In the past, particularly during title and title version transitions, we have had to increase price concessions to our retail customers in order to move channel inventory.

Product returns from distributors and Christian bookstores are allowed primarily in exchange for new products or for credit towards purchases as part of a stock-balancing program. These returns are subject to certain limitations provided for in the contract between us and the corresponding distributor/retailer. Returns from sales made directly to consumers are accepted within 30 days of purchase and involve a cash refund. Product returns, price protections or price concessions that exceed our reserves could materially adversely affect our business and operating results and could increase the magnitude of quarterly fluctuations in our operating and financial results.

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of sales on our consolidated statements of operations.

Deferred Tax Asset Valuation Allowance

In accordance with ASC 740-30, Other Considerations or Special Areas, we record deferred tax assets for deductible temporary differences, net of operating loss carryforwards. To the extent that it is more likely than not that some portion or all of the deferred tax asset will not be realized, a valuation allowance is established.

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MANAGEMENT OVERVIEW

During the year ended December 31, 2010, we focused on our two product lines, QuickVerse® and FormTool®, their respective websites and their individual technological features. Specifically, we focused on expanding the content as well as the annual upgrade for the QuickVerse® product line and an upgrade to the FormTool® website. The annual upgrade release of QuickVerse®, QuickVerse® 2011, was released in December 2010. Overall, for the year ended December 31, 2010, we continued to concentrate on building our technology platform and infrastructure in order to become a more Webcentric provider of online products.

QuickVerse®

During the year ended December 31, 2010, our development team mainly worked on projects that focused on expanding the library for the QuickVerse® product line. This resulted in two content collections that were reintroduced, reformatted and made available as a downloadable product as well as a new commentary collection series. Furthermore, our development team focused on our annual upgrade release of the QuickVerse® Windows platform. Specifically, the QuickVerse® product line releases include the following:

Fisherman Study Guide Series Complete Collection with a retail price of $169.95;
Spiritual Encounter Guides with a retail price of $29.95;
John Phillips Commentary Collection Series with a retail price of $399.95; and
QuickVerse® 2011 (Windows) in five different editions with a range in retail price from $39.95 to $799.95.

Comparatively, during the year ended December 31, 2009, we released the following:

Charles H. Spurgeon Collection with a retail price of $69.95;
Early Church Fathers Collection with a retail price of $149.95;
QuickVerse® Commentary Series in four different editions each with a retail price of $19.95;
Sermon Builder 5.0 with a retail price of $69.95;
QuickVerse® Macintosh 3.0 in three different editions with a range in retail price from $59.95 to $349.95; and
QuickVerse® 2010 (Windows) in six different editions with a range in retail price from $39.95 to $799.95.

For the year ended December 31, 2009, our development team also finalized a new edition to our quickverse.com website, referred to as our QuickVerse® Knowledgebase. The QuickVerse® Knowledgebase enables users to quickly find and navigate through multiple troubleshooting scenarios online rather than having to call or email our technical support department.

As we continue to expand and build upon our website technology, we anticipate the number of downloadable options for our QuickVerse® product line to continue to grow substantially over time.

FormTool®

During February 2008, we acquired FormTool.com and the FormTool® line of products. The FormTool® product line offers quality, professionally designed forms for business, accounting, construction, sales, real estate, human resources and personal organization needs. Since acquiring FormTool®, we have re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® product line, as well as a "one-stop" shop for finding, purchasing and downloading customizable forms for a wide range of business and consumer needs. In addition, we released an upgrade of the FormTool® product line, FormTool 7.0. FormTool.com now offers the FormTool® product line in three downloadable editions that range in retail price from $29.99 to $199.99 as well as downloadable forms on an individual basis or in bulk groups.

During the year ended December 31, 2010, we continued working on the revamping of our website for our FormTool® product line in order to add greater functionality to the website. Although there can be no assurance, this revamped website is scheduled to be launched in the second quarter of 2011.

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RESULTS OF OPERATIONS FOR YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

Statements of Operations for Years Ended December 31	2010	2009	Change
Net revenues	$ 1,781,164	$ 2,113,840	$ (332,676)
Cost of sales	(745,671)	(785,840)	40,169
Gross profit	$ 1,035,493	$ 1,328,000	$ (292,507)
Sales, marketing and general and administrative expenses	(1,518,557)	(1,947,530)	428,973
Loss from operations	$ (483,064)	$ (619,530)	$ 136,466
Other income (expenses), net	(12,430)	(21,558)	9,128
Loss before income taxes	$ (495,494)	$ (641,088)	$ 145,594
Income tax (provision)	---	---	---
Net loss	$ (495,494)	$ (641,088)	$ 145,594

The differing results of operations are primarily attributable to the following:

- a decrease in net revenues for the year ended December 31, 2010 partly attributable to the following:
  - the decreased number of upgrade sales;
  - the overall decreased number of product releases;
  - no release of the QuickVerse® Macintosh platform during 2010; and
  - the current economic downturn; and
- a decrease in sales, marketing and general and administrative expenses for the year ended December 31, 2010 arising from our continuous efforts to cut costs.

Our software products are highly seasonal. More than 50% of our annual sales are expected to occur in the five months of September through January; the five months of April through August are generally our weakest, generating less than 30% of our annual sales.

Revenues

The following table presents our revenues for 2010 and 2009 and dollar and percentage changes from the prior year.

					Change	
Revenues for Years Ended December 31	2010	% to Sales	2009	% to Sales	$	%
Gross revenues	$1,928,591	100%	$2,428,907	100%	$(500,316)	21%
Less estimated	(147,427)	8 %	(315,067)	13 %	167,640	53%

sales returns and allowances						
Net revenues	$1,781,164	92 %	$2,113,840	87 %	$(332,676)	16%

During each of the years ended December 31, 2010 and 2009, our sales efforts were primarily focused on directly targeting end-users through telemarketing and Internet sales. Due to the increased stability, frequency and consistency in our development schedule in regards to the annual release of our flagship product, QuickVerse®, upgrade sales have not been increasing at as rapid a rate as they have in previous years; and therefore, we experienced a decrease in gross revenues for the year ended December 31, 2010. We've also experienced a decrease in the number of product releases for the year ended December 31, 2010, which is a large contributing factor to the decrease in our gross revenues. For instance, during the year ended December 31, 2009, we released an upgrade to the QuickVerse® Macintosh platform; whereas, we had no such release during the year ended December 31, 2010. Finally, we believe the current economic downturn has had a negative impact on our retail sales as well as our direct sales. Although there can be no assurance, we anticipate that our revenues in the future related to the QuickVerse® product line will remain consistent with our 2010 quarterly and annual figures as we continue to expand the content made available for our QuickVerse® products, develop new products for multiple platforms, offer our products at a range of price points intended to appeal to various market sub-segments and offer new venues to gain access to the expanded content available for our QuickVerse® customers.

Conversely, during the year ended December 31, 2010, we did recognize approximately $150,000 in revenue from the FormTool® product line, which was an increase of approximately $59,000 from approximately $91,000 for the year ended December 31, 2009. Although there can be no assurance, we do anticipate our revenues in relation to the FormTool® product line to increase in the near-term based on our anticipated enhancements of the revamped FormTool.com website and a greater retail penetration derived from our new partnership with Encore Software, Inc.

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As a percentage of gross revenues, our sales returns and allowances decreased significantly for the year ended December 31, 2010 compared to December 31, 2009. Typically, product returns trend upward after a new version is released as distributors and retail stores return old product in exchange for the new version release. The decrease for the year ended December 31, 2010 is a result of our distributors and retail stores returning a majority of their old product exchange of QuickVerse® 2009 for the newest version release QuickVerse® 2010 during the last three months of the year ended December 31, 2009. In past years, these returns and exchanges generally have taken place in the first quarter of the year. While a number of our distributors and retail stores did return their old product exchange of QuickVerse® 2010 for the newly released QuickVerse® 2011 during the fourth quarter of 2010, we do anticipate more returns to be received during the first quarter of 2011. This is partly due to the late release of QuickVerse® 2011 in December 2010. On the other hand, the late release of QuickVerse® 2011 did allow more time for the distributors and retail stores to sell through their stock of the QuickVerse® 2010 product line. Finally, for the year ended December 31, 2009 we had increased our reserve of sales returns due to the downturn in the economic environment. Generally going forward, it is our objective to release enhanced versions of our biggest-selling products on an annual basis, and as a percentage of gross revenues we anticipate sales returns and allowances to decrease over time as a result of increased stability in the functionality of our products, decreasing reliance on retail sales and increasing reliance on direct sales, which have historically resulted in fewer returns, and improved planning in the timing of new product version releases.

Cost of Sales

The following table presents our cost of sales for 2010 and 2009 and dollar and percentage changes from the prior year.

Cost of Sales for Years Ended December 31	2010	% to Sales	2009	% to Sales	Change $	Change %
Direct costs	$ 155,598	8 %	$ 204,804	8 %	$ (49,206)	24 %
Less estimated cost of sales returns and allowances	(21,735)	1 %	(46,980)	2 %	25,245	54 %
Amortization of software development costs	238,153	12 %	226,975	9 %	11,178	5 %
Royalties	199,331	10 %	226,724	9 %	(27,393)	12 %
Freight-out	120,189	6 %	111,701	5 %	8,488	8 %
Fulfillment	54,135	3 %	62,616	3 %	(8,481)	14 %
Cost of sales	$ 745,671	39 %	$ 785,840	32 %	$ (40,169)	5 %

Cost of sales consists primarily of direct costs, amortization of capitalized software development costs, non-capitalized technical support wages, royalties accrued to third party providers of intellectual property and the costs associated with reproducing, packaging, fulfilling and shipping our products.

The net decrease in cost of sales between the years ended December 31, 2010 and the corresponding period during 2009 is predominately attributable to the offset of a decrease in direct costs, cost of sales returns and allowances and royalties and an increase in amortization of software development costs. The decrease in direct costs is a result of scaling down our technical support department as our products continue to become more functionally stable and the QuickVerse® Knowledgebase on our website has decreased our dependency on physical technical support. In addition, we have reduced the costs of our raw materials by producing a majority of our cd's in house and by offering more of our products as a download from our websites. The decrease in our sales returns and allowances naturally led to a decrease in the cost of those sales returns and allowances. Furthermore, the decrease in royalties is a direct result of the decrease in net revenues. As a percentage of gross revenues, royalties remained steady for the year ended December 31, 2010 as we continue to monitor and align the content mix within our QuickVerse® product line. Although there can be no assurance, we anticipate our royalty obligation accruals to either remain stable or increase in the future in real terms as sales to new customers increase, more development projects are implemented for new and/or enhanced products, and as we continue to expand the content available for our QuickVerse® line of products. Upgrade sales will remain only subject to royalties on their content additions. The increase in the amount of amortization for the year ended December 31, 2010 is a result of the releases of QuickVerse® Macintosh 3.0 in August 2009, QuickVerse® 2010 in October 2009, the QuickVerse® Commentary Series in December 2009, the John Phillips Commentary Collection Series in September 2010 and QuickVerse® 2011 in December 2010. We did not have a Macintosh release during 2008 which led to less amortization during 2009.

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Freight costs increased for the year ended December 31, 2010 due to increased fees from the shipping companies. In addition, we experienced an increase in freight costs due to the late release of QuickVerse® 2011 and our desire to deliver the product to our customers prior to the Christmas season. Although there can be no assurance, we anticipate freight costs to decrease in real terms on an ongoing basis as we continue to focus our sales effort on direct and/or upgrade sales and continue to advertise and enhance the ability to offer our software products as downloads from our website. Fulfillment costs decreased in real terms as we have reduced our fulfillment workforce due to the decreased sales volume.

Software development costs continue to put a strain on and consume a very significant, and increasing, portion of our financial, and most notably cash, resources. Within our highly competitive marketplace, there is a recurring necessity for development advances in our products in order to keep them relevant and desirable to our existing customers, and to draw the interest of potential new customers from among the variety of offerings by our competitors, While we believe that a significant percentage of the driving force behind the need to consistently improve the quality and functionality of our products, and to expand on the content offered by our products, is attributable to a perceived obsolescence on the part of consumers, we also believe that the developments that we have historically made to our products and continue to make are highly substantive and necessary in order for our customers to be able to take advantage of and benefit from the constant advancements that are being made in terms of both our content and the technological platforms through which they are accessible.

The amortization recognized during the year ended December 31, 2010 resulted mainly from the following software releases:

QuickVerse® 2009 (released October 2008),
Sermon Builder 5.0 (released March 2009),
QuickVerse® Macintosh 3.0 (released August 2009),
QuickVerse® 2010 (released October 2009),
QuickVerse® Commentary Series (released December 2009),
John Phillips Commentary Collection Series (released September 2010),
QuickVerse® 2011 (released December 2010) and
Multiple new content additions for QuickVerse® products (released April 2007 through August 2009).

Comparatively, during the year ended December 31, 2009, the amortization recognized resulted mainly from the following software releases:

FormTool® 7.0 (released September 2008),
QuickVerse® 2009 (released October 2008),
Charles H. Spurgeon Collection (released February 2009),
Sermon Builder 5.0 (released March 2009),
QuickVerse® Macintosh 3.0 (released August 2009),
Early Church Fathers Collection (released August 2009),
QuickVerse® 2010 (released October 2009),
QuickVerse® Commentary Series (released in December 2009) and
Multiple new content additions for QuickVerse® products (released April 2007 through November 2008).

The overall increase in amortization for the year ended December 31, 2010 is the result of fewer development projects that were released during the fiscal year 2008, which ultimately led to less amortization for the year of 2009. In the future, our objective is to realize overall increases in revenues due to aggressive product development and release schedules as well as the acquisitions of new product lines.

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Although there can be no assurance, in the future, as we continue to implement our strategy to become a principally Webcentric provider of online products, we anticipate experiencing a decrease in cost of sales, specifically direct costs, freight and fulfillment, as more of our products will become available for download.

Software Development Costs For Years Ended December 31	2010	2009
Beginning balance	$ 338,947	$ 330,018
Capitalized	160,080	235,904
Amortized (cost of sales)	(238,153)	(226,975)
Ending balance	$ 260,874	$ 338,947
Research and development expense (General and administrative)	$ 162,785	$ 178,705

For the year ended December 31, 2010, the decrease in capitalized costs is the result of our development team being focused on only four development projects throughout the year, whereas they were focused on six development projects during the year ended December 31, 2009. As stated above, we did not have an upgrade release for the QuickVerse® Macintosh platform during the year ended December 31, 2010 as we did in the year ended December 31, 2009. Furthermore, we have experienced an overall decrease in the number of third party man hours utilized towards development due to the increased efficiency in our development output. This efficiency also contributes to the decreased amount of research development expense. Overall, we have continued to experience increased efficiency in our development output both internally and externally.

Sales, General and Administrative

					Change	
Sales, General and Administrative Costs for Years Ended December 31	2010	% to Sales	2009	% to Sales	$	%
Selected expenses:						
Commissions	$---	0 %	$3,000	0 %	$(3,000)	100%
Advertising and direct marketing	142,846	7 %	142,189	6 %	657	0 %
Sales and marketing wages	201,384	10%	297,771	12%	(96,387)	32 %
Other sales and marketing costs	8,317	0 %	8,788	0 %	(471)	5 %
Total sales and marketing	$352,547	18%	$451,748	19%	$(99,201)	22 %
Personnel costs	$383,811	20%	$468,103	19%	$(84,292)	18 %

Amortization and depreciation	88,228	5 %	297,073	12%	(208,845)	70 %
Research and development	162,785	8 %	178,705	7 %	(15,920)	9 %
Other general and administrative costs	531,186	28%	551,901	23%	(20,715)	4 %
Total general and administrative	$1,166,010	60%	$1,495,782	62%	$(329,772)	22 %
Total sales, marketing, general and administrative	$1,518,557	79%	$1,947,530	80%	$(428,973)	22 %

As gross revenues decreased for the year ended December 31, 2010, total sales, marketing and general and administrative costs also significantly decreased. We have discontinued our contract with a third party for telemarketing services, and therefore, no longer incur commission fees. Although there can be no assurance, we do not anticipate relying on a third party for telemarketing services in the future. Advertising and direct marketing costs remained relatively steady as we have moved towards advertising plans which allows us to recognize a set amount of expense each month rather than recognize large amounts of advertising expense at the end of the year and during the holiday season. We anticipate advertising and marketing costs to remain consistent with those recognized for the full year of 2010. We continue to focus on enhancing our product visibility online by increasing and focusing more on our direct marketing efforts, while limiting the scope and frequency of our print advertising campaigns to those that we can capitalize on the most in order to maximize sales associated with new products, product enhancements and potential new product lines. During the year ended December 31, 2010, sales and marketing wages - reclassified, decreased as a result of streamlining our CBA sales team. Furthermore, during the year ended December 31, 2009 we recognized approximately $21,000 of expense related to 725,000 restricted shares of common stock issued to our sales team employees. While we would like to expand our in-house direct-telemarketing sales team in relation to our current and potential new product lines, we may not be able to do so in the immediate future due to budget constraints that we have imposed as a result of our weak working capital position and the current, relatively unfavorable macro-economic climate for non-essential consumer products. Therefore, we anticipate our sales and marketing wages to remain relatively steady in future periods.

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In addition to the decrease in total net personnel costs, gross direct salaries and wages, before adjustments of capitalized wages and reclassifications, decreased approximately $258,000, from approximately $1,037,000 for the year ended December 31, 2009 to approximately $779,000 for the year ended December 31, 2010. For the year ended December 31, 2009, we recognized approximately $105,000 of expense related to 3,357,143 restricted shares of common stock issued to employees as compensation for services rendered January 1, 2004 through December 31, 2008. The decrease in gross personnel costs is the result of the departure of a member of the product development team as we have streamlined this department with external, independently contracted developers, the reduction in our technical support and IT staff as our software products become more stable, the loss of our Vice President of Sales as we have restructured our CBA sales team, the departure of a customer service representative as well as a member of the accounting team and a member of the fulfillment team. As a percentage of gross revenues, gross direct salaries and wages decreased approximately 2% from approximately 43% for the year ended December 31, 2009 to approximately 41% for the year ended December 31, 2010. Due to workforce reductions attributable to the current, relatively unfavorable macro-economic climate for non-essential consumer products, and the loss in July, 2010 of our Chief Financial Officer, Kirk R. Rowland, who had been receiving an annual salary of $110,000 and who we have no present intentions of replacing in the foreseeable future, we anticipate direct salaries and wages to decrease in the future.

The decrease in the amortization and depreciation expense is mainly attributable to the decrease in the amortization of intellectual property rights and other assets. The software license we acquired in 1999, from which we derive our base intellectual property rights associated with the products that are responsible for generating the overwhelming majority of our revenues, and which has historically been the principal source of amortization expense since 1999, became fully amortized as of June 30, 2009. Currently, amortization expense principally reflects the depreciating book value of the FormTool® assets we acquired in February 2008, which are being written down over periods ranging in each case from less than one year to ten years and which, in the aggregate, total approximately $3,000 per month. Going forward, and unless and until we acquire additional assets, we anticipate amortization and depreciation expense to trend downward relative to our historic averages in recent years.

Research and development costs include direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs). While research development expense decreased, we recognized approximately $27,000 in expense for the year ended December 31, 2009 due to the discontinuation of four development projects; and therefore, all associated capitalized costs were expensed. The amount of research development expense for the year ended December 31, 2010 is the result of fewer development projects as compared to the year ended in December 31, 2009. In future periods, we anticipate research and development expenses to either slightly decrease or remain stable as we have experienced increased efficiency in our development output (both internal and external).

Provision for Income Taxes

For the years ended December 31, 2010 and 2009, based on uncertainty about the timing of and ability to generate future taxable income and our assessment that the realization of the deferred tax assets no longer met the “more likely than not” criterion for realization, we provided for a full valuation allowance against our net deferred tax assets. If we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be recorded in the period when such determination is made.

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As of December 31, 2010, we have net operating loss carryforwards, for federal income tax purposes, of approximately $9,191,000. These carryforwards are the result of income tax losses generated as follows:

Generated	Loss	Expiration
2000	$ 873,000	2020
2001	$ 5,191,000	2021
2002	$ 235,000	2022
2005	$ 956,000	2025
2006	$ 584,000	2026
2008	$ 694,000	2028
2009	$ 366,000	2029
2010	$ 292,000	2030

We will need to achieve a minimum annual taxable income, before deduction of operating loss carryforwards, of approximately $505,000 to fully utilize the current loss carryforwards. See Note 6, Income Taxes, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2010 for further information regarding the components of our income tax provision.

LIQUIDITY AND CAPITAL RESOURCES

Our primary needs for liquidity and capital resources are the working capital requirements of our continued operations, which includes the ongoing internal development of new products, expansion and upgrade of existing products, and marketing and sales, as well as funding for the acquisition of new product lines and/or companies. At this time it is unlikely that cash generated through our continuing operations will be sufficient to sustain our continuing operations. Furthermore, our pursuit of an aggressive growth plan, whether based on internally developed products, licensing opportunities, or strategic product line and/or company acquisitions, will likely require funding from outside sources or the divestiture of one or more existing product lines (as occurred with respect to our Membership Plus® product line). Funding from outside sources may include but is not limited to the pursuit of other financing options such as common stock and/or preferred stock issuances and convertible notes. At this time, we have no legally committed funds for future capital expenditures.

The divestiture of our Membership Plus® product line in October 2007 was driven by a combination of our need to raise cash and a strategic determination to begin a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across the business-to-business and consumer segments more generally. With a portion of the funds we realized from the sale of our Membership Plus® product line, we purchased FormTool® in February 2008 which was our first product line acquisition outside of the faith-based market. Although there can be no assurance, we anticipate acquiring additional product lines and/or entering into business combinations which will either replace or increase the revenue and free cash flow previously produced by the Membership Plus® product line.

Working Capital	2010	2009
Current assets	$ 224,349	$ 355,423
Current liabilities	$ 1,805,504	$ 1,696,940
Retained deficit	$ 9,193,959	$ 8,698,465

While liquidity for our day-to-day continued operations remains an ongoing concern for us, and while there can be no continuing assurance, given the fact that a substantial portion of our net sales – 61% of which we collected during the year ended December 31, 2010 through credit card processing transactions – are able to be collected in a much shorter timeframe (several days) than that in which we must generally pay our trade payables (30 days) and our accrued royalties (quarterly, semi-annually, or annually), the situation suggested by our consistently and significantly negative ratio of current assets to current liabilities has historically been manageable.

Cash Flows for Years Ended December 31	2010	2009	Change	%
Cash flows provided by operating activities	$ 2,432	$ 17,660	$ (15,228)	86 %
Cash flows (used) by investing activities	$ (163,283)	$ (224,982)	$ 61,699	27 %
Cash flows provided (used) by financing activities	$ 44,339	$ (77,510)	$ 121,849	157 %

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Net cash provided by operating activities decreased for the year ended December 31, 2010 mainly due to a reduction in cash received from customers which was offset in part by a reduction in payments made to content providers, vendors and employees.

The decrease in net cash used by investing activities for the year ended December 31, 2010 was due to the lack of investing activities related to capitalized software and website development costs.

Net cash provided by financing activities increased for the year ended December 31, 2010 as a result of issuing our board of directors stock for their services from January 1, 2009 to June 30, 2010. These services were previously valued at $90,000; however, the board of directors agreed that the difference between the value of the restricted shares of common stock ($7,500) and their services, which totaled $82,500, would be recorded as contributed capital. Offsetting to a degree to the increase in cash provided by financing activities for the year ended December 31, 2010 were the continued payments made on long-term notes payable.

Financing

We have been unable to secure bank financing due to our internal financial ratios and negative working capital position and do not expect that we will be successful in securing any such financing unless and until our ratios in this regard improve. However, it may be possible to secure financing on our open accounts receivable in order to satisfy our future financing needs. Equity financing, too, remains an option for us, though no definitive prospects for any such financing have been specifically identified.

Contractual Liabilities

In May 2007, we secured an operating lease with a third-party for our corporate office facility in Omaha, Nebraska with terms extending through May 2012. In September 2010, we entered into an early lease termination agreement whereas the third-party agreed to accept three months back monthly lease payments. In December 2010, the lease agreement was considered to be paid in full and a full release had been granted by the third-party. We also secured an operating lease with a third-party for a warehouse facility in Omaha, Nebraska with terms extending through June 2010. Since June 2010, we have continued to lease the warehouse facility under a month-to-month lease agreement. In accordance with the terms of this leasehold agreement, we are responsible for all associated taxes, insurance and utility expenses.

At December 31, 2010, there were no future minimum rental payments required under these lease agreements. See Note 9, Rental and Lease Information, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2010 for more detailed information.

The Potential Impact of Known Facts, Commitments, Events and Uncertainties on Future Operating Results or Future Liquidity Requirements

New Accounting Pronouncements

See Note 1, Summary of Significant Accounting Policies, in the Notes to the Consolidated Financial Statements for the year ended December 31, 2010 for information regarding the potential effects of new accounting pronouncements on our results of operations and financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and
Stockholders of FindEx.com Inc.

We have audited the accompanying consolidated balance sheets of FindEx.com Inc. and subsidiaries as of December 31, 2010 & 2009, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended. Findex.com Inc.'s management is responsible for these financial statements. 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 audit to obtain reasonable assurance about whether the consolidated 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 of 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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 FindEx.com Inc. and subsidiaries as of December 31, 2010 & 2009 and the results of operations and cash flows for the years ended December 31, 2010 & 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. As shown in the financial statements, the Company incurred a net loss of $495,494 during the year ended December 31, 2010, and, as of that date, had a working capital deficiency of $1,581,155 and a retained deficit of $9,193,959. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Brimmer, Burek & Keelan LLP
Tampa, Florida

April 15, 2011

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Findex.com, Inc.
CONSOLIDATED BALANCE SHEETS
December 31, 2010 and 2009

		2010		2009
Assets				
Current assets:				
Cash and cash equivalents	$	22,027	$	138,539
Accounts receivable, trade, net		109,243		92,515
Inventories		64,662		88,546
Deferred income taxes, net		2,400		4,700
Other current assets		26,017		31,123
Total current assets		224,349		355,423
Property and equipment, net		7,709		13,979
Intangible assets, net		384,553		488,691
Restricted cash		---		6,000
Other assets		53,516		96,434
Total assets	$	670,127	$	960,527
Liabilities and stockholders’ equity (deficit)				
Current liabilities:				
Current portion of term debt	$	61,265		83,898
Accrued royalties		951,136		815,687
Accounts payable, trade		428,723		387,082
Accounts payable, related parties		75,786		78,869
Accrued payroll		110,476		125,846
Other current liabilities		178,118		205,558
Total current liabilities		1,805,504		1,696,940
Long-term debt, net		---		---
Deferred income taxes, net		2,400		4,700
Commitments and contingencies (Note 10)				
Stockholders’ equity (deficit):				
Preferred stock, $.001 par value				
5,000,000 shares authorized				
-0- and -0- shares issued and outstanding, respectively		---		---
Common stock, $.001 par value				
120,000,000 shares authorized,				
67,349,153 and 59,572,725 shares issued and outstanding, respectively		67,349		59,573
Paid-in capital		7,988,833		7,897,779
Retained (deficit)		(9,193,959)		(8,698,465)
Total stockholders’ equity (deficit)		(1,137,777)		(741,113)
Total liabilities and stockholders’ equity (deficit)	$	670,127	$	960,527

See accompanying notes.

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Findex.com, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended December 31		2010		2009
Revenues, net of reserves and allowances	$	1,781,164	$	2,113,840
Cost of sales		745,671		785,840
Gross profit		1,035,493		1,328,000
Other operating income and expenses:				
Sales and marketing expenses		352,547		451,748
General and administrative expenses		1,166,010		1,495,782
Total other operating income and expenses		1,518,557		1,947,530
Loss from operations		(483,064)		(619,530)
Gain on fair value adjustment of derivatives		---		-
Other income		6,095		4,645
Interest expense		(18,525)		(26,203)
Loss before income taxes		(495,494)		(641,088)
Income tax (provision)		---		---
Net loss	$	(495,494)	$	(641,088)
Net loss per share - Basic & Diluted:	$	(0.01)	$	(0.01)
Weighted average shares used in computing basic & diluted net loss per share:		62,640,686		58,487,793

See accompanying notes.

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Findex.com, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Paid-In	Retained Earnings	
	Shares	Amount	Capital	(Deficit)	Total
Balance, December 31, 2008	54,072,725	$ 54,073	$ 7,787,779	$ (8,057,377)	$ (215,525)
Common stock issued for services	5,500,000	5,500	110,000	---	115,500
Net loss, December 31, 2009	---	---	---	(641,088)	(641,088)
Balance, December 31, 2009	59,572,725	$ 59,573	$ 7,897,779	$ (8,698,465)	$ (741,113)
Common stock issued for services	7,776,428	7,776	91,054	---	98,830
Net loss, December 31, 2010	---	---	---	(495,494)	(495,494)
Balance, December 31, 2010	67,349,153	$ 67,349	$ 7,988,833	$ (9,193,959)	$ (1,137,777)

See accompanying notes.

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Findex.com, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31		2010		2009
Cash flows from operating activities:				
Cash received from customers	$	1,750,711	$	2,162,760
Cash paid to suppliers and employees		(1,740,367)		(2,130,288)
Other operating receipts		2,098		206
Interest paid		(10,234)		(17,982)
Interest received		224		2,964
Net cash provided by operating activities		2,432		17,660
Cash flows from investing activities:				
Acquisition of property and equipment		(2,543)		(1,711)
Cash paid for tradename		(10,000)		---
Proceeds from sale of property and equipment		3,773		1,501
Software development costs		(160,080)		(235,904)
Website development costs		(5,067)		(26,356)
Deposits refunded, net		10,634		37,488
Net cash used by investing activities		(163,283)		(224,982)
Cash flows from financing activities:				
Payments made on long-term notes payable		(38,161)		(77,510)
Contributed Capital		82,500		---
Net cash provided (used) by financing activities		44,339		(77,510)
Net decrease in cash and cash equivalents		(116,512)		(284,832)
Cash and cash equivalents, beginning of year		138,539		423,371
Cash and cash equivalents, end of year	$	22,027	$	138,539
Reconciliation of net loss to cash flows from operating activities:				
Net loss	$	(495,494)	$	(641,088)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Software development costs amortized		238,153		226,974
Stock and warrants issued for services		16,331		70,500
Provision for bad debts		8,316		8,788
Depreciation & amortization		88,228		297,073
(Gain) on disposal of property and equipment		(3,773)		(520)
Change in assets and liabilities:				
(Increase) decrease in accounts receivable		(25,044)		47,577
Decrease (increase) in inventories		23,884		(7,001)
Decrease in prepaid expenses		20,633		35,859
Increase in accrued royalties		135,449		95,382
Increase (decrease) in accounts payable		79,342		(104,094)
(Decrease) in other liabilities		(83,593)		(11,790)
Net cash provided by operating activities	$	2,432	$	17,660

See accompanying notes.

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Findex.com, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Findex.com, Inc. was incorporated under the laws of the State of Nevada on November 7, 1997, as EJH Entertainment, Inc. On December 4, 1997, we acquired EJH Entertainment, Inc., an Idaho corporation, in a stock-for-stock transaction. EJH Idaho was incorporated on June 21, 1968, as Alpine Silver, Inc. Alpine changed its name to The Linked Companies, Inc. on December 4, 1992. On September 9, 1996, The Linked Companies acquired Worldwide Entertainment, Inc., a Delaware corporation, in a stock-for-stock transaction and changed its name to Worldwide Entertainment, Inc. On June 27, 1997, Worldwide Entertainment changed its name to EJH Entertainment, Inc.

On April 30, 1999, we acquired FINdex Acquisition Corporation, a Delaware corporation in a stock-for-stock transaction and our name was changed to Findex.com, Inc. FINdex Acquisition Corporation is a wholly-owned subsidiary without current business operations. It was incorporated on February 19, 1999 and acquired FinSource Ltd., a Delaware corporation in April 1999, in a stock-for-stock transaction. The mergers with FINdex Acquisition Corporation and FinSource were treated as reorganization mergers with the accounting survivor being FinSource.

On March 7, 2000, we acquired Reagan Holdings, Inc., a Delaware corporation in a stock-for-stock transaction. Reagan was incorporated on July 27, 1999 and is a wholly-owned subsidiary without current business operations.

We are a retail, wholesale and Internet supplier of personal computer software products to business and religious organizations and individuals around the world. In July 1999, we completed a license agreement with Parsons Technology, Inc., a subsidiary of TLC Multimedia, LLC, formerly Mattel Corporation, for the Parsons Church Division of Mattel. In so doing, we obtained the right to market, sell and continue to develop several Bible study software products. We develop and publish church and Bible study software products designed to simplify biblical research and streamline church office tasks.

ACCOUNTING METHOD

We recognize income and expenses on the accrual basis of accounting.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the company and our wholly-owned subsidiaries after eliminations.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Significant estimates used in the consolidated financial statements include the estimates of (i) doubtful accounts, sales returns, price protection and rebates, (ii) provision for income taxes and realizability of the deferred tax assets, and (iii) the life and realization of identifiable intangible assets. The amounts we will ultimately incur or recover could differ materially from current estimates.

CONCENTRATIONS

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. We place our cash and cash equivalents at well-known, quality financial institutions. We currently maintain our cash balances in one financial institution located in Omaha, Nebraska. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. The maximum loss that would have resulted from that risk totaled $-0- and $-0- at December 31, 2010 and 2009, respectively, for the excess of the deposit liabilities reported by the bank over the amount that would have been covered by federal insurance.

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We sell a majority of our products to consumers through distributors, Christian bookstores, Internet and direct marketing efforts. Although we attempt to prudently manage and control accounts receivable and perform ongoing credit evaluations in the normal course of business, we generally require no collateral on our product sales. During 2010, we incurred sales transactions with approximately 14,000 consumers and 250 retail bookstores and distributors. Our top five retail customers in aggregate accounted for 27% and 25% of gross sales for the years ended December 31, 2010 and 2009, respectively, as indicated below:

Sales to Top 5 Retail Customers – Percent to Total Sales			
	Customers		
	A	B – E Combined	Total
2010	15%	12%	27%
2009	14%	11%	25%

Accounts receivable relating to customer A was $8,408 and $3,412 at December 31, 2010 and 2009, respectively.

During the years ended December 31, 2010 and 2009, we derived our total revenue from the following sales breakdown:

	2010	2009
QuickVerse®	86%	88%
FormTool®	8%	4%
Other software titles	6%	8%
Total	100%	100%

During the years ended December 31, 2010 and 2009, four vendors provided purchases individually of 10% or more of the total product and material purchases as follows:

Major Vendors – Percent to Total Product and Material Purchases					
	Vendors				
	A	B	C	D	Total
2010	47%	10%	8%	7%	72%
2009	41%	12%	10%	10%	73%

Major Vendors – Accounts Payable Balances in Dollars					
	Vendors				
	A	B	C	D	Total
2010	$ 8,200	$ 1,377	$ 6,392	$ 3,377	$ 19,346
2009	$ 14,630	$ 3,423	$ 5,922	$ 9,282	$ 33,257

ROYALTY AGREEMENTS

We have entered into certain agreements whereby we are obligated to pay royalties for content of software published. We generally pay royalties based on a percentage of sales on respective products or on a fee per unit sold basis. We expense software royalties as product costs during the period in which the related revenues are recorded. See Note 10.

CASH AND CASH EQUIVALENTS

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

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ACCOUNTS RECEIVABLE

We sell our products to resellers and distributors generally under terms appropriate for the creditworthiness of the customer. Our terms generally range from net 30 days for domestic resellers, net 60 days for domestic distributors, to net 90 days for international resellers and distributors. Receivables from customers are unsecured. We continuously monitor our customer account balances and actively pursue collections on past due balances.

We maintain an allowance for doubtful accounts comprised of two components, (i) historical collections performance and (ii) specific collection issues. If actual bad debts differ from the reserves calculated based on historical trends and known customer issues, we record an adjustment to bad debt expense in the period in which the difference occurs. Such adjustment could result in additional expense or a reduction of expense.

Our accounts receivable go through a collection process that is based on the age of the invoice and requires attempted contacts with the customer at specified intervals and the assistance from other personnel within the company who have a relationship with the customer. If after a number of days, we have been unsuccessful in our collections efforts, we may turn the account over to a collection agency. We write-off accounts to our allowance when we have determined that collection is unlikely. The factors considered in reaching this determination are (i) the apparent financial condition of the customer, (ii) the success we've had in contacting and negotiating with the customer and (iii) the number of days the account has been outstanding. To the extent that our collections do not correspond with historical experience, we may be required to incur additional charges.

INVENTORY

Inventory, including out on consignment, consists primarily of software media and related packaging materials and is recorded at the lower of cost or market value, determined on a first-in, first-out, and adjusted on a per-item basis.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Furniture, fixtures and computer equipment are depreciated over five years using the straight-line method. Software is depreciated over three years using the straight-line method. Expenditures for maintenance, repairs and other renewals of items are charged to expense when incurred.

ACCOUNTING FOR LONG-LIVED ASSETS

We review property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of our carrying amount to future net cash flows the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. Property and equipment to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

INTANGIBLE ASSETS

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350-30, General Intangibles Other Than Goodwill, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are amortized on the straight-line method over the estimated useful lives, generally three to ten years. All intangible assets are tested for impairment annually during the fourth quarter.

SOFTWARE DEVELOPMENT COSTS

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a “beta” version for testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months, but up to 60 months), or (ii) the ratio of current revenues to total projected product revenues. Total cumulative capitalized software development costs were $1,234,594, less accumulated amortization of $973,721 at December 31, 2010.

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Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management's best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues. We recognized a write-down to net realizable value totaling $7,899 and $4,222 for the years ended December 31, 2010 and 2009, respectively, which has been included in Cost of sales on our Consolidated Statements of Operations. See Note 3.

ASC 730, Research and Development, provides accounting and reporting standards for research and development. In accordance with ASC 730-10, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs. Research and development costs incurred prior to determination of technological feasibility and marketability and after general release to the public and charged to expense were $162,785 and $178,705 for the years ended December 31, 2010 and 2009, respectively.

We capitalize costs related to the development of computer software developed or obtained for internal use in accordance with the ASC 350-40, Internal-Use Software. Software obtained for internal use has generally been enterprise level business and finance software that we customize to meet our specific operational needs. We have not sold, leased, or licensed software developed for internal use to our customers and have no intention of doing so in the future.

We capitalize costs related to the development and maintenance of our website in accordance with ASC 350-50, Website Development Costs. Accordingly, costs expensed as incurred are as follows:

- planning the website,
- developing the applications and infrastructure until technological feasibility is established,
- developing graphics such as borders, background and text colors, fonts, frames, and buttons, and
- operating the site such as training, administration and maintenance.

Capitalized costs include those incurred to:

- obtain and register an Internet domain name,
- develop or acquire software tools necessary for the development work,
- develop or acquire software necessary for general website operations,
- develop or acquire code for web applications,
- develop or acquire (and customize) database software and software to integrate applications such as corporate databases and accounting systems into web applications,
- develop HTML web pages or templates,
- install developed applications on the web server,
- create initial hypertext links to other websites or other locations within the website, and
- test the website applications.

We amortize website development costs on a straight-line basis over the estimated life of the site, generally 36 months. Total cumulative website development costs, included in other assets on our Consolidated Balance Sheets, were $150,084 and $145,017, less accumulated amortization of $100,888 and $57,537 at December 31, 2010 and 2009, respectively.

RESTRICTED CASH

Restricted cash represents cash held in reserve by our merchant banker to allow for a potential increase in credit card charge backs from increased consumer purchases.

REVENUE RECOGNITION

We derive revenues from the sale of packaged software products, product support and multiple element arrangements that may include any combination of these items. We recognize software revenue for software products and related services in accordance with ASC 985-605, Software Revenue Recognition. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectibility is probable.

In some situations, we receive advance payments from our customers. We defer revenue associated with these advance payments until we ship the products or offer the support.

In accordance with ASC 605-50, Customer Payments and Incentives, we account for cash considerations (such as sales incentives – rebates and coupons) that we give to our customers as a reduction of revenue rather than as an operating expense.

Product Revenue

We typically recognize revenue from the sale of our packaged software products when we ship the product. We sell some of our products on consignment to a limited number of resellers. We recognize revenue for these consignment transactions only when the end-user sale has occurred. Revenue for software distributed electronically via the Internet is recognized when the customer has been provided with the access codes that allow the customer to take immediate possession of the software on its hardware and evidence of the arrangement exists (web order).

Some of our software arrangements involve multiple copies or licenses of the same program. These arrangements generally specify the number of simultaneous users the customer may have (multi-user license), or may allow the customer to use as many copies on as many computers as it chooses (a site license). Multi-user arrangements, generally sold in networked environments, contain fees that vary based on the number of users that may utilize the software simultaneously. We recognize revenue when evidence of an order exists and upon delivery of the authorization code to the consumer that will allow them the limited simultaneous access. Site licenses, generally sold in non-networked environments, contain a fixed fee that is not dependent on the number of simultaneous users. Revenue is recognized when evidence of an order exists and the first copy is shipped to the consumer.

Many of our software products contain additional content that is “locked” to prevent access until a permanent access code, or “key,” is purchased. We recognize revenue when evidence of an order exists and the customer has been provided with the access code that allows the customer immediate access to the additional content. All of the programs containing additional locked content are fully functional and the keys are necessary only to access the additional content. The customer’s obligation to pay for the software is not contingent on delivery of the “key” to access the additional content.

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products. We also reduce product revenue for the estimated redemption of end-user rebates on certain current product sales. Our rebate reserves are estimated based on the terms and conditions of the specific promotional rebate program, actual sales during the promotion, the amount of redemptions received and historical redemption trends by product and by type of promotional program. We did not offer any rebate programs to our customers during 2010 or 2009.

Multiple Element Arrangements

We also enter into certain revenue arrangements for which we are obligated to deliver multiple products or products and services (multiple elements). For these arrangements, which include software products, we allocate and defer revenue for the undelivered elements based on their vendor-specific objective evidence (“VSOE”) of fair value. VSOE is generally the price charged when that element is sold separately.

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In situations where VSOE exists for all elements (delivered and undelivered), we allocate the total revenue to be earned under the arrangement among the various elements, based on their relative fair value. For transactions where VSOE exists only for the undelivered elements, we defer the full fair value of the undelivered elements and recognize the difference between the total arrangement fee and the amount deferred for the undelivered items as revenue (residual method). If VSOE does not exist for undelivered items that are services, we recognize the entire arrangement fee ratably over the remaining service period. If VSOE does not exist for undelivered elements that are specified products, we defer revenue until the earlier of the delivery of all elements or the point at which we determine VSOE for these undelivered elements.

We recognize revenue related to the delivered products or services only if: (i) the above revenue recognition criteria are met; (ii) any undelivered products or services are not essential to the functionality of the delivered products and services; (iii) payment for the delivered products or services is not contingent upon delivery of the remaining products or service; and (iv) we have an enforceable claim to receive the amount due in the event that we do not deliver the undelivered products or services.

Discounts on Future Purchases

In connection with the licensing of an existing product, we sometimes offer a discount on additional licenses of the same product or on other products. We apply a proportionate amount of the discount to each element covered by the arrangement based on each element’s fair value. If the future elements are unknown at the time of the original sale, we apply the discount to the current product(s) purchased, defer the discount amount to be recognized pro rata over the estimated period during which additional purchases will be made (typically one year), and recognize current revenue on the remainder.

Shipping and Handling Costs

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of sales on our Consolidated Statements of Operations.

Sales Taxes

We record the amounts we charge our customers for sales taxes assessed by state and local governments on the sale of our software products and related shipping charges, as appropriate, on the net basis. As such, we report the taxes collected as a liability on our balance sheet and do not include them in product revenue in our Consolidated Statements of Operations.

Customer Service and Technical Support

Customer service and technical support costs include the costs associated with performing order processing, answering customer inquiries by telephone and through websites, email and other electronic means, and providing technical support assistance to our customers. In connection with the sale of certain products, we provide a limited amount of free technical support assistance to customers. We do not defer the recognition of any revenue associated with sales of these products, since the cost of providing this free technical support is insignificant. The technical support is provided within one year after the associated revenue is recognized and free product enhancements (bug fixes) are minimal and infrequent. We accrue the estimated cost of providing this free support upon product shipment and record it as cost of sales.

ADVERTISING

Advertising costs, including direct response advertising costs, are charged to operations as incurred. We have determined that direct response advertising costs are insignificant. Total advertising costs included in "Sales and marketing expenses" in the Consolidated Statements of Operations for the years ended December 31, 2010 and 2009 were approximately $110,000 and $98,000, respectively.

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STOCK-BASED COMPENSATION

We recognize share-based compensation in accordance with ASC 718, Compensation – Stock Compensation, using the modified prospective method. ASC 718 requires that we measure the cost of the employee services received in exchange for an award for equity instruments based on the grant-date fair value and to recognize this cost over the requisite service period. It also provides that any corporate income tax benefit realized upon exercise or vesting of an award in excess of that previously recognized in earnings (referred to as a "windfall tax benefit") will be presented in the Consolidated Statements of Cash Flows as a financing (rather than as operating) cash flow. Realized windfall tax benefits are credited to paid-in capital in the Consolidated Balance Sheets. Realized shortfall tax benefits (amounts which are less than that previously recognized in earnings) are first offset against the cumulative balance of windfall tax benefits, if any, and then charged directly to income tax expense.

No options or warrants were issued during the year ended December 31, 2010.

We maintain a policy of issuing authorized but unissued shares of common stock to satisfy share option and warrant exercises.

LEGAL COSTS RELATED TO LOSS CONTINGENCIES

We accrue legal costs expected to be incurred in connection with a loss contingency as they occur. We did not accrue any legal costs related to a loss contingency during the years ended December 31, 2010 and 2009.

INCOME TAXES

We follow the guidance of ASC 740, Income Taxes, which requires the use of the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of our assets and liabilities. 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.

EARNINGS PER SHARE

We follow the guidance of ASC 260, Earnings Per Share, to calculate and report basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed by giving effect to all dilutive potential shares of common stock that were outstanding during the period. For us, dilutive potential shares of common stock consist of the incremental shares of common stock issuable upon the exercise of stock options and warrants for all periods, convertible notes payable and the incremental shares of common stock issuable upon the conversion of convertible preferred stock.

When discontinued operations, extraordinary items, and/or the cumulative effect of an accounting change are present, income before any of such items on a per share basis represents the "control number" in determining whether potential shares of common stock are dilutive or anti-dilutive. Thus, the same number of potential shares of common stock used in computing diluted EPS for income from continuing operations is used in calculating all other reported diluted EPS amounts. In the case of a net loss, it is assumed that no incremental shares would be issued because they would be anti-dilutive. In addition, certain options and warrants are considered anti-dilutive because the exercise prices were above the average market price during the period. Anti-dilutive shares are not included in the computation of diluted EPS, in accordance with ASC 260-10-45-17.

The following table shows the amounts used in computing earnings per share and the effect on income and the average number of shares of dilutive potential common stock:

For the Year Ended December 31	2010	2009
Numerator:		
Net loss	$ (495,494)	$ (641,088)
Denominator:		
Denominator for basic per share amounts – weighted average shares	62,640,686	58,487,793
Dilutive effect of:		
Stock options	---	---
Warrants	---	---
Denominator for diluted per share amounts - weighted average shares	62,640,686	58,487,793

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The calculations of earnings (loss) per share for 2010 and 2009 excluded the impact of the following potential common shares as their inclusion would be anti-dilutive:

For the Year Ended December 31	2010	2009
Stock options	175,000	2,080,000
Warrants	---	2,300,000
Total weighted average anti-dilutive potential common shares	175,000	4,380,000

TRANSFER OF FINANCIAL ASSETS

We follow the guidance of ASC 860, Transfers and Servicing. ASC 860 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities and provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. The adoption of this standard did not have a material effect on our results of operations or financial position.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such instruments because of the short maturity of those instruments.

RECENT ACCOUNTING PRONOUNCEMENTS

When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts

In December 2010, the FASB issued ASU 2010-28, When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts (Topic 350) – Intangibles – Goodwill and Other. ASU 2010-28 amends the criteria for performing Step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts and requires performing Step 2 if qualitative factors indicate that it is more likely than not that a goodwill impairment exists. ASU 2010-28 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. Early adoption is not permitted. Adoption of ASU 2010-28 is not expected to have a material impact on our consolidated financial statements.

Certain Revenue Arrangements That Contain Software Elements

In October 2009, the FASB issued ASU 2009-14, Certain Revenue Arrangements That Include Software Elements, (amendments to ASC 985). ASU 2009-14 removes tangible products from the scope of software revenue guidance and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. ASU 2009-14 is effective for fiscal years beginning after June 15, 2010, with early adoption permitted, and may be applied prospectively for new or materially modified arrangements. Adoption of ASU 2009-14 is not expected to have a material impact on our consolidated financial statements.

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Multiple-Deliverable Revenue Arrangements

In October 2009, the FASB issued ASU 2009-13, Multiple-Deliverable Revenue Arrangements, (amendments to ASC 605). ASU 2009-13 requires entities to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence (“VSOE”) or third-party evidence of the selling price. The amendments eliminate the residual method of revenue allocation and require revenue to be allocated using the relative selling price method. ASU 2009-13 is effective for fiscal years beginning after June 15, 2010, with early adoption permitted, and may be applied prospectively for new or materially modified arrangements. Adoption of ASU 2009-13 is not expected to have a material impact on our consolidated financial statements.

RECLASSIFICATIONS

Certain accounts in our 2009 financial statements have been reclassified for comparative purposes to conform with the presentation in our 2010 financial statements.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates our continuation as a going concern. However, as of December 31, 2010 and 2009, we had negative working capital of $1,581,155 and $1,341,517, respectively, and had an accumulated deficit of $9,193,959 and $8,698,465, respectively. Although these factors raise substantial doubt about our ability to continue as a going concern, we have taken several actions in an attempt to mitigate the risk that we will be unable to continue as a going concern through December 31, 2011. These actions include pursuing the sale of product lines and pursuing mergers and acquisitions that will provide profitable operations and positive operating cash flow.

NOTE 3 – BALANCE SHEET DETAILS

Details of certain balance sheet captions are as follows:

Year ended December 31,		2010		2009
Accounts receivable, trade, net:				
Gross trade accounts receivable	$	130,243	$	109,215
Less: allowance for doubtful accounts		(21,000)		(16,700)
Net accounts receivable, trade	$	109,243	$	92,515
Allowance for doubtful accounts:				
Beginning balance	$	16,700	$	16,300
Bad debts provision (included in Sales and marketing expenses)		8,316		8,788
Accounts written off		(4,069)		(9,621)
Collection of accounts previously written off		53		1,233
Ending balance	$	21,000	$	16,700

Inventories, net:				
Raw materials	$	46,206	$	79,206
Finished goods		27,564		24,121
Less: reserve for obsolete inventory		(9,108)		(14,781)
Net inventories	$	64,662	$	88,546

Reserve for obsolete inventory:				
Beginning balance	$	14,781	$	15,500
Provision for obsolete inventory		13,945		7,096
Obsolete inventory written off		(19,618)		(7,815)
Ending balance	$	9,108	$	14,781

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Other current assets:		
Prepaid expenses	$ 26,017	$ 31,123
Total other current assets	$ 26,017	$ 31,123
Property and equipment, net		
Computer equipment	$ 71,847	$ 76,516
Computer software	67,614	68,484
Office equipment	64,747	69,789
Office furniture and fixtures	35,363	39,588
Warehouse equipment	4,568	5,958
Total property and equipment	244,139	260,335
Less: accumulated depreciation	(236,430)	(246,356)
Net property and equipment	$ 7,709	$ 13,979
Intangible assets, net		
Software license agreements, net		
Cost	$ 4,237,390	$ 4,227,390
Less: accumulated amortization	(4,113,710)	(4,077,646)
Net software license agreement	$ 123,680	$ 149,744
Capitalized software development costs, net		
Capitalized costs	$ 1,234,594	$ 1,074,514
Less: accumulated amortization	(973,721)	(735,567)
Net capitalized software development costs	$ 260,873	$ 338,947
Net intangible assets	$ 384,553	$ 488,691

We entered into a license agreement in June 1999 with Parsons Technology, Inc., a subsidiary of TLC, a copy of which has since been assigned to Houghton Mifflin Harcourt Publishing Company, the latest licensor-assignee in a succession of assignments that have occurred since the original agreement. The license, as we acquired it in 1999, provided us with the right, for a term of ten years, to publish, use, distribute, sublicense and sell, exclusively worldwide in non-secular channels and non-exclusively on an unrestricted basis in secular channels, a collection of 65 individual top-selling Christian-related software titles and content owned by Parsons Technology, including QuickVerse, among others. In October 2003, we reached settlement in a dispute with The Zondervan Corporation and TLC which extended indefinitely the term of the software license agreement. In May 2010, we purchased certain copyrights from Houghton Mifflin Harcourt Publishing Company that were related to our 1999 license agreement with Parsons Technology, Inc. See Note 4.

Amortization related to the software license agreements, included in General and administrative expenses on our Consolidated Statements of Operations, was $36,064 and $231,009 for the years ended December 31, 2010 and 2009, respectively.

Amortization for the capitalized software development costs, included in Cost of sales on our Consolidated Statements of Operations, was $238,153 and $226,974 for the years ended December 31, 2010 and 2009, respectively.

Other current liabilities:				
Reserve for sales returns	$	115,756	$	121,165
Other accrued expenses		32,362		84,393
Total other current liabilities	$	148,118		205,558

Reserve for sales returns (included in Other current liabilities):				
Beginning balance	$	121,165	$	119,822
Return provision – sales		144,900		313,200
Return provision – cost of sales		(21,735)		(46,980)
Returns processed		(128,574)		(264,877)
Ending balance	$	115,756	$	121,165

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NOTE 4 – INTANGIBLE ASSETS

In May 2010, we purchased certain copyrights from Houghton Mifflin Harcourt Publishing Company for $10,000. The copyrights were related to our 1999 license agreement with Parsons Technology, Inc. in relation to which Houghton Mifflin Harcourt Publishing Company had been the latest licensor-assignee in a succession of assignments dating back to 1999 and originating with Parsons Technology, Inc. The license that we acquired in 1999 provided us with the right to publish, use, distribute, sublicense and sell, exclusively worldwide in non-secular channels and non-exclusively on an unrestricted basis in secular channels, a collection of 65 individual top-selling Christian-related software titles owned by Parsons Technology, including QuickVerse, among others. The acquired copyrights are amortized over a ten year useful life as was the original software license we acquired in 1999.

NOTE 5 – DEBT

At December 31, 2010 and 2009, the current portion of term debt consisted of the following:

	2010	2009
Unsecured term note payable to a premium finance company due April 2010 in monthly installments of $1,664, including interest at 5.73%.	$ ---	$ 6,577
Unsecured term note payable to a vendor for advertising due July 2010 in monthly installments of $2,000, including interest at 10%.	---	13,141
Unsecured term note payable to a premium finance company due March 2011 in monthly installments of $1,775, including interest at 6.84%.	5,265	---
Total short-term notes payable	5,265	19,718
Add: Current maturities of long-term debt	56,000	64,180
Current portion of term debt	$ 61,265	$ 83,898

At December 31, 2010 and 2009, long-term debt consisted of the following:

	2010	2009
Unsecured term note payable to a former shareholder due March 2008 in monthly installments of $10,000, plus interest at 8%, through April 2007, and monthly	$ 56,000	$ 56,000

installments of $20,000, plus interest at 8%, beginning May 2007.			
Unsecured term note payable to a limited liability company due February 2010 in monthly installments of $4,167, including simple interest at 15%.		---	8,180
Total Long-term debt		56,000	64,180
Less: Current maturities		(56,000)	(64,180)
Long-term debt, net	$	---	---

At December 31, 2010, we were current on the unsecured term notes payable to the premium finance company, the advertising vendor, and the limited liability company. We were in arrears for the final three payments of the unsecured term note payable to a former shareholder.

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NOTE 6 – INCOME TAXES

The provision for taxes on income from continuing operations for the years ended December 31, 2010 and 2009 consisted of the following:

	2010	2009
Current:		
Federal	$ ---	$ ---
State	---	---
Net current income tax expense	---	---
Deferred:		
Federal	---	---
State	---	---
Net deferred income tax expense	---	---
Total tax provision	$ ---	$ ---

The provisions for income taxes differ from the amounts computed by applying the federal statutory rate due to the following:

	2010	2009
Expense (benefit) at Federal statutory rate – 34%	$ (158,268)	$ (217,970)
State tax effects, net of Federal taxes	(501)	(1,717)
Nondeductible expenses	252	382
Nontaxable income	---	---
Deferred tax asset valuation allowance	158,517	219,305
Income tax expense	$ ---	$ ---

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Our total and net deferred tax assets, deferred tax asset valuation allowances and deferred tax liabilities at December 31, 2010 and 2009 are as follows:

For the year ended December 31, 2010	Federal	State	Total
Current Deferred Income Taxes			
Accrued expenses, reserves, other items	$ 91,100	$ 300	$ 91,400
Operating loss carryforwards	---	---	---
	91,100	300	91,400

Total current deferred income tax asset			
Less: Valuation allowance	(88,700)	(300)	(89,000)
Deferred income tax asset, net	$ 2,400	$ ---	$ 2,400
Non-current Deferred Income Taxes			
Property and equipment and state deferred tax liabilities	$ 2,200	$ 100	$ 2,300
Operating loss carryforwards	3,120,000	8,500	3,128,500
Total non-current deferred income tax asset	3,122,200	8,600	3,130,800
Less: Valuation allowance	(3,037,200)	(8,200)	(3,045,400)
Deferred income tax asset, net	85,000	400	85,400
Capitalized development costs	(89,000)	(400)	(89,400)
Other items	1,600	---	1,600
Deferred income tax liability	(87,400)	(400)	(87,800)
Deferred income tax liability, net	$ (2,400)	$ ---	$ (2,400)

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For the year ended December 31, 2009	Federal	State	Total
Current Deferred Income Taxes			
Accrued expenses, reserves, other items	$ 109,100	$ 400	$ 109,500
Operating loss carryforwards	---	---	---
Total current deferred income tax asset	109,100	400	109,500
Less: Valuation allowance	(104,400)	(400)	(104,800)
Deferred income tax asset, net	$ 4,700	$ ---	$ 4,700
Non-current Deferred Income Taxes			
Property and equipment and state deferred tax liabilities	$ 4,500	$ 1,000	$ 5,500
Operating loss carryforwards	3,013,500	7,500	3,021,000
Total non-current deferred income tax asset	3,018,000	8,500	3,026,500
Less: Valuation allowance	(2,887,200)	(6,900)	(2,894,100)
Deferred income tax asset, net	130,800	1,600	132,400
Capitalized development costs	(115,000)	(1,400)	(116,400)
Other items	(20,500)	(200)	(20,700)
Deferred income tax liability	(135,500)	(1,600)	(137,100)
Deferred income tax liability, net	$ (4,700)	$ ---	$ (4,700)

A valuation allowance has been recorded primarily related to tax benefits associated with income tax operating loss carryforwards. Adjustments to the valuation allowance will be made if there is a change in management's assessment of the amount of the deferred tax asset that is realizable. The valuation allowance for deferred tax assets was increased by $135,500 and $187,700 during the years ended December 31, 2010 and 2009, respectively.

At December 31, 2010, we had available net operating loss carryforwards of approximately $9,191,000 for federal income tax purposes that expire in 2030. The federal carryforwards resulted from losses generated in 1996 through 2002, 2005, 2006, 2008, 2009 and 2010. We also had net operating loss carryforwards available from various state jurisdictions ranging from approximately $37,000 to approximately $818,000 that expire in 2024.

We adopted the provisions of FIN No. 48 (now codified as ASC 740) as of January 1, 2007, and have analyzed filing positions in each of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. Federal, Nebraska, Iowa, Texas and Illinois as our "major" tax jurisdictions. Generally, we remain subject to examination of our 2006 through 2009 U.S. Federal, Nebraska, Iowa, Texas and Illinois income tax returns.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

NOTE 7 – STOCKHOLDERS' EQUITY

COMMON STOCK

In March 2009, we committed to issue a total of 3,357,143 restricted shares of common stock consisting of 1,907,143 shares to our executive officers and 1,450,000 shares to our non-executive employees, at the closing price as of March 13, 2009 ($0.021), in lieu of cash for services rendered from January 1, 2004 through December 31, 2008. This issuance was valued at $70,500.

In March 2009, we committed to issue a total of 2,142,857 restricted shares of common stock to our outside directors, at the closing price as of March 13, 2009 ($0.021) in lieu of cash payments of amounts accrued for service as members of our board from the period of April 1, 2008 through December 31, 2008. This issuance was valued at $45,000.

In August 2010, we committed to issue a total of 3,571,428 restricted shares of common stock to our outside directors, at the closing price as of August 9, 2010 ($0.0021), in lieu of cash for services rendered from January 1, 2009 through June 30, 2010. These services were valued at $90,000; however, the board of directors agreed that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

In August 2010, we committed to issue a total 350,000 restricted shares of common stock to our outside directors, at the closing price as of August 9, 2010 ($0.0021), as compensation for services rendered in connection with their service on the board of directors. This issuance was valued at $735.

In August 2010, we committed to issue a total of 1,555,000 restricted shares of common stock consisting of 1,400,000 shares to our executive officers and 155,000 shares to our non-executive employees, at the closing price as of August 9, 2010 ($0.0021), as compensation for services rendered in connection with their employment. This issuance was valued at $3,266.

In August 2010, we committed to issue a total of 2,300,000 restricted shares of common stock to a consultant, at the closing price as of August 9, 2010 ($0.0021), as compensation for services rendered in connection with their time as a consultant to the Company. This issuance was valued at $4,830.

COMMON STOCK OPTIONS

In July 2009, 200,000 vested stock options with an exercise price of $0.11, related to a former employee, expired unexercised. We did not grant any options or other stock-based awards to the individual for whom the options expired, during the six months prior to and after the option expirations.

In July 2009, 190,000 vested stock options with an exercise price of $0.10, related to former employees, expired unexercised. We did not grant any options or other stock-based awards to the individuals for whom the options expired, during the six months prior to and after the option expirations.

In October 2009, 460,000 vested stock options with an exercise price of $0.10, related to current employees, expired unexercised. We did not grant any options or other stock-based awards to the individuals for whom the options expired, during the six months prior to and after the option expirations.

In August 2010, our board of directors authorized the cancellation of a total of 905,000 vested stock options with an exercise price of $0.11 consisting of 350,000 stock options to our outside directors, 400,000 stock options to our executive officers and 155,000 stock options to our non-executive employees. The stock options for our outside directors had an expiration date of August 20, 2011, and the stock options for our executive officers and our non-executive employees had an expiration date of July 17, 2011.

In August 2010, our board of directors authorized the cancellation of a total of 1,000,000 vested stock options with an exercise price of $0.05 consisting of 500,000 stock options to our executive officers with an expiration date of June 6, 2012 and 500,000 stock options to our executive officers with an expiration date of June 5, 2013.

COMMON STOCK WARRANTS

In March 2009, warrants to purchase up to 300,000 restricted shares of our common stock with an exercise price of $0.13 per share expired unexercised.

In April 2009, warrants to purchase up to 150,000 restricted shares of our common stock with an exercise price of $0.022 per share expired unexercised.

In July 2009, warrants to purchase up to 100,000 restricted shares of our common stock with an exercise price of $0.07 per share expired unexercised.

In July 2010, warrants to purchase up to 1,000,000 restricted shares of our common stock with an exercise price of $0.032 per share expired unexercised.

In August 2010, our board of directors authorized the cancellation of a consultant's warrant to purchase up to 1,300,000 shares of common stock with an exercise price of $0.032. This warrant was fully vested on August 31, 2007 and had an expiration date of September 13, 2010.

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NOTE 8 – STOCK-BASED COMPENSATION

Our 1999 Stock Incentive Plan authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. The plan has been approved by our stockholders and as such, provides certain income tax advantages to employees as provided under Sections 421, 422, and 424 of the Internal Revenue Code. Stock options are granted at an exercise price as determined by our board at the time the option is granted and may not be less than the par value of such shares of common stock. None of the options granted under the plan have been granted with an exercise price less than fair value of the common stock on the date of grant. Stock options vest quarterly over three years and have a term of up to ten years. The plan authorizes an aggregate of 1,500,000 shares of common stock may be issued. We did not grant any options under the plan during 2010 or 2009.

In addition, we issue various forms of stock-based awards including nonqualified stock options and restricted stock awards to directors, officers, other key employees and third-party consultants, outside of the plan. Awards granted outside of the plan have been granted pursuant to equity compensation arrangements that have not been approved by our stockholders. These awards are granted at an exercise price as determined by our board at the time of grant and are not less than the par value of such shares of common stock. None of the options granted outside of the plan have been granted with an exercise price less than fair value of the common stock on the date of grant. Stock options granted outside of the plan vest as determined by our board at the time of grant and have a term of up to ten years. We did not grant any options outside of the plan during 2010 or 2009 to non-executive employees. During the year ended December 31, 2010, our board of directors authorized the cancellation of a total of 1,905,000 vested stock options. See Note 7.

Activity under our stock option plans is summarized as follows:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2010	2,080,000	$ 0.08		
Granted	---	---		
Exercised	---	---		
Forfeited or expired	---	---		
Canceled	(1,905,000)	$ (0.08)		
Outstanding at December 31, 2010	175,000	$ 0.11	.54	$ ---
Exercisable at December 31, 2010	175,000	$ 0.11	.54	$ ---

There were no non-vested equity instruments at the beginning of the year, end of the year, granted or forfeited during the year.

Warrant activity is summarized as follows:

Warrants	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2010	2,300,000	$ 0.03		
Granted	---	---		
Exercised	---	---		
Forfeited or expired	(1,000,000)	$ (0.03)		
Canceled	(1,300,000)	$ (0.03)		
Outstanding at December 31, 2010	---	$ ---	---	$ ---
Exercisable at December 31, 2010	---	$ ---	---	$ ---

No other equity instruments were issued during 2010 to acquire goods and services. See Note 7.

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NOTE 9 – RENTAL AND LEASE INFORMATION

OPERATING LEASES

We leased office space in Omaha, Nebraska under an operating lease with a third-party with terms extending through May 2012. In September 2010, we entered into an early lease termination agreement whereas the third-party agreed to accept three months of back monthly lease payments. In December 2010, the lease agreement was considered to be paid in full and a full release had been granted by the third-party. We were responsible for all taxes, insurance and utility expenses associated with this lease.

We lease warehouse facilities in Omaha, Nebraska under an operating lease with a third-party with terms extended through June 2010. Since June 2010, we have continued to lease the warehouse facilities under a month-to-month lease agreement. We are responsible for all taxes, insurance and utility expenses associated with this lease.

Rental expense for the years ended December 31, 2010 and 2009 amounted to $88,003 and $86,901, respectively. Rental expenses are included in capitalized software development costs. See Note 1.

At December 31, 2010, there were no future minimum rental payments required under these leases.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

We are subject to legal proceedings and claims that arise in the ordinary course of our business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect our financial statements taken as a whole.

The employment agreements with our management team each expired on April 14, 2010. None of the agreements were extended nor are new agreements being considered. Our management team consists of the following:

	Chief Executive Officer	Chief Technology Officer
Base Annual Salary	$ 150,000	$ 150,000

Although the employment agreements have expired, we have accrued the following for our management team as of December 31, 2010:

	Accrued Base Salary	Vested Deferred Vacation Compensation
Included in Accrued Payroll at December 31, 2010	$ 30,018	$ 25,717

We have included content in QuickVerse, our flagship software product, under contracts with publisher providers that have expired. We are currently pursuing resolution, however, there is no guarantee that we will be able to secure a new agreement, or an extension, and should any of the publishers demand we cease and desist including their content, the unknown potential negative impact could be material.

Our royalty agreements for new content generally provide for advance payments to be made upon contract signing. In addition, several new agreements provide for additional advance payments to be made upon delivery of usable content and publication. We accrue and pay these advances when the respective milestone is met.

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We do not collect sales/use taxes or other taxes with respect to shipments of most of our goods into most states in the U.S. Our fulfillment center and customer service center networks, and any future expansion of those networks, along with other aspects of our evolving business, may result in additional sales/use and other tax obligations. One or more states may seek to impose sales/use or other tax collection obligations on out-of-jurisdiction companies that engage in e-commerce. A successful assertion by one or more states that we should collect sales/use or other taxes on the sale of merchandise or services could result in substantial tax liabilities for past sales, decrease our ability to compete with traditional retailers, and otherwise harm our business.

Currently, decisions of the U.S. Supreme Court restrict the imposition of obligations to collect state and local taxes and use taxes with respect to sales made over the Internet. However, a number of states, as well as the U.S. Congress, have been considering various initiatives that could limit or supersede the Supreme Court's constitutional concerns and result in a reversal of its current position, we could be required to collect sales and use taxes in additional states. The imposition by state and local governments of various taxes upon Internet commerce could create administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on all of our online competitors and decrease our future sales.

NOTE 11 – RELATED PARTY TRANSACTIONS

Our executive officers and employees, from time to time, make purchases of materials and various expense items (including business related travel) in the ordinary course of business via their personal credit cards in lieu of a corporate check for COD orders and/or prior to establishment of a line of credit with a vendor. We do not provide our employees or executive officers with corporate credit cards and reimburse these purchases as quickly as possible. The unpaid expense account balances are included in Accounts payable, related parties on our Consolidated Balance Sheets.

On March 6, 2007, we entered into an agreement for business development advisory services with a consultant who was appointed to fill a vacancy on our Board of Directors on December 14, 2007. This agreement provided for monthly cash compensation of $5,000, reimbursement for all pre-approved travel expenses related to meetings or work related to service under the agreement, cash compensation of $1,500 per day for any special project work or meetings that require the consultant to travel, and annual compensation of 5% of our fiscal 2007 earnings before interest, taxes, depreciation and amortization (EBITDA) in excess of $500,000 (excluding all non-cash charges). This agreement was amended on July 9, 2007 to extend the expiration to June 30, 2008 (from March 15, 2008), extend the annual EBITDA bonus to include fiscal 2008, and provide for additional compensation consisting of warrants to purchase up to 2,300,000 shares of common stock at $0.032 per share. We have accrued $28,784, included in Accounts payable, related parties on our Consolidated Balance Sheets, related to the additional annual compensation provision. See Note 7.

On December 1, 2008, we entered into an agreement for business development advisory services with the above referenced consultant/board member. This agreement provides for monthly cash compensation of $2,500, reimbursement for all pre-approved travel expenses related to meetings or work related to service under the agreement, and cash compensation of $1,500 per day for any special project work or meetings that require the consultant to travel. The agreement expired on December 31, 2010.

On February 25, 2008, we acquired the FormTool software product line from ORG Professional, LLC, in which one of our outside directors currently has a 5% equity interest. Despite the ownership interest, the director agreed to forego any direct personal economic benefit to which he would otherwise be entitled as a result of the transaction.

We had no other transactions with related parties during the years ended December 31, 2010 and 2009.

NOTE 12 – RISKS AND UNCERTAINTIES

Our future operating results may be affected by a number of factors. We are dependent upon a number of major inventory and intellectual property suppliers. If a critical supplier had operational problems or ceased making material available to us, operations could be adversely affected.

NOTE 13 – SUBSEQUENT EVENTS

On April 8, 2011, we committed to issue a total of 1,812,085 restricted shares of common stock to our outside directors, at the closing price as of April 8, 2011 ($0.004), in lieu of cash for services rendered from July 1, 2010 through December 31, 2010. These services were valued at $30,000; however, the board of directors agreed that the difference between the value of the restricted shares of common stock and their services would be recorded as contributed capital.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There are not currently and have not been any disagreements between us and our accountants on any matter of accounting principles, practices or financial statement disclosure.

ITEM 9A(T). CONTROLS AND PROCEDURES.

DISCLOSURE CONTROLS AND PROCEDURES

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our principal executive and principal financial officers are responsible for assessing the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(f) under the Exchange Act). Accordingly, we maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our Chief Executive Officer/Chief Financial Officer has evaluated our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K December 31, 2010, and has determined that such disclosure controls and procedures are effective.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act).

Our management, under the supervision of our Chief Executive Officer/Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework. Based on the assessment, our management has concluded that our internal control over financial reporting was effective as of December 31, 2010 and provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the fourth quarter of 2010, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

There were no reportable events under this Item 9B during the fourth quarter of the fiscal year ended December 31, 2010.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Our directors and executive officers and their ages as of April 15, 2011 were as follows:

Name	Age	Position
Steven Malone	44	Director, Chairman of the Board, President and Chief Financial Officer
John A. Kuehne, CA	53	Director
Gordon A. Landies	54	Director
William J. Bush, CPA	46	Director
William Terrill	54	Chief Technology Officer

Steven Malone — Chairman of the Board of Directors, President, Chief Executive Officer and Chief Financial Officer

Mr. Malone has served as our President and Chief Executive Officer since March 2001, as a director and Chairman of the Board since February 2002 and as Chief Financial Officer since July 2010. Between July 2000 and March 2001, Mr. Malone was Senior Vice President and between June 1999 and July 2000 he was a Vice President. Mr. Malone possesses over twenty years of experience in the computer industry, with the last seventeen focused on software sales. As a National Account Manager from 1992 to 1996 for Grolier Interactive, he was responsible for their largest retail and distribution accounts. As Director of Corporate Sales from 1996 to 1998 for Software Publishing Corporation, he was responsible for the on-going sales growth of premiere corporate products, such as the award winning Harvard Graphics, as well as the introduction of several new products to the corporate marketplace. As Director of Sales from 1998 to1999 for InfoUSA, he was responsible for sales and marketing of InfoUSA's products to retail, distribution, OEM and corporate accounts.

John A. Kuehne, CA – Director

Mr. Kuehne has served as one of our directors since December 2000. He is also currently an independent management consultant. Mr. Kuehne was the President of SmallCap Corporate Partners Inc., (www.smallcap.ca), a venture capital and management consulting firm for microcap public companies from August 2003 to January 2009. Prior to SmallCap, Mr. Kuehne served as a management consultant with Alliance Corporate Services Inc. from July 2000 through to June 2003. Mr. Kuehne worked in finance and accounting for Deloitte & Touche for eight years. He also has industry experience, including over seven years with Doman Industries Limited (1990 to 1999), a large private Canadian forest products company, where he eventually became Chief Financial Officer. As the CFO of Doman

Industries, Mr. Kuehne gained practical experience in corporate finance and mergers and acquisitions, completing a $125 million senior note issue through Bear Stearns and the $140 million acquisition of Pacific Forest Products. Mr. Kuehne holds a Bachelor of Commerce degree from the University of Alberta (1984) and a Masters of Management from the J.L.Kellogg Graduate School of Management at Northwestern University (1990). From June 2000 to May 2004 he served as a director of Prospector Consolidated Resources Inc., a Canadian public company. From January 2003 to November 2004 he served as a director of Beau Pre Explorations Ltd., also a Canadian public company. Mr. Kuehne qualified as a Canadian Chartered Accountant in 1983 and as an American Certified Public Accountant in 1985.

Gordon A. Landies – Director

Mr. Landies has served as one of our directors since December 2007. With over twenty-five years in the computer software industry, Mr. Landies is currently a full time business consultant. Before consulting, he was the President of International Microcomputer Software, Incorporated (IMSI), and prior to that Mr. Landies was an executive in the software industry for Mindscape, Inc, The Learning Company and Mattel Corporation.

William J. Bush, CPA – Director

Mr. Bush has served as one of our directors since December 2007. He brings over twenty years of experience in accounting, financial support and business development and he has been actively involved with several early stage internet businesses assisting in company formation, financing and regulatory matters. Since January 2010, Mr. Bush has served as Chief Financial Officer of Borrego Solar System, Inc., a leading engineering, procurement and construction company focused on the installation of solar power systems. From September 2007 to December 2009, Mr. Bush was Chief Financial Officer of Solar Semiconductor, Inc., a manufacturer and distributor of solar energy solutions. Previously, Mr. Bush was Chief Financial Officer of ZVUE Corporation from January 2006 through December 2007 (NASDAQ: ZVUE), a leading distributor of user generated content in January 2006. From 2002 to 2006, Mr. Bush was the Chief Financial Officer and Secretary for International Microcomputer Software, Inc. (OTCBB: IMSI), a developer and distributor of precision design software, content and on-line services. He received a B.S. in Business Administration from U.C. Berkeley and is a Certified Public Accountant. He is also a director and chairman of the Audit Committee of Towerstream Corporation (NASDAQ: TWER), a leading provider of WIMAX services.

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William Terrill – Chief Technology Officer

Mr. Terrill rejoined us in July 2002 as our Chief Technology Officer after having been involved with us from July 1999 to July 2000. He has over thirty years of experience managing software divisions and technology efforts for us, The Learning Company, Mindscape, and The Software Toolworks. As Vice President of the Parsons Church Division for The Learning Company, from January 1999 to July 1999, Mr. Terrill managed a 30% annual revenue increase and shared responsibilities in the transaction that resulted in our acquiring that division. Mr. Terrill was the Senior Vice President Reference Products Division for Mindscape from 1989 to 1995 managing revenues exceeding $14 million. He has extensive experience managing international software development teams in China, Singapore, United Kingdom, India, and Russia. Mr. Terrill has experience with joint ventures, spin-offs, mergers, IPOs, and corporate acquisitions. In addition, Mr. Terrill has lead software product marketing teams and content/media acquisition efforts for over ten years. As a consultant from 1996 to 1998, Mr. Terrill has extensive experience leading large-scale product development and information technology efforts for Navistar, Nalco Chemical, American Express, Motorola, and IBM Global Services. From July 2000 to July 2002, Mr. Terrill served as the IT Integration Program Manager for Blue Diamond Joint Venture between Ford Motor Company and International Truck and Engine Corporation.

Board of Directors Committees

On December 14, 2007, our board of directors voted unanimously to fill two existing vacancies on our board of directors. The individuals named to our board of directors included William J. Bush and Gordon A. Landies. Further, at this time, Mr. Bush and Mr. Landies were each named to serve on one of our two standing committees. Currently our two standing committees comprised of members of our board of directors are our audit committee and our compensation committee.

Since December 2000, our board of directors has maintained an audit committee. As of April 15, 2011, the audit committee consisted of two members, John Kuehne and William J. Bush. Mr. Kuehne and Mr. Bush each are considered to be a “financial expert” within the meaning of Item 407(d)(5) of Regulation S-K and each qualifies as an “independent” under Item 7(d)(3)(iv) of Schedule 14A of the Securities Exchange Act of 1934.

Since July 2003, we have maintained a compensation committee. We currently have two members, John A. Kuehne and Gordon A. Landies, serving on our compensation committee.

Except as may be provided in our bylaws (incorporated by reference into this Form 10-K as Exhibit 3(ii)), we do not currently have specified procedures in place pursuant to which whereby security holders may recommend nominees to the Board of Directors.

Code of Ethics

We have adopted the Code of Ethics incorporated by reference as Exhibit 14.1 to this Form 10-K for our senior financial officers and the principal executive officer.

Compliance with Section 16(a)

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities of ours. Officers, directors and greater than ten percent stockholders are required by the SEC’s regulations to furnish us with copies of all Section 16(a) forms they filed. We prepare the Section 16(a) forms on behalf of our executive officers and directors based on the information provided by them.

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The following table sets forth the compliance reporting under Section 16(a) for the fiscal year ended December 31, 2010.

	Number of Late Reports	Number of Transactions Not Timely Reported	Failure to File
Steven Malone	---	---	---
Kirk R. Rowland	---	---	---
John A. Kuehne	1	1	---
Gordon A. Landies	1	1	---
William J. Bush	---	---	---
William Terrill	---	---	---

ITEM 11. EXECUTIVE COMPENSATION.

SUMMARY COMPENSATION TABLE

The following table sets forth the total compensation awarded to, earned or paid, for each of the last two fiscal years to our Chief Executive Officer and each of our executive officers earning a total compensation of $100,000 or more during any such fiscal year. Steven Malone has served as our President and Chief Executive Officer since March 2001 and as our Chief Financial Officer since July 2010. William Terrill has served as our Chief Technology Officer since July 2002. No other individuals employed by us earned a total compensation in excess of $100,000 during the fiscal year ended December 31, 2010.

Summary Compensation									
Name and Principal Position	Year	Salary ($)	Bonus ($) (a)	Stock Awards ($)	Option Awards ($)	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($) (b)	All Other Compensation ($) (c)	Total ($)
Steven Malone,	2010	$150,000	$539	$---	$---	$---	$---	$11,293	$161,832
President, Chief Executive Officer and Chief Financial Officer	2009	$150,000	$31,263	$---	$---	$---	$1,950	$2,357	$185,570
	2010	$150,000	$2,396	$---	$---	$---	$---	$14,424	$166,820

William Terrill, Chief Technology Officer	2009	$150,000	$15,032	$---	$---	$---	$4,951	$14,069	$184,052

(a) In August 2010, our board of directors authorized the issuance of restricted stock compensation awards as compensation for services rendered in connection with our executive officer's, Steven Malone and William Terrill, employment. The restricted shares of common stock were committed to be issued on August 9, 2010 with a closing price of $0.0021 per common share. In March 2009, our board of directors authorized the issuance of restricted stock compensation awards as a retention bonus to our executive officers, Steven Malone and William Terrill, for their services rendered from January 1, 2004 through December 31, 2008. The restricted shares of common stock were committed to be issued on March 13, 2009 with a closing price of $0.021 per common share.
(b) Represents accrued deferred compensation from our Simple IRA retirement plan, which allows for those employees who participate to receive an employer's match in contribution funds up to 3% of the employee's annual gross pay.
(c) Represents earnings accrued at the end of each fiscal year for vacation hours earned that would be required to be paid in connection with any termination, including without limitation through retirement, resignation, severance or constructive termination of any such executive officer's employment.

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EQUITY AWARDS

Information Concerning Stock Options

Our Stock Incentive Plan, adopted in 1999, authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. In accordance with the terms of the Stock Incentive Plan, stock options are granted at an exercise price as determined by our board of directors at the time any such option is granted but which may not be less than the par value of our common shares ($.001).

On August 9, 2010, and pursuant to our bylaws, our board of directors authorized the cancellation of all of the stock options previously held by our executive officers. Therefore, as of the fiscal year ended December 31, 2010, we did not have any outstanding equity awards, specifically unexercised options, stock that has not vested, and equity incentive plan awards, held by the executive officers. Furthermore, we did not grant stock options to our executive officers during the fiscal year ended December 31, 2010, and no executive exercised any stock options during the fiscal year 2010.

EMPLOYMENT AGREEMENTS

The employment agreements with our management team, specifically Mr. Malone and Mr. Terrill, each expired on April 14, 2010. None of the agreements were extended nor are new agreements being considered.

DIRECTOR COMPENSATION

Pursuant to authority granted under Article III, Section 13 of our bylaws, non-officer directors are entitled to such compensation as our board of directors shall from time to time determine. On August 9, 2010, we resolved to issue our outside directors, John Kuehne and William J. Bush, each 1,428,571 restricted shares of common stock valued at $0.0021 per share in lieu of cash and meeting fees accrued and earned for the period of January 1, 2009 through June 30, 2010. In addition, on August 9, 2010, we resolved to issue our outside director, Gordon A. Landies, 714,286 restricted shares of common stock valued at $0.0021 per share in lieu of cash and meeting fees accrued and earned for the period of January 1, 2009 through June 30, 2010. While these services for the period of January 1, 2009 through June 30, 2010 performed by our board of directors were previously valued at a total of $90,000; the board of directors agreed that the difference between the value of the restricted shares of common stock and their services, which totaled $82,500, would be recorded as contributed capital.

As of the date hereof, we have accrued approximately $30,000 in director’s fees for our outside directors for the period of July 1, 2010 through December 31, 2010.

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The following table sets forth the compensation of our outside directors for the fiscal year ended December 31, 2010.

Director Compensation							
Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John Kuehne (a)	$24,000	$368	$---	$---	$---	$---	$24,368
Gordon A. Landies (b)	$12,000	$4,830	$---	$---	$---	$30,000	$46,830
William J. Bush	$24,000	$---	$---	$---	$---	$---	$24,000

(a) On August 9, 2010, Mr. Kuehne was issued 175,000 restricted shares of common stock valued at $0.0021 per share as compensation for past services rendered in connection with his service on the board of directors.

(b) On August 9, 2010, Mr. Landies was issued 2,300,000 restricted shares of common stock valued at $0.0021 per share as compensation for services rendered in connection with his time as a consultant to the Company. All other compensation arises from a consulting agreement which provides for monthly cash compensation that totaled $30,000 earned.

Mr. Kuehne has served as one of our directors since December 2000. Mr. Kuehne's compensation agreement provides for a monthly fee of $1,000 for committee services and a monthly fee of $1,000 for services as a “financial expert” (as defined in Item 407(d)(5) of Regulation S-K). We have accrued $2,000 a month for Mr. Kuehne’s services for the period of January 1, 2010 through December 31, 2010.

Mr. Landies has served as one of our directors since December 2007. Mr. Landies’ compensation agreement provides for a monthly fee of $1,000 for committee services. We have accrued $1,000 a month for Mr. Landies’ services for the period of January 1, 2010 through December 31, 2010.

Mr. Bush has served as one of our directors since December 2007. Mr. Bush’s compensation agreement provides for a monthly fee of $1,000 for committee services and a monthly fee of $1,000 for services as a “financial expert” (as defined in Item 407(d)(5) of Regulation S-K). We have accrued $2,000 a month for Mr. Bush’s services for the period of January 1, 2010 through December 31, 2010.

Please refer to Part III, Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters as reported in this annual report on Form 10-K for the aggregate number of stock awards and option awards outstanding at fiscal year end 2010 for all of our directors listed above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of all outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	---	$ ---	1,500,000
Equity compensation plans not approved by security holders	175,000	$ 0.11	---
Total	175,000	$ 0.11	1,500,000

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Our 1999 Stock Incentive Plan authorizes the issuance of various forms of stock-based awards including incentive and nonqualified stock options, stock appreciation rights attached to stock options, and restricted stock awards to our directors, officers and other key employees. The plan has been approved by our stockholders and as such, provides certain income tax advantages to employees as provided under Sections 421, 422, and 424 of the Internal Revenue Code. Stock options are granted at an exercise price as determined by our board at the time the option is granted and may not be less than the par value of such shares of common stock. Stock options vest quarterly over three years and have a term of up to ten years. The plan authorizes an aggregate of 1,500,000 shares of common stock that may be issued.

In addition, we issue various forms of stock-based awards including nonqualified stock options and restricted stock awards to directors, officers, other key employees and third-party consultants, outside of the 1999 Stock Incentive Plan. Awards granted outside of the plan have been granted pursuant to equity compensation arrangements that have not been approved by our stockholders. These awards are granted at an exercise price as determined by our board at the time of grant, which is based on the last available closing price of our common stock and are not less than the par value of such shares of common stock. Stock options granted outside of the plan vest as determined by our board at the time of grant and have a term of up to ten years.

All issued options, whether under the plan or not, create the obligation for stock issuance upon payment of the corresponding exercise price.

The tables below set forth information regarding the beneficial ownership of our common stock as of April 15, 2011. The information in these tables provides the ownership information for:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership has been determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock and those rights to acquire additional shares within sixty days. Unless otherwise indicated, the persons named in the table below have sole voting and investment power with respect to the number of shares of common stock indicated as beneficially owned by them, except to the extent such power may be shared with a spouse. Common stock beneficially owned and percentage ownership are based on 69,161,238 shares of common stock currently outstanding (reflects a 1-for-50 reverse stock-split of our common stock that occurred in 1997 and a 1-for-20 reverse stock-split of our common stock that occurred on March 18, 1998). The address of each person listed is in care of Findex.com, Inc., 4437 South 134th Street, Omaha, Nebraska 68137.

Certain Beneficial Owners

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Gordon A. Landies (1)	14,288,607	20.66%
Common Stock	John A. Kuehne (2)	8,865,776	12.82%
		6,298,906	9.11%

Common Stock	William Terrill (3)		
Common Stock	Steven Malone (4)	5,032,564	7.28%

(1) Consists of 13,888,607 shares of common stock directly owned, and 400,000 shares of common stock indirectly owned through children.

(2) Consists of 8,865,776 shares of common stock directly owned.

(3) Consists 6,298,906 shares of common stock directly owned.

(4) Consists of 4,683,564 shares of common stock directly owned, and 349,000 shares of common stock indirectly owned through spouse.

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Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Steven Malone (1)	5,032,564	7.28%
Common Stock	William Terrill (2)	6,298,906	9.11%
Common Stock	Gordon A. Landies (3)	14,288,607	20.66%
Common Stock	John A. Kuehne (4)	8,865,776	12.82%
Common Stock	William J. Bush (5)	3,327,215	4.81%
Common Stock	All officers and directors as a group (5 persons)	37,813,068	54.68%

(1) Consists of 4,683,564 shares of common stock directly owned, and 349,000 shares of common stock indirectly owned through spouse.

(2) Consists 6,298,906 shares of common stock directly owned.

(3) Consists of 13,888,607 shares of common stock directly owned, and 400,000 shares of common stock indirectly owned through children.

(4) Consists of 8,865,776 shares of common stock directly owned.

(5) Consists of 3,327,215 shares of common stock directly owned.

As of April 15, 2011, we are not aware of any contract or other arrangement, including a pledge of the company's securities that could result in a change in the control of the company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On March 6, 2007, we entered into an agreement for business development advisory services with GL Ventures, LLC, which is owned by Gordon Landies and who was appointed to fill a vacancy on our Board of Directors on December 14, 2007. This agreement provides for monthly cash compensation of $5,000, reimbursement for all pre-approved travel expenses related to meetings or work related to service under the agreement, cash compensation of $1,500 per day for any special project work or meetings that require the consultant to travel, and annual compensation of 5% of our fiscal 2007 earnings before interest, taxes, depreciation and amortization (EBITDA) in excess of $500,000 (excluding all non-cash charges). This agreement was amended on July 9, 2007 to extend the expiration to June 30, 2008 (from March 15, 2008), extend the annual EBITDA bonus to include fiscal 2008, and provide for additional compensation consisting of warrants to purchase up to 2,300,000 shares of common stock at $0.032 per share. In June 2008, this agreement was verbally amended to extend the expiration to August 31, 2008. We accrued a total of $40,784 for the year ended December 31, 2007 related to the annual EBITDA bonus. On December 1, 2008, we entered into a new agreement for business development advisory services with GL Ventures, LLC. This agreement provides for monthly cash compensation of $2,500, reimbursement for all pre-approved travel expenses related to meetings or work related to service under the agreement, and cash compensation of $1,500 per day for any special project work or meetings that require the consultant to travel. This agreement continued until December 31, 2010. On August 9, 2010, and pursuant to our bylaws, our board of directors authorized the cancellation of all of the stock warrants previously held by GL Ventures.

On February 25, 2008 we acquired the FormTool® software product line from ORG Professional, LLC. Our director, Mr. Landies, currently has a 5% equity interest in ORG Professional, LLC, which ownership interest pre-dated the Asset Acquisition. Despite the ownership interest, Mr. Landies agreed to forego any direct personal economic benefit to which he would otherwise be entitled as a result of the transaction.

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We rely on our board to review related party transactions on an ongoing basis to prevent conflicts of interest. Our board reviews a transaction in light of the affiliations of the director, officer or employee and the affiliations of such person's immediate family. Transactions are presented to our board for approval before they are entered into or, if this is not possible, for ratification after the transaction has occurred. If our board finds that a conflict of interest exists, then it will determine the appropriate remedial action, if any. Our board approves or ratifies a transaction if it determines that the transaction is consistent with the best interests of the Company.

DIRECTOR INDEPENDENCE

We currently have four directors serving on our Board of Directors, Mr. Malone, Mr. Kuehne, Mr. Landies and Mr. Bush. We are not a listed issuer and, as such, are not subject to any director independence standards. Using the definition of independence set forth in the rules of the American Stock Exchange, Mr. Kuehne and Mr. Bush would be considered independent directors of the Company.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table sets forth the aggregate amount of various professional fees billed by our principal independent accountants, Brimmer, Burek & Keelan LLP, for our last two fiscal years.

	2010	2009
Audit Fees (1)	$ 89,220	$ 79,519
Audit-Related Fees	$ ---	$ ---
Tax Fees (2)	$ 713	$ ---
All Other Fees (3)	$ ---	$ 585

(1) Consists of fees for professional services rendered in connection with the audits of our financial statements included in our annual reports on Form 10-K for the years-ending 2009 and 2008, and the review of our financial statements included in our quarterly reports on Form 10-Q for the periods ending March 31, 2010 and 2009, June 30, 2010 and 2009, and September 30, 2010 and 2009.

(2) Consists of fees for professional services rendered in connection with research on certain tax issues.

(3) Consists of fees for professional services rendered in connection with periodical filings with the Securities and Exchange Commission.

All audit fees are approved by our audit committee and board of directors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements: The following financial statements are included in Item 8 herein:

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(a)(2) Financial Statement Schedules:

All other schedules are omitted because they are either not required, are not applicable, or the information is included in the consolidated financial statements and notes thereto.

(a)(3) Exhibits:

Exhibits required by Item 601 of Regulation S-K.

EXHIBIT INDEX

No.	Description of Exhibit
2.1	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings, Inc. dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
3(i)(1)	Restated Articles of Incorporation of Findex.com, Inc. dated June 1999 incorporated by reference to Exhibit 3.1 on Form 8-K filed March 15, 2000.
3(i)(2)	Amendment to Articles of Incorporation of Findex.com, Inc. dated November 10, 2004 incorporated by reference to Exhibit 3.1(ii) on Form 10-QSB filed November 10, 2004.
3(ii)	Restated By-Laws of Findex.com, Inc., incorporated by reference to Exhibit 3.3 on Form 8-K filed March 15, 2000.
10.1	Stock Incentive Plan of Findex.com, Inc. dated May 7, 1999, incorporated by reference to Exhibit 10.1 on Form 10-KSB/A filed May 13, 2004.
10.2	Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.
10.3	License Agreement between Findex.com, Inc. and Parsons Technology, Inc. dated June 30, 1999, incorporated by reference to Exhibit 10.3 on Form 10-KSB/A filed May 13, 2004.
10.4	Employment Agreement between Findex.com, Inc. and Steven Malone dated July 25, 2003, incorporated by reference to Exhibit 10.4 on Form 10-KSB/A filed May 13, 2004.
10.5	Employment Agreement between Findex.com, Inc. and Kirk Rowland dated July 25, 2003, incorporated by reference to Exhibit 10.5 on Form 10-KSB/A filed May 13, 2004.
10.6	Employment Agreement between Findex.com, Inc. and William Terrill dated June 7, 2002, incorporated by reference to Exhibit 10.6 on Form 10-KSB/A filed May 13, 2004.

10.7	Restricted Stock Compensation Agreement between Findex.com, Inc. and John A. Kuehne dated July 25, 2003, incorporated by reference to Exhibit 10.7 on Form 10-KSB/A filed May 13, 2004.
10.8	Restricted Stock Compensation Agreement between Findex.com, Inc. and Henry M. Washington dated July 25, 2003, incorporated by reference to Exhibit 10.8 on Form 10-KSB/A filed May 13, 2004.
10.9	Restricted Stock Compensation Agreement between Findex.com, Inc. and William Terrill dated July 25, 2003, incorporated by reference to Exhibit 10.9 on Form 10-KSB/A filed May 13, 2004.
10.10	Stock Purchase Agreement, including the form of warrant agreement, between Findex.com, Inc. and Barron Partners, LP dated July 19, 2004, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 28, 2004.

10.11 Amendment No. 1 to Stock Purchase Agreement between Findex.com, Inc. and Barron Partners, LP dated September 30, 2004, incorporated by reference to Exhibit 10.3 on Form 8-K filed October 6, 2004.

10.12 Registration Rights Agreement between Findex.com, Inc. and Barron Partners, LP dated July 26, 2004, incorporated by reference to Exhibit 10.2 on Form 8-K filed July 28, 2004.

10.13 Waiver Certificate between Findex.com, Inc. and Barron Partners, LP dated September 16, 2004, incorporated by reference to Exhibit 10.4 on Form 8-K filed October 6, 2004.

10.14 Settlement Agreement between Findex.com, Inc., The Zondervan Corporation, Mattel, Inc., TLC Multimedia, Inc., and Riverdeep, Inc. dated October 20, 2003, incorporated by reference to Exhibit 10.14 on Form 10-KSB/A filed December 14, 2005.

10.15 Employment Agreement Extension between Findex.com, Inc and Steven Malone dated March 31, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 6, 2006.

10.16 Employment Agreement Extension between Findex.com, Inc and William Terrill dated March 31, 2006, incorporated by reference to Exhibit 10.2 on Form 8-K filed April 6, 2006.

10.17 Employment Agreement Extension between Findex.com, Inc and Kirk R. Rowland dated March 31, 2006, incorporated by reference to Exhibit 10.3 on Form 8-K filed April 6, 2006.

10.18 Promissory Note to Barron Partners, LP dated April 7, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 13, 2006.

10.19 Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.

10.20 Convertible Secured Promissory Note between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 26, 2006.

10.21 Security Agreement between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.2 on Form 8-K filed July 26, 2006.

10.22 Common Stock Purchase Warrant between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.3 on Form 8-K filed July 26, 2006.

10.23 Modification and Extension Agreement Between FindEx.com, Inc. and W. Sam Chandoha, dated September 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed September 25,2006.

10.24 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 13, 2007, incorporated by reference to Exhibit 10.24 on Form 10-KSB filed April 17, 2007.

10.25 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 13, 2007, incorporated by reference to Exhibit 10.25 on Form 10-KSB filed April 17, 2007.

10.26 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 13, 2007, incorporated by reference to Exhibit 10.26 on Form 10-KSB filed April 17, 2007.

10.27 Asset Purchase Agreement between Findex.com, Inc. and ACS Technologies Group, Inc. dated October 18, 2007, incorporated by reference to Exhibit 10.27 on Form 8-K filed October 24, 2007.

10.28 Partial Assignment of License Agreement Among Findex.com, Inc., Riverdeep, Inc.,LLC and ACS Technologies Group, Inc. dated October 11, 2007, incorporated by reference to Exhibit 10.28 on Form 8-K filed October 24, 2007.

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10.29 Asset Purchase Agreement between Findex.com, Inc. and ORG Professional, LLC dated February 25, 2008, incorporated by reference to Exhibit 10.29 on Form 8-K filed on February 28, 2008.

10.30 Warrant Cancellation Agreement between Findex.com, Inc. and Barron Partners, L.P. dated March 6, 2008, incorporated by reference to Exhibit 10.30 on Form 8-K filed on March 10, 2008.

10.31 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 14, 2008, incorporated by reference to Exhibit 10.31 on Form 10-KSB filed on April 15, 2008.

10.32 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 14, 2008, incorporated by reference to Exhibit 10.32 on Form 10-KSB filed on April 15, 2008.

10.33 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 14, 2008, incorporated by reference to Exhibit 10.33 on Form 10-KSB filed on April 15, 2008.

10.34 License Agreement between Findex.com, Inc. and Houghton Mifflin Harcourt Publishing Company dated May 7, 2010. FILED HEREWITH.

14.1 Code of Ethics, adopted by Board of Directors April 15, 2011. FILED HEREWITH.

21.1 Subsidiaries of Findex.com, Inc. as of December 31, 2010. FILED HEREWITH.

31.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and dated April 15, 2011. FILED HEREWITH.

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and dated April 15, 2011. FILED HEREWITH.

Signatures

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

FINDEX.COM, INC.

By: /s/ Steven Malone
Steven Malone
President, Chief Executive Officer and Chief Financial Officer

Date: April 15, 2011

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

Signature	Title	Date
/s/ Steven Malone Steven Malone	Chairman of the Board, President, Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Accounting Officer)	April 15, 2011
/s/ John A. Kuehne John A. Kuehne	Director	April 15, 2011
/s/ William J. Bush William J. Bush	Director	April 15, 2011