

COCONNECT INC
Form 10-K
March 29, 2011

U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2010

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

For the transition period from _____ to _____

Commission File No. 000-26533

CoConnect, Inc.
(Name of small business issuer in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

63-1205304
(I.R.S. Employer
Identification No.)

1133 6th Ave.
San Diego, California 92101

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (760) 804-8844

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

Securities registered pursuant to Section 12(g) of the Act: \$.001 par value common stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ___Yes X_No

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_X_No

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. _X_Yes ___No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§

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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 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 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 | <input type="checkbox"/> | Accelerated |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting |
| company | <input checked="" type="checkbox"/> | |

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$71,166 based upon the closing price of our common stock which was \$.22 on March 28, 2011. Shares of common stock held by each officer and director and by each person or group who owns 10% or more of the outstanding common stock amounting to approximately 1,500,000,000 shares have been excluded in that such persons or groups may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 28, 2011, there were 1,554,623,483 shares of our common stock outstanding.

Documents Incorporated by Reference: None

CoConnect, Inc.

Annual Report on Form 10-K

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PART I

Item 1. Description of Business

Organization

a. Corporate History.

CoConnect, Inc. (formerly known as Advanced Wireless Communications, Inc.) (the "Company") was incorporated in Alabama in December 1997 to take over the assets of related business involved in reorganizations through bankruptcies. In 1997, we acquired Mobile Limited Liability Company as part of the confirmation by the U.S. Bankruptcy Court for the Northern District of Texas of a Plan of Reorganization of Mobile Limited Liability Company. We acquired all of the assets of Digital Wireless Systems ("DWSI") on August 6, 2000, as part of the consummation of DWSI's confirmed Plan of Reorganization under Chapter 11 of the U.S. Bankruptcy Code. Lack of funding forced us to abandon plans to revive the operations of both companies.

In 2000, we acquired three operating subsidiaries, Daybreak Auto Recovery, Inc., Rap Group and Voltage Vehicles. In 2002, we rescinded these acquisitions, and in October 2004 cancelled the common shares that were to be issued for the acquisitions, which shares had been held in escrow. During 2002 and 2003, the Company had no operations other than to continue its efforts to liquidate certain telecommunications licenses, the only assets of the Company, in order to pay creditors who had judgments arising out of the bankruptcies.

In August of 2004, we moved our domicile to Nevada and changed our name to Advanced Wireless Communications, Inc.

On October 5, 2004, we signed a definitive agreement with Heritage Communications, Inc. ("Heritage") and acquired an exclusive license for the marketing and distribution of products over Heritage's proprietary high-speed wireless network.

On January 28, 2005, we executed a share exchange agreement with Heritage and its stockholders. The share exchange agreement closed on February 23, 2005 and superseded the exclusive license with Heritage by making Heritage our wholly owned subsidiary.

In February 2005, we changed our name to CoConnect, Inc.

On July 14, 2005, we rescinded the Share Exchange Agreement with Heritage due to material omissions and misrepresentations had been made by Heritage. As a result of the rescission, the Company cancelled the 30 million shares of common stock previously issued to the shareholders of Heritage.

On December 21, 2005, we purchased through our newly formed wholly-owned subsidiary, Phoenix Asset Acquisition Corporation, selected assets of Phoenix Systems Corp. ("Phoenix"). The terms of the purchase include the issuance of 8 million shares of our common stock, 2 million of which are being held in escrow until certain performance measures are achieved; a \$50,000 cash payment and the assumption of approximately \$374,000 of Phoenix liabilities and approximately \$49,000 in real property leases. At December 31, 2005, the Phoenix acquisition was mutually rescinded. The financial statements have been stated as if the transaction never happened.

On December 12, 2008, a majority of the holders of our common shares voted to authorize a reverse split of our common shares at a rate of 1 share for every 12,000 shares held. On March 10, 2009, NASDAQ notified us that the reverse split shareholder action of December 12, 2008, which took effect on January 12, 2009, would effect our stock trading symbol as of March 10, 2009 and that our new trading stock symbol would be "CCON."

b. Current Business Operations.

Our previous business model focused on the exploration of VoIP technology. VoIP is the delivery of voice information in the language of the Internet, i.e., as digital packets instead of the current circuit protocols of the copper-based phone networks. In VoIP systems analog voice messages are digitized and transmitted as a stream of data (not sound) packets that are reassembled and converted back into a voice signal at their destination. VoIP allows telephony users to bypass long-distance carrier charges by transporting those data packets just like other Internet information.

Although we are still investigating the profitability of pursuing the VoIP Technology business, management is of the belief that there may be more value for our shareholders if we were able to (i) attract a more substantial operating company and engage in a merger or business combination of some kind, or (ii) acquire assets or shares of an entity actively engaged in business which generates revenues. We have several acquisitions in mind and are investigating the candidates to determine whether or not they will add value to the Company for the benefit of our shareholders. Our Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to our present stockholders.

We do not intend to restrict our consideration to any particular business or industry segment, and we may consider, among others, finance, brokerage, insurance, transportation, communications, research and development, service, natural resources, manufacturing or high-technology business. Of course, because we have limited resources, the scope and number of suitable candidates to merge with, will be limited accordingly. Because we may participate in a business opportunity with a newly organized firm or with a firm which is entering a new phase of growth, it should be emphasized that we may incur further risk due to the failure of the target's management to have proven its abilities or effectiveness, or the failure to establish a market for the target's products or services, or the failure to prove or predict profitability.

Personnel

As of December 31, 2010, we had no employees other than our officers and directors.

Item 2. Description of Properties

We currently do not own any real property nor do we lease any real property. We receive mail at the office of our President at 1133 6th Ave., San Diego, California 92101.

Item 3. Legal Proceedings

A \$55,000 0% convertible debenture was issued on October 25, 2007. The note was payable on the first day of the month, beginning on November 1, 2007 and ending on February 1, 2008, the amount of \$13,750 per month. At the time of this note was issued it was convertible into common stock at \$0.09. This note was later purchased from the third party it was originally issued to by a related party, Noctua Fund, LP.

On August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP. The \$55,000 0% convertible debenture was cancelled, and in exchange Noctua Fund, LP was issued two new convertible notes and guaranteed a future payment of \$1,333 to help pay future Company expenses. The two notes issued are both in the amounts of \$28,167 with interest accruing at 5% of the principal balance. The notes were both due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share.

On August 15, 2009 the Company issued two convertible notes both in the amount of \$13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. These notes are due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share.

As disclosed in the Company's previous filings with the United States Securities and Exchange Commission (the "SEC," copies of these reports may be obtained from the SEC's EDGAR archives at <http://www.sec.gov/index.htm>), the four notes described above issued to Noctua Fund, LP and Noctua Fund Manager, LLC (collectively the "Notes" and Noctua Fund, LP and Noctua Fund Manager, LLC, the "Noteholders") in the total principal amount of \$84,057 went into default due to nonpayment. Following default, the Company received demands from the Noteholders for the repayment of all principal and interest due thereunder. Following such default, the Noteholders agreed to waive the default and payment of all principal and interest due and payable under the Notes. Pursuant to the terms of such waiver, (i) the default interest rate under the Notes was to remain in effect and accrue until full repayment of the Notes, and (ii) the maturity date of the Notes was extended to March 10, 2010. On March 10, 2010, the Company was unable to repay the amounts due and owing under the Notes and, as such, the notes went into and remain unpaid and in default status. On October 26, 2010, the Noteholders filed a complaint against the Company arising from the unpaid Notes (the "Claims"). The Company is currently seeking counsel to represent the Company's and manage the related possible

litigation. Although the Company is continuing to use its best efforts to explore options available related to the repayment and/or retirement of the Notes and settlement of the Claims, no resolution has been made to date and, considering the current financial condition of the Company, including the unavailability of adequate cash or assets to resolve the amounts due and payable under the Notes, the Company believes the default under the Notes and subsequent complaint may have a material adverse effect on the Company's financial stability and its ability to continue as a going concern.

Item 4. (Removed and Reserved)

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PART II

Item 5: Market for Registrant's Common Equity and Related Stockholder Matters

(a) Market Information.

The common stock of the Company, \$.001 par value, is currently traded over the counter and is listed on the OTC Bulletin Board under the symbol "CCON". The availability of historical trading prices of our common stock is limited, with periods of little or no trading activity. The following table sets forth the available approximate range of high and low closing prices for the common stock of the Company during the periods indicated. The quotations presented are adjusted to reflect splits in our common stock and reflect inter-dealer prices, without retail markup, markdown, or commissions, and may not necessarily represent actual transactions in the common stock.

| 2010 | Low | High |
|----------------|------|------|
| First Quarter | 0.10 | 1.01 |
| Second Quarter | 0.10 | 0.89 |
| Third Quarter | 0.15 | .015 |
| Fourth Quarter | 0.02 | 0.15 |

| 2009 ¹ | Low | High |
|-------------------|--------|-----------|
| First Quarter | \$0.30 | \$1004.00 |
| Second Quarter | 0.31 | 0.60 |
| Third Quarter | 0.20 | 0.60 |
| Fourth Quarter | 0.08 | 0.60 |

¹ Adjusted to reflect 1 for 12,000 reverse split on January 12, 2009 as described above in Item 1. Description of Business.

On March 28, 2011 the closing quotation for our common stock was \$.22 per share. As reflected by the high and low prices on the foregoing table, the trading price of the common stock of the Company can be volatile with dramatic changes over short periods. The trading price may reflect imbalances in the supply and demand for shares of the Company, market reaction to perceived changes in the industry in which the Company sells products and services, general economic conditions, and other factors. Investors are cautioned that the trading price of the common stock can change dramatically based on changing market perceptions that may be unrelated to the Company and its activities.

(b) Approximate number of equity security holders

The approximate number of record holders of the Company's common stock as of March 28, 2011 was 4,687, which does not include shareholders whose stock is held through securities position listings.

(c) Dividends

The Company did not declare or pay any cash dividends on its common stock during the past two fiscal years.

(d) Securities authorized for issuance under equity compensation plans

We currently do not have any stock option or other equity compensation plans.

(e) Recent sales of unregistered securities.

On January 17, 2007, the Company issued 10,000,000 shares of its common stock at market value of \$.01 for deferred compensation for 2006.

On February 16, 2007, the Company canceled 1,500,000 shares of its common stock that had been issued in 2006.

On February 16, 2007, the Company issued 1,750,000 shares of its common stock at market value of \$.01 for consulting services rendered.

On February 16, 2007, the Company issued 5,500,000 shares of its common stock at market value of \$.01 for legal services rendered.

On February 16, 2007, the Company issued 250,000 shares of its common stock at market value of \$.01 for consulting services rendered.

The Company canceled 14,000,000 shares of its common stock issued in a previous period on July 2, 2007.

On July 13, 2007, the Company affected a 1 for 20 reverse split.

The Company issued 75,000,000 shares of its common stock for cancellation of a note payable with a related party on September 23, 2007.

On October 30, 2007, the Company entered into a stock sale agreement whereby the Company sold 70,000,000 shares of common stock to a private investor for a total purchase price of \$155,096.

On October 30, 2007, the Company entered into a settlement and release agreement and issued 1,400,000 shares of common stock to creditors in exchange for full release of liability.

On December 14, 2009, the Company entered into a Common Stock Purchase Agreement wherein the Company sold 166,666 shares of its Common Stock representing a 51% interest in the Company to a private investor for a total purchase price of \$75,000.

During March, 2010, pursuant to the terms of the NFM Agreement (as defined herein), the Company agreed to issue 54,300,000 shares of common stock into escrow. The shares are to be held in the Company's name for the benefit of NFM. The shares were issued during May of 2010.

During November 2010, the Company entered into a Security Agreement (as defined herein) with our CEO, Mr. Brad M. Bingham. Pursuant to the terms of the Security Agreement, Mr. Bingham was issued the 1,500,000,000 conversion shares which are to be held as security and collateral against either the repayment or conversion of the BMB Note (as defined herein).

(f) Purchases of equity securities by the small business issuer and affiliated purchasers

During the year ended December 31, 2010, neither the Company nor any of its affiliates purchased any equity securities of the Company or on behalf of the Company.

Item 6. Selected Financial Data

Not Applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and related notes included in this report. This report contains "forward-looking statements" that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions.

The forward-looking events discussed in this report, the documents to which we refer you and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and

are subject to risks, uncertainties and assumptions about us. For these statements, we claim the protection of the “bespeaks caution” doctrine. All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Critical Accounting Policies

Our critical and significant accounting policies, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements. These policies have been consistently applied in all material respects and address such matters as revenue recognition and depreciation methods. The preparation of the financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The accounting treatment of a particular transaction is specifically dictated by accounting principles, generally accepted in the United States of America, with no need for management’s judgment in their application. There are also areas in which management’s judgment in selecting any viable alternative would not produce a materially different result. See our audited financial statements and notes thereto which contain accounting policies and other disclosures required by accounting principles, generally accepted in the United States of America.

Results of Operations

Revenues

| | Year Ended December 31 | |
|-------------|------------------------------|------|
| | 2010 | 2009 |
| Total Sales | \$0 | \$0 |

We had no revenues for the year ended December 31, 2010 or for the year ended December 31, 2009.

Operating Expenses

| | Year Ended December 31 | |
|-------------------|---------------------------|----------|
| | 2010 | 2009 |
| Operating Expense | \$235,133 | \$51,698 |

Total costs and expenses of \$51,698 for the year ended December 31, 2010 consisted of \$8,500 in professional fees, \$0 in depreciation expense and \$226,633 in general and administrative expenses.

Total costs and expenses of \$51,698 for the year ended December 31, 2009 consisted of \$8,666 in professional fees, \$0 in depreciation expense and \$43,032 in general and administrative expenses.

Net Profit (Loss)

| | Year Ended December 31 | |
|-------------------|---------------------------|------------|
| | 2010 | 2009 |
| Net Profit (Loss) | (\$270,840) | (\$54,325) |

For the year ended December 31, 2010, we sustained net losses of \$270,840 as compared with net losses of \$54,325 for the year ended December 31, 2009.

No provision for income taxes has been recorded in the accompanying financial statements due to the net losses of the Company. Because of the bankruptcy proceedings and significant changes in ownership of its common stock, the

Company has not determined the amount of net operating loss carryforwards that may be available to offset future taxable income of the Company. If there have been substantial changes in the Company's ownership, as defined in the Internal Revenue Code and related Regulations, there may be substantial annual limitations of the amount of net operating loss carryforwards, which could be utilized by the Company.

Liquidity and Capital Resources

At December 31, 2010, the Company had assets of \$6,578 comprised of \$6,578 in cash. There were liabilities of \$413,932 comprised of \$35,541 in accounts payable, \$75,000 in related party payables and \$303,391 in notes payable. Current assets of \$6,578 and current liabilities of \$413,932 resulted in a working capital deficiency of \$407,354. The Company reported total stockholders' deficit of \$407,354 at December 31, 2010.

The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Because of recurring operating losses and the excess of current liabilities over current assets, there is substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on attaining profitable operations through business acquisitions, restructuring its financial arrangements, and obtaining additional outside financing as needed.

We intend to retain any future earnings to retire any existing debt, finance the expansion of our business and any necessary capital expenditures, and for general corporate purposes.

On November 17, 2010, the Company issued its Chief Executive Officer, Brad M. Bingham, Esq., a convertible promissory note in the amount of \$16,860 (the "BMB Note"). The BMB Note represents: (i) \$6,860.00 previously advanced by Mr. Bingham on behalf of the Company and maintained on the Company's books and records previously filed with the SEC; and (ii) an additional \$10,000 cash advance to the Company by Mr. Bingham. The BMB Note is due and payable on May 17, 2011, maintains an interest rate of 5% and is convertible into 1,500,000,000 shares of the Company's restricted common stock (the "Conversion Shares"); provided however, such conversion rights are not applicable until 45 days following the issuance of the BMB Note. At the time of the issuance date, the Company recorded a \$16,860 discount, which represents the intrinsic value of the beneficial conversion feature. The discount is being accreted over 6 month life of the note.

In connection with the BMB Note, the Company entered into a security agreement (the "Security Agreement") with Mr. Bingham. Pursuant to the terms of the Security Agreement, Mr. Bingham was issued the Conversion Shares which are to be held as security and collateral against either the repayment or conversion of the BMB Note. Although the Conversion Shares are issued in Mr. Bingham's name and held as security and collateral against the payment of the BMB Note, the Conversion Shares may not be sold, pledged, transferred or hypothecated by Mr. Bingham unless and until he elects to convert the BMB Note pursuant to its terms and conditions into the Conversion Shares, or unless agreed upon in writing by the Company. In addition, following the issuance of the Conversion Shares as security pursuant to the Security Agreement and prior to the conversion of the BMB Note into the Conversion Shares, if any, in the event of a Company shareholder vote, the Conversion Shares held as collateral shall be voted with the majority vote of any such shareholder vote and action and Mr. Bingham has granted an irrevocable proxy to the Company to vote the Conversion Shares as such.

Forward-Looking Statements

The Company, from time to time, may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological development, new products, research and development activities and similar matters. The Company notes that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in any of the Company's forward-looking statements. The risks and uncertainties that may affect the operations, performance, development and results of the Company's business include, but are not limited to, the following: (a) the failure to obtain additional borrowed and/or equity capital on favorable terms for acquisitions and expansion; (b) adverse changes in federal and state laws, or other matters affecting the Company's business; (c) the demand for the Company's products and services; and (d) other risks detailed in the Company's Securities and Exchange Commission filings.

This Form 10-K contains and incorporates by reference certain "forward-looking statements" with respect to results of operations and businesses of the Company. All statements, other than statements of historical facts, included in this Form 10-K, including those regarding market trends, the Company's financial position, business strategy, projected costs, and plans and objectives of management for future operations, are forward-looking statements. In general, such statements are identified by the use of forward-looking words or phrases including, but not limited to, "intended, will, should, may, expect, anticipate, estimates, projects" or the negative thereof or variations thereon or similar terminology.

Forward-looking statements are based on the Company's current expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such

expectations will prove to be correct. Because forward-looking statements involve risk and uncertainty, the Company's actual results could differ materially. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed hereunder and elsewhere in this Form 10-K. These forward-looking statements represent the Company's judgment as of the date of this Form 10-K. All subsequent written and oral forward-looking statements attributable to the Company are expressly qualified in their entirety by the Cautionary Statements. The Company disclaims, however, any intent or obligation to update its forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data

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Report of Independent
Registered Public
Accounting Firm – 2010

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Statements

Chang G. Park, CPA, Ph. D.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
CoConnect, Inc.

We have audited the accompanying balance sheets of CoConnect, Inc. (A Development Stage “Company”) as of December 31, 2010 and 2009 and the related statements of operations, changes in shareholders’ equity and cash flows for the year ended December 31, 2010 and 2009. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 CoConnect, Inc. as of December 31, 2010 and 2009, and the result of its operations and its cash flows for the years ended December 31, 2009 in conformity with U.S. generally accepted accounting principles.

The financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company’s losses from operations raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Chang Park

March 29, 2011
San Diego, CA. 92108

| COCONNECT, INC | | |
|--|-------------------------|-------------------------|
| BALANCE SHEETS | | |
| | December 31, 2010 | December 31, 2009 |
| ASSETS | | |
| Current assets | | |
| Cash | \$ 6,578 | \$ 3,565 |
| Prepaid expenses | - | 158,375 |
| Other receivable - related party | - | 2,643 |
| Total current assets | 6,578 | 164,583 |
| TOTAL ASSETS | \$ 6,578 | \$ 164,583 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities | | |
| Accounts payable | \$ 35,541 | \$ 35,373 |
| Related party payable | 75,000 | 196,000 |
| Convertible notes payable and accrued interest, related party - default | 299,071 | 86,684 |
| Convertible notes payable and accrued interest, related party, net of discount \$12,645 | 4,320 | - |
| Total current liabilities | 413,932 | 318,057 |
| TOTAL LIABILITIES | 413,932 | 318,057 |
| STOCKHOLDERS' DEFICIT | | |
| Preferred stock, 1,000,000 shares authorized, \$0.001 par value | | |
| 100,000 and 0 shares issued and outstanding as of December 31, 2010 and December 31, 2009, respectively. | 100 | - |

| | | |
|---|------------------|-------------------|
| Common stock, 4,999,000,000 shares authorized, \$0.001 par value | | |
| 1,554,623,483 and 323,483 shares issued and 323,483 and 323,483 shares | | |
| outstanding as of December 31, 2010 and December 31, 2009, respectively. | 323 | 323 |
| Additional paid-in capital | 11,442,377 | 11,425,517 |
| Subscription receivable | (70,000) | (70,000) |
| Deficit accumulated | (11,780,155) | (11,509,314) |
| TOTAL STOCKHOLDERS' DEFICIT | (407,354) | (153,474) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 6,578 | \$ 164,583 |

The accompanying notes are an integral part of these financial statements

COCONNECT, INC.
STATEMENT OF OPERATIONS

| | For the year ended | |
|-------------------------------------|--------------------|-------------|
| | December 31, | |
| | 2010 | 2009 |
| Revenues | | |
| Sales | \$ - | \$ - |
| Total revenues | - | - |
| Expenses | | |
| Professional fees | 8,500 | 8,666 |
| General and administrative | 226,633 | 43,032 |
| Total operating expenses | 235,133 | 51,698 |
| Loss from operations | \$ (235,133) | \$ (51,698) |
| Other income (expense) | | |
| Interest expense | (35,708) | (2,627) |
| Total other income (expense) | (35,708) | (2,627) |
| Net Loss before Income Tax | (270,840) | (54,325) |
| Income Tax | - | - |
| NET LOSS | \$ (270,840) | \$ (54,325) |
| Basic and diluted loss | | |
| per common share | \$ (0.84) | \$ (0.32) |
| Weighted average common | | |
| shares outstanding | 323,483 | 170,516 |

The accompanying notes are an integral part of these financial statements

COCONNECT, INC
 STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
 From December 31, 2008 through December 31, 2010

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Subscription Receivable | Accumulated Deficit | Total Stockholders' Deficit |
|--|-----------------|-----------|--------------|-----------|----------------------------|-------------------------|---------------------|-----------------------------|
| | Shares | Par Value | Shares | Par Value | | | | |
| Balance December 31, 2008 | - | - | 133,915 | 134 | 11,350,707 | \$ - | (11,454,989) | (104,149) |
| Adjust of reverse split floor | - | - | 22,902 | 23 | (23) | | | - |
| Issuance of stock in exchange of cash and receivable | - | - | 166,666 | 167 | 74,833 | (70,000) | | 5,000 |
| Net Loss for the year ended December 31, 2009 | - | - | - | - | - | | (54,325) | (54,325) |
| Balance December 31, 2009 | - | - | 323,483 | 323 | 11,425,517 | (70,000) | (11,509,314) | (153,473) |
| Preferred Stock issuance in exchange of services | 100,000 | 100 | | | - | - | - | 100 |
| Beneficial conversion feature convertible note | - | - | - | - | 16,860 | - | - | 16,860 |
| Net Loss for the year ended | | | | | | | | |

| | | | | | | | | | |
|----------|---------|-----|------------|--------|---------------|-------------|-----------------|-----------|--|
| December | | | | | | | | | |
| 31, 2010 | - | - | - | - | - | | (270,840) | (270,840) | |
| Balance | | | | | | | | | |
| December | | | | | | | | | |
| 31, 2010 | 100,000 | 100 | 323,483 \$ | 323 \$ | 11,442,377 \$ | (70,000) \$ | (11,780,155) \$ | (407,354) | |

The accompanying notes are an integral part of these financial statements

| COCONNECT, INC | | |
|--|--------------------|-------------------|
| STATEMENTS OF CASH FLOWS | | |
| For the year ended | | |
| December 31, | | |
| | 2010 | 2009 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Loss | \$ (270,840) | \$ (54,325) |
| Preferred stock issued for service | 100 | - |
| Debt discount accretion | 4,215 | |
| Changes in operating assets and liabilities: | | |
| Other receivable decrease (increase) | 2,642 | (2,643) |
| Prepaid expense decrease (increase) | 158,375 | (158,375) |
| Accounts payable increase | 60,168 | 209,948 |
| Accrued expenses and interest increase | 31,493 | 2,627 |
| NET CASH USED IN OPERATING ACTIVITIES | \$ (13,847) | \$ (2,768) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| | \$ - | \$ - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of common stock | - | 5,000 |
| Proceeds from issuance of convertible note | 16,860 | 1,333 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | \$ 16,860 | \$ 6,333 |
| NET CHANGE IN CASH | 3,013 | 3,565 |
| CASH BALANCES | | |
| Beginning of period | 3,565 | - |
| End of period | \$ 6,578 | \$ 3,565 |

**SUPPLEMENTAL
DISCLOSURE:**

| | | | | |
|-------------------|----|---|----|---|
| Interest paid | \$ | - | \$ | - |
| Income taxes paid | \$ | - | \$ | - |

NON-CASH ACTIVITIES

| | | | | |
|---|----|---------|----|--------|
| Convertible notes issued as a debt settlement | \$ | 187,860 | \$ | 27,724 |
| Preferred Stock issued for service | \$ | 100 | \$ | - |

The accompanying notes are an integral part of these financial
statements

COCONNECT, INC.
Notes to the Financial Statements
December 31, 2010

Note 1 - Organization And History of the Company

CoConnect, Inc. (the “Company”) was incorporated in Alabama in December 1997 to take over the assets of related businesses involved in reorganizations through bankruptcies. In 1997, the Company acquired Mobile Limited Liability Company (Mobile) as part of the confirmation by the U.S. Bankruptcy Court for the Northern District of Texas of a Plan of Reorganization of Mobile. The Company acquired all of the assets of Digital Wireless Systems (“DSWI”) on August 6, 2000, as part of the consummation of DSWI’s confirmed Plan of Reorganization under Chapter 11 of the U.S. Bankruptcy Code. Lack of funding forced the Company to abandon plans to revive the operations of both companies.

In 2000, the Company acquired three operating subsidiaries, Daybreak Auto Recovery, Inc., Rap Group, and Voltage Vehicles. In 2002, the Company rescinded these acquisitions and in October 2004 cancelled the common shares that were issued for the acquisitions, which shares had been held in escrow. During 2002 and 2003, the Company had no operations other than to continue its efforts to liquidate certain telecommunications licenses, the only assets of the Company, in order to pay creditors who had judgments arising out of the bankruptcies.

In August 2004, the Company changed its domicile to Nevada, and changed its name to Advanced Wireless Communications, Inc.

On October 5, 2004, the Company signed a definitive agreement with Heritage Communications, Inc. (“Heritage”) and acquired an exclusive license for the marketing and distribution of telecommunications products over Heritage’s proprietary high-speed wireless network.

The Company changed its name to CoConnect, Inc. in February, 2005.

Acquisition of Heritage Communications, Inc. and Rescission of Agreement

On January 28, 2005, the Company executed a Share Exchange Agreement (the “Agreement”) with Heritage Communications, Inc. (“Heritage”) and its shareholders. The Company acquired all of the outstanding shares of Heritage in exchange for 30 million shares of the Company’s common stock as provided by the Agreement.

As part of the Agreement, Heritage provided warranties and representations that, among other items, it had no undisclosed outstanding indebtedness and that it had filed all federal, state and local tax returns which were required and that Heritage had paid all taxes, interest and penalties, if any, due and payable related to its tax liabilities.

Subsequent to the Agreement being executed, the Company determined that material omissions and misrepresentations had been made by Heritage. As a result of these omissions and misrepresentations, the Company rescinded the Agreement on July 14, 2005. As a result of the rescission, the Company issued a cancel order to the transfer agent on the 30 million shares of common stock previously issued to the shareholders of Heritage. The stock has been recorded at par value.

Acquisition of Phoenix Asset Systems Corp and Rescission of the Agreement

On December 17, 2005, the Company executed a Purchase Agreement (the “Agreement”) with Phoenix Asset Systems Corp. (“Phoenix”) and its shareholders. The Company acquired assets of Phoenix and assumed liabilities in exchange

\$50,000 in cash and 8,000,000 shares of the Company's common stock.

The Companies mutually rescinded the Agreement and the shares were returned to the Company's office for cancellation.

Failed Plan of Merger with Boomj.com, Inc.

On March 23, 2007, we entered into a Loan Agreement (the "Loan Agreement") with Richard Ferguson ("Ferguson") and David O. Black ("Black") whereby Ferguson and Black were to provide \$25,000 each to pay the Company's debts. It was agreed that upon a successful merger or acquisition Ferguson and Black would be repaid out of proceeds received from the merger or acquisition together with 10% interest. In the event there was not a merger or acquisition acceptable to a majority of the Board of Directors within 180 days of the Loan Agreement, Ferguson and Black were to be immediately issued 50% of the authorized but unissued common stock of the Company; half of the shares to be issued to Ferguson and half of the shares to be issued to Black.

On August 7, 2007 we entered into an Agreement and Plan of Reorganization (the "Plan") with CoConnect Sub, Inc., a newly-formed Nevada corporation (hereinafter "CoConnect Sub") and Boomj.com, Inc., a Nevada corporation (hereinafter "BOOMJ"), pursuant to which CoConnect Sub agreed to merge with and into BOOMJ (the "Merger"). The proposed closing date for the Merger was August 31, 2007. BOOMJ was granted an extension to September 20, 2007 in which to send a non-refundable deposit. Said deposit was never received. On September 21, 2007, the merger between BOOMJ and the Company was cancelled due to lack of performance and failure to meet any of the objectives set forth in the Plan. Pursuant to the terms of the March 23, 2007 Loan Agreement, on September 23, 2007 Ferguson and Black were each issued 37,500,000 shares of our common stock.

Note 2 - Summary of Significant Accounting Policies

a. Accounting Method

The financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

b. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less at the time of acquisition.

d. Going Concern Considerations

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. Because of the recurring operating losses and the excess of current liabilities over current assets, there is substantial doubt about the Company's ability to continue as a going concern. As of December 31, 2010 the Company had convertible notes payable of \$265,057 that were in default status, due to an inability to make required payments. The Company's continuation as a going concern is dependent on attaining profitable operations, restructuring its financial obligations, and obtaining additional outside financing. The Company has funded losses from operations primarily from the issuance of debt and the sale of the Company's common stock. The Company believes that the issuance of debt and the sale of the Company's common stock will continue to fund operating losses in the short-term until the Company can generate revenues sufficient to fund its operations.

e. Income Taxes

The Company accounts for income taxes according to the provisions of US GAAP. Recognition of deferred tax assets and liabilities reflect the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities. US GAAP requires a company to determine whether it is more likely than not that the tax position will be sustained, will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The Company performed a review of its material tax positions in accordance with recognition and measurement standards.

The components of income tax expense are as follows at December 31, 2010 and December 30, 2009:

| | December 31, 2010 | December 31, 2009 |
|---------------|-------------------------|-------------------------|
| Federal taxes | - | - |
| State taxes | - | - |

| | | |
|---|----------|----------|
| Benefit of utilization of operating loss carryforward | (87,652) | (10,735) |
| Taxes | - | - |
| Change in Valuation Allowance | 87,652 | 10,735 |
| Income Tax Expense | - | - |

Net deferred tax assets (liabilities) consist of the following components:

| | December 31, 2009 | December 31, 2008 |
|--|-------------------------|-------------------------|
| Operating loss\$ | | 3,894,696 |
| carryforwards | 4,003,819 | |
| V a l u a t i o n allowance | (4,003,819) | (3,894,696) |
| Net deferred tax\$ assets (liabilities) | - | - |

The following is a reconciliation of the provision for income taxes at the United States of America federal income tax rate to the income taxes reflected in the statements of operations:

| | |
|--|--------|
| Tax expense (credit) at statutory rate – federal | -35% |
| State tax expense net of federal tax | -8.75% |
| Change in valuation allowance | -44% |
| Tax expense at actual rate | 0% |

As of December 31, 2010, the Company's net deferred tax assets are offset by a valuation allowance of \$87,652. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the year in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making this assessment.

At December 31, 2010, the Company had net operating loss carryforwards of approximately \$11,761,000 that may be offset against future taxable income through 2025. These carryforwards will begin to expire in 2028. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| | Year ended December 31, | |
|--|----------------------------|------|
| | 2010 | 2009 |
| Beginning balance | \$ - | \$ - |
| Additions based on tax positions related to current year | - | - |
| Additions for tax positions of prior years | - | - |
| Reductions for tax positions of prior years | - | - |
| Reductions in benefit due to income tax expense | - | - |
| Ending balance | \$ - | \$ - |

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net

operating loss carryforwards may be limited as to use in the future.

At December 31, 2010, the Company had no unrecognized tax benefits that, if recognized, would affect the effective tax rate.

The Company did not have any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The Company includes interest and penalties arising from the underpayment of income taxes in the consolidated statements of operations in the provision for income taxes. As of December 31, 2010 and 2009, the Company had no accrued interest or penalties related to uncertain tax positions.

The tax years that remain subject to examination by major taxing jurisdictions are those for the years ended December 31, 2005-2010.

g. Basic Net Loss per Share of Common Stock

In accordance with US GAAP, basic net loss per common share is based on the weighted average number of shares outstanding during the periods presented. Diluted earnings per share is computed using weighted average number of common shares plus dilutive common share equivalents outstanding during the period. There is a total of \$316,036 in convertible notes and accrued interest currently outstanding, which are convertible into 1,529,907,108 shares of common stock, the common stock equivalents resulting from the issuance of these stock options have not been included in the per share calculations because such inclusion would be anti-dilutive.

| | December 31, 2010 | December 31, 2009 |
|--|-------------------------|-------------------------|
| Numerator – (loss) | \$ (270,840) | (54,325) |
| Denominator – weighted average number of s h a r e s outstanding | 323,483 | 170,516 |
| Loss per share | \$ (0.84) | (0.32) |

h. Accounts Receivable

We must make judgments about the collectability of our accounts receivable to be able to present them at their net realizable value on the balance sheet. We analyze the aging of our customer accounts and review historical bad debt problems. From this analysis, we record an estimated allowance for receivables that we believe will ultimately become uncollectible. As of December 31, 2009, we had no allowance for bad debts since we deemed that 100% of the amount in Accounts Receivable is collectible.

i. Concentration of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and marketable securities. The Company places its cash with financial institutions deemed by management to be of high credit quality. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. All of the Company's investment in marketable securities are considered "available-for-sale" and are carried at their fair value, with unrealized gains and losses (net of income taxes) that are temporary in nature recorded in accumulated other comprehensive income (loss) in the accompanying balance sheets. The fair values of the Company's investments in marketable securities are determined based on market quotations.

j. Convertible Notes

In accordance with US GAAP we calculated the value of the beneficial conversion feature embedded in the Convertible Notes. Since the note is contingently convertible, the intrinsic value of the beneficial conversion feature is not recorded until the note becomes convertible.

Convertible notes are split into two components: a debt component and a component representing the embedded derivatives in the debt. The debt component represents the Company's liability for future interest coupon payments and the redemption amount. The embedded derivatives represent the value of the option that debtholders have to convert into ordinary shares of the Company. Due to the number of shares that may be required to be issued upon conversion of the Convertible Notes is indeterminate, the embedded conversion option of the Convertible Notes are accounted for

as a derivative instrument liabilities rather than equity debt as in accordance with US GAAP.

The debt component of the convertible note is measured at amortized cost and therefore increases as the present value of the interest coupon payments and redemption amount increases, with a corresponding charge to finance cost – other than interest. The debt component decreases by the cash interest coupon payments made. The embedded derivatives are measured at fair value at each balance sheet date, and the change in the fair value is recognized in the income statement.

k. Financial Instruments

Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and must be used to measure fair value whenever available.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. For example, level 3 inputs would relate to forecasts of future earnings and cash flows used in a discounted future cash flows method.

The recorded amounts of financial instruments, including cash equivalents accounts payable and accrued expenses, and long-term debt approximate their market values as of December 31, 2010 and December 31, 2009.

1. Current Adoption of New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board, or FASB, issued authoritative guidance for fair value measurements, which requires additional disclosures and clarifications to existing disclosures. This authoritative guidance requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and also to describe the reasons for these transfers. This authoritative guidance also requires enhanced disclosure of activity in Level 3 fair value measurements. The new disclosures and clarifications of existing disclosures for Level 1 and Level 2 fair value measurements became effective for the first interim reporting period after December 15, 2009. Disclosures regarding activity within Level 3 fair value measurements become effective for the first interim reporting period after December 15, 2010.

In September 2009, the FASB issued revised guidance for multiple-deliverable revenue arrangements. This guidance changes the criteria for separating consideration in multiple-deliverable arrangements by establishing a selling price hierarchy for determining the selling price of a deliverable. Under the revised guidance, the selling price for each deliverable in a multiple-deliverable arrangement will, in order of preference and when available, be based on vendor specific objective evidence, third party evidence, or estimated selling price. The revised guidance prescribes that an estimated selling price be determined in a manner that is consistent with that used to determine the price to sell the deliverable on a stand-alone basis, eliminates the residual method of allocation, and requires that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. The revised guidance also significantly expands the disclosures related to multiple-deliverable arrangements, and is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The adoption of this guidance by the Company did not have a material impact on the Company's consolidated financial statements.

In June 2009, the FASB issued amended standards for determining whether to consolidate a variable interest entity. The amended standards require an enterprise to perform an analysis to determine whether its variable interest or interests give it a controlling financial interest in a variable interest entity. This analysis is performed in order to identify the primary beneficiary of the variable interest entity as being the enterprise that has certain characteristics described in the amended standards. The amended standards, in addition to other requirements, require an enterprise to assess whether it has an implicit financial responsibility to ensure that a variable interest entity operates as designed when determining whether it has the power to direct the activities of the variable interest entity that most significantly impact the entity's financial performance, and mandates ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. These amended standards are effective for financial statements issued for fiscal years beginning after November 15, 2009, and interim financial statements within those fiscal years. The Company is currently evaluating the impact, if any, this guidance will have on its consolidated financial statements.

Note 3 - Convertible Debentures, Related Party, Default

In accordance with US GAAP, we recognize the advantageous value of conversion rights attached to convertible debt. Such rights give the debt holder the ability to convert his debt into common stock at a price per share that is less than the trading price to the public on the day the loan is made to the Company. The beneficial value is calculated as the intrinsic value (the market price of the stock at the commitment date in excess of the conversion rate) of the beneficial conversion feature of debentures and related accruing interest is recorded as a discount to the related debt and an addition to additional paid in capital. The discount is amortized over the remaining outstanding period of related debt using the interest method.

A \$55,000 0% convertible debenture was issued on October 25, 2007. The note was payable on the first day of the month, beginning on November 1, 2007 and ending on February 1, 2008, the amount of \$13,750 per month. At the time of this note was issued it was convertible into common stock at \$0.09. This note was later purchased from the third party it was originally issued to by a related party, Noctua Fund, LP. Noctua Fund, LP is managed by Noctua Fund Manager, LLC. Mark L. Baum, Esq., is the Company's former president, is also a managing member of Noctua Fund Manager, LLC. As of August 15, 2009 no payments had been made and as a result of nonpayment this convertible debenture was in default.

On August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP. The \$55,000 0% convertible debenture was cancelled, and in exchange Noctua Fund, LP was issued two new convertible notes and guaranteed a future payment of \$1,333 to help pay future Company expenses. The two notes issued are both in the amounts of \$28,167 with interest accruing at 5% of the principal balance. The notes were both due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture. These notes are currently in default and accruing interest at the default rate of 15%.

On August 15, 2009 the Company issued two convertible notes both in the amount of \$13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. These notes are due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. At the time of the note agreement date, there was no determinable stock price, therefore there is no beneficial conversion feature that applies to this debenture. Noctua Fund Manager, LLC's managing member is Mark L. Baum, Esq. is our former President. These notes are currently in default and accruing interest at the default rate of 15%.

On November 15, 2009 the Company entered into an Advisory Services Agreement (the "NFM Agreement") with Noctua Fund Manager, LLC ("NFM"). The NFM Agreement is designed to assist the company enter into an agreement to acquire and manage new assets and/or a business ("Transaction"). The Consultant assisted the company in several areas, including: locating qualified management and board member candidates, locating target transaction candidates, and any strategic planning in the event of a Transaction. Pursuant to the terms of the NFM Agreement, on March 15, 2010, the Company issued NFM a 12% secured convertible promissory note in the principal amount of \$181,000 (the "NFM Note"). The note matures and is due 180 days following its issuance. Pursuant to the terms of the NFM Agreement and the NFM Note, concurrently with the issuance of the NFM Note, the Company entered into an escrow agreement (the "NFM Escrow Agreement") whereby 54,300,000 shares of the Company's common stock were to be issued into escrow for the potential conversion of the NFM Note. In addition, the Company was required to designate and issue 100,000 shares, \$0.001 par value, of Series Preferred A Stock to NFM. At the time of the note agreement date, there was no determinable stock price and limited trading activity, therefore there is no beneficial conversion feature that applies to this debenture. Due to non payment, this note is currently in default and accruing interest at the default rate of 15%.

Note 4 - Convertible Debentures, Related Party

On November 17, 2010, the Company issued its Chief Executive Officer, Brad M. Bingham, Esq., a convertible promissory note in the amount of \$16,860 (the "BMB Note"). The BMB Note represents: (i) \$6,860.00 previously advanced by Mr. Bingham on behalf of the Company and maintained on the Company's books and records previously filed with the SEC; and (ii) an additional \$10,000 cash advance to the Company by Mr. Bingham. The BMB Note is due and payable on May 17, 2011, maintains an interest rate of 5% and is convertible into 1,500,000,000 shares of the Company's restricted common stock (the "Conversion Shares"); provided however, such conversion rights are not applicable until 45 days following the issuance of the BMB Note. At the time of the issuance date, the Company recorded a \$16,860 discount, which represents the intrinsic value of the beneficial conversion feature. The discount is being accreted over 6 month life of the note.

In connection with the BMB Note, the Company entered into a security agreement (the "Security Agreement") with Mr. Bingham. Pursuant to the terms of the Security Agreement, Mr. Bingham was issued the Conversion Shares which are to be held as security and collateral against either the repayment or conversion of the BMB Note. Although the Conversion Shares are issued in Mr. Bingham's name and held as security and collateral against the payment of the BMB Note, the Conversion Shares may not be sold, pledged, transferred or hypothecated by Mr. Bingham unless and until he elects to convert the BMB Note pursuant to its terms and conditions into the Conversion Shares, or unless agreed upon in writing by the Company. In addition, following the issuance of the Conversion Shares as security pursuant to the Security Agreement and prior to the conversion of the BMB Note into the Conversion Shares, if any, in the event of a Company shareholder vote, the Conversion Shares held as collateral shall be voted with the majority vote of any such shareholder vote and action and Mr. Bingham has granted an irrevocable proxy to the Company to vote the Conversion Shares as such.

Notes payable consisted of the following:

| | At | At |
|-------------------------------------|------------|-----------|
| | December | December |
| | 31, 2010 | 31, 2009 |
| 5% convertible notes due Nov. 2009 | 84,057 | 84,057 |
| | \$ | \$ |
| 12% convertible note due Sept. 2010 | 181,000 | - |
| 5% Convertible note May 2011 | 16,860 | - |
| Less: Principal Payments | - | - |
| Add: Accrued Interest | 34,119 | - |
| Sub Total | \$ 316,036 | \$ 84,057 |
| Less: Discount of convertible Note | (12,645) | - |
| Carrying Value of Notes | 303,391 | 84,057 |
| Less: Current portion | (303,391) | - |
| Long term portion of notes payable | \$ - | \$ - |

Note 5 – Commitments - Related Party

The Company also obtains certain administrative services, as well as use of, among other things, internet, postage, copy machines, electricity, furniture, fixtures etc from Noctua Fund Manager, LLC, an entity indirectly controlled by Mark L. Baum, Esq., who is our former president, for a fee of \$5,000 per month. As of December 31, 2010 and 2009, the Company had unpaid management fee \$75,000 and \$15,000, respectively.

For the year ended December 31, 2010, Noctua Fund Manager, LLC paid \$12,615 to cover professional fees and certain general and administrative expenses of the Company. As of August 15, 2009, there is \$27,724 due to related parties. On August 15, 2009 the Company issued two convertible notes both in the amount of \$13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. The debt settlement is described in detail within Note 3.

During the year ended December 31, 2010 and 2009 \$0 was paid to Noctua Fund Manager, LLC.

On September 29, 2010, the Company entered into a Lease Agreement with The Law Offices of Marc S. Applbaum. Pursuant to the terms of the Lease Agreement, the Company will sublease office space on a month-to-month basis for a monthly lease fee of \$100. The Lease Agreement may be terminated by any party for any reason with ten (10) days written notice. For the year ended December 31, 2010, the company did not owe any rent payments and paid \$300 in rent payments. Mr. Applbaum is our President and a Director.

The Company's rent expense for the years ended December 31, 2010 and 2009 was \$300 and \$0, respectively

At December 31, 2010, the Company did not have any future minimum lease payments for the next 5 years.

Note 6 – Common Stock

As of December 31, 2010, Common stock, \$0.001 par value: 4,999,000,000 shares authorized. 1,554,623,483 shares issued and 323,483 shares outstanding

On December 12, 2008 the Company's Board of Directors approved a 1-for-12,000 reverse stock split of the Company's common stock such that shareholders of the Company's common stock were issued one share of common stock in exchange for every 12,000 shares of common stock held as of the record date, with a reverse split floor of 100 shares. The reverse split floor resulted in brokerage firms struggling to properly account for the reverse split in a timely manner. As a result, the companies issued and outstanding common shares has changed since our since the split well into the 2009 year, despite no new issuances being made. The increases directly related to the reverse split have no material affect on our financial statements.

On December 2, 2009, the Company entered into a stock purchase agreement with a third party purchaser wherein the Company issued 166,666 shares of Common Stock at \$.45 per share for a total purchase price of \$75,000. The shares were purchased for an initial cash payment of \$5,000, with the remaining \$70,000 due and payable on or before December 14, 2010.

During March 2010, pursuant to the terms of the NFM Agreement, the Company agreed to issue 54,300,000 shares of common stock into escrow. The shares are to be held in the Company's name for the benefit of NFM. During May of 2010 these shares were issued.

During November 2010, the Company entered into a security agreement (the “Security Agreement”) with our CEO, Mr. Bingham. Pursuant to the terms of the Security Agreement, Mr. Bingham was issued the 1,500,000,000 conversion shares which are to be held as security and collateral against either the repayment or conversion of the his convertible note (“BMB Note”). Although the Conversion Shares are issued in Mr. Bingham’s name and held as security and collateral against the payment of the BMB Note, the Conversion Shares may not be sold, pledged, transferred or hypothecated by Mr. Bingham unless and until he elects to convert the BMB Note pursuant to its terms and conditions into the Conversion Shares, or unless agreed upon in writing by the Company. In addition, following the issuance of the Conversion Shares as security pursuant to the Security Agreement and prior to the conversion of the BMB Note into the Conversion Shares, if any, in the event of a Company shareholder vote, the Conversion Shares held as collateral shall be voted with the majority vote of any such shareholder vote and action and Mr. Bingham has granted an irrevocable proxy to the Company to vote the Conversion Shares as such. A copy of the Security Agreement has been attached hereto as an exhibit and incorporated herein by reference.

Note 7 – Preferred Stock

As of December 31, 2010, Preferred stock, \$0.001 par value: 1,000,000 shares authorized. 100,000 shares issued and outstanding

Pursuant to the terms of the NFM Agreement, 100,000 shares of Preferred Series A stock were to be issued to NFM on March 15, 2010.

The designation of the Series A Preferred Stock provided for certain rights, powers and privileges given to the holder of shares of such Series A Preferred Stock including: (i) voting preference rights whereby the holder of such shares maintains a number of votes determined by multiplying (a) the number of shares of Series A Preferred Stock held by such holder, (b) the number of issued and outstanding shares of the Corporation's Series A Preferred Stock, any other series of Preferred Stock and Common Stock on a fully diluted basis as of the record date for the vote, or, if no such record date is established, as of the date such vote is taken or any written consent of stockholders is solicited, and (c) 0.00001; and (ii) a liquidation right of \$1.25 per share of Series A Preferred Stock and senior to all other common shareholders.

Note 8 – Legal Matters

Certain convertible promissory notes (the "Notes") issued to several noteholders (the "Noteholders") in the total principal amount of \$84,057 went into default due to nonpayment. Following default, the Company received demands from the Noteholders for the repayment of all principal and interest due thereunder. Following such default, the Noteholders agreed to waive the default and payment of all principal and interest due and payable under the Notes. Pursuant to the terms of such waiver, (i) the default interest rate under the Notes was to remain in effect and accrue until full repayment of the Notes, and (ii) the maturity date of the Notes was extended to March 10, 2010. On March 10, 2010, the Company was unable to repay the amounts due and owing under the Notes and, as such, the notes went into and remain unpaid and in default status. On October 26, 2010, the Noteholders filed a complaint against the Company arising from the unpaid Notes (the "Claims"). The Company is currently seeking counsel to represent the Company's and manage the related possible litigation. Although the Company is continuing to use its best efforts to explore options available related to the repayment and/or retirement of the Notes and settlement of the Claims, no resolution has been made to date and, considering the current financial condition of the Company, including the unavailability of adequate cash or assets to resolve the amounts due and payable under the Notes, the Company believes the default under the Notes and subsequent complaint may have a material adverse effect on the Company's financial stability and its ability to continue as a going concern.

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

In July of 2009, our former accountant, Pollard-Kelley Auditing Services, Inc., resigned. Such decision was the sole decision of the auditor and such resignation was not recommended or approved of by the board of directors or any audit or similar committee. On or about July 16, 2009, we retained Chang G. Park, CPA to review all interim period financial statements going forward and audit our financial statements for the upcoming year ending December 31, 2009. Such change in accountant was approved by the Company's board of directors. At no time prior to our retention of Chang G. Park, CPA, did we, or anyone on our behalf, consult with Chang G. Park, CPA regarding the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on our financial statements.

Item 9A. Controls and Procedures

(A) Evaluation of disclosure controls and procedures.

We evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report on Form 10-K is recorded, processed, summarized and reported within the time periods specified by the SEC. Disclosure controls are also designed to ensure that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. In our original filing of this Form 10-K, our management did not include a firm conclusion regarding their belief that the disclosure controls and procedures were effective. At such time, management was of the belief that such disclosure controls and procedures were effective, however, considering such conclusion was not included in the original filing of this Form 10-K, for that reason and that reason alone, management believes that, as of December 31, 2010, the Company's disclosure controls and procedures were ineffective. The Company plans to remedy this issue by completing their assessment of internal controls over financial reporting in a timely manner in their next 10-K for the year ending December 31, 2010 and including a firm conclusion as to such assessment.

(B) Management's report on internal controls over financial reporting.

The Company's management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act). Management assessed the effectiveness of the Company's 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"). Based on that assessment, management believes that, as of December 31, 2010, the Company's internal control over financial reporting was ineffective based on the COSO criteria, due to the following material weakness listed below.

Insufficient segregation of duties in our finance and accounting functions due to limited personnel. During the year ended December 31, 2010, the company internally performed all aspects of our financial reporting process, including, but not limited to, access to the underlying accounting records and systems, the ability to post and record journal entries and responsibility for the preparation of the financial statements. Due to the fact these duties were performed oftentimes by the same people, a lack of review was created over the financial reporting process that might result in a failure to detect errors in spreadsheets, calculations, or assumptions used to compile the financial statements and related disclosures as filed with the SEC. These control deficiencies could result in a material misstatement to our interim or annual financial statements that would not be prevented or detected.

Insufficient corporate governance policies. Although we have a code of ethics which provides broad guidelines for corporate governance, our corporate governance activities and processes are not always formally documented. Specifically, decisions made by the board to be carried out by management should be documented and communicated on a timely basis to reduce the likelihood of any misunderstandings regarding key decisions affecting our operations and management.

We intend to take appropriate and reasonable steps to make the necessary improvements to remediate these deficiencies and we intend to consider the results of our remediation efforts and related testing as part of our next year-end assessment of the effectiveness of our internal control over financial reporting.

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

(C) Changes in internal controls over financial reporting.

During the period covered by this report, there were no changes in the Company's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

As disclosed in our previous filings with the SEC, on November 15, 2009 the Company entered into an Advisory Services Agreement (the "NFM Agreement") with Noctua Fund Manager, LLC ("NFM"). The NFM Agreement is designed to assist the company enter into an agreement to acquire and manage new assets and/or a business ("Transaction"). The Consultant assisted the company in several areas, including: locating qualified management and board member candidates, locating target transaction candidates, and any strategic planning in the event of a Transaction. Pursuant to the terms of the NFM Agreement, on March 15, 2010, the Company issued NFM a 12% secured convertible promissory note in the principal amount of \$181,000 (the "NFM Note"). The note matures and is due 180 days following its issuance. Pursuant to the terms of the NFM Agreement and the NFM Note, concurrently with the issuance of the NFM Note, the Company entered into an escrow agreement (the "NFM Escrow Agreement") whereby 54,300,000 shares of the Company's common stock were to be issued into escrow for the potential conversion of the NFM Note. In addition, the Company was required to designate and issue 100,000 shares, \$0.001 par value, of Series Preferred A Stock to NFM. At the time of the note agreement date, there was no determinable stock price and limited trading activity, therefore there is no beneficial conversion feature that applies to this debenture. Due to non payment, this note is currently in default and accruing interest at the default rate of 15%.

On December 15, 2009, our Board of Directors and a majority of our shareholders voted to authorize the Board to take certain corporate actions including: (i) amending the Company's Articles of Incorporation to increase the Company's authorized stock and, at the Board's discretion, authorizing the Board to designate a preferred class of stock; (ii) affecting a reverse and/or forward stock split of the Company's common stock; (iii) ratifying the appointment of Chang G. Park, CPA as the Company's independent public accountant; (iv) confirming and ratifying the appointment of Mr. Brad M. Bingham, Esq. as the Company's interim Chief Executive Officer and Chairman of the Board; and (v) authorizing the designation of an Employee Stock Incentive Plan. A further detailed description of the above described corporate actions has been outlined in the Company's Schedule 14C Definitive Information Statement filed with the SEC on January 12, 2010. Following such approval, on May 5, 2010, the Company amended its Articles of Incorporation increasing the Company's authorized stock to 5,000,000,000 shares of common stock 5,000,000,000 shares consisting of 4,999,000,000 shares of common stock and 1,000,000 shares of preferred stock. The designation of the Series A Preferred Stock provided for certain rights, powers and privileges given to the holder of shares of such Series A Preferred Stock including: (i) voting preference rights whereby the holder of such shares maintains a number of votes determined by multiplying (a) the number of shares of Series A Preferred Stock held by such holder, (b) the number of issued and outstanding shares of the Corporation's Series A Preferred Stock, any other series of Preferred Stock and Common Stock on a fully diluted basis as of the record date for the vote, or, if no such record date is established, as of the date such vote is taken or any written consent of stockholders is solicited, and (c) 0.00001; and (ii) a liquidation right of \$1.25 per share of Series A Preferred Stock and senior to all other common shareholders. A copy of the Certificate of Amendment to the Articles of Incorporation has been attached to our Form 10-Q filed for the period ending March 31, 2010 and incorporated herein.

On or about December 12, 2008, the Corporation's Board of Directors and shareholders authorized the Corporation's Board of Director's to affect a corporate name change anytime before December 31, 2010 with such name to be determined at a later date by the Board of Directors. Such corporate actions were disclosed and authorized pursuant to the Company's Schedule 14C filed with the United States Securities and Exchange Commission on December 22,

2008. Pursuant to such authorization, on October 5, 2010, the Company's Board of Directors authorized the Corporation to amend its Articles of Incorporation to reflect the new Company name of "Sunshine Mining Group, Inc." The Company released such information in a press release dated October 5, 2010. Following such release, the Company began procedures to approve of and enact the name change with the Nevada Secretary of State and notify the United States Financial Industry Regulatory Authority (FINRA) regarding such corporate name change. The plans to change the Company's name to Sunshine Mining Group, Inc. have been temporarily placed on hold until the Company can work out the litigation described in Item 3 Legal Proceeding above.

PART III

Item 10. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

Directors and Executive Officers.

As of December 31, 2010, our executive officers and directors, the positions held by them, and their ages are as follows:

| Name | Position |
|------------------|--|
| Bradly Bingham | Director, Chief Executive Officer, Chief Financial Officer and Secretary |
| Marc S. Applbaum | Director and President |

Brad M. Bingham, Esq., Interim Director, Chief Executive Officer, Chief Financial Officer and Secretary

Brad M. Bingham, Esq. maintains significant experience managing, advising and operating small and microcap publicly traded companies. Mr. Bingham is a licensed attorney and has provided clients with general corporate counsel services with a focus on the public company business sector since 2006. Mr. Bingham maintains extensive knowledge of corporate entity governance and management, public and private company debt, equity and mezzanine financing and corporate restructuring, recapitalization and M&A transactions. Prior to providing clients with legal counsel, Mr. Bingham worked as a private independent consultant providing public and private companies with various consulting services relating to public and private company financing, corporate restructurings and recapitalizations and various venture fundings since 2004. Mr. Bingham is a member of the California State Bar and admitted to practice in California.

Marc S. Applbaum, Esq., President and Director.

Mr. Marc Applbaum, Esq. is a licensed attorney and has provided clients with general corporate counsel services with a focus on microcap publicly traded companies since March 2006. Mr. Applbaum has represented issuers in offerings of securities under the Securities Act of 1933 and regularly counsels issuers with the preparation of and filing with the Securities and Exchange Commission of periodic reports under the Securities Exchange Act of 1934. He has counseled issuers, private equity funds, and placement agents in debt transactions and with respect to offerings of securities pursuant to Rule 144 under the Securities Act. Mr. Applbaum has counseled numerous entrepreneurs and early stage companies and maintains significant experience and knowledge of public and private company debt, corporate restructuring and recapitalization of public companies. Prior to his work with publicly traded companies, Mr. Applbaum served as a prosecutor as a member of the San Diego City Attorney's office from 2004-2006. There he gained significant trial and courtroom experience, earning an extremely high conviction rate conducting close to 50 jury and bench trials. Mr. Applbaum is a member of the California State Bar and admitted to practice in California.

Audit Committee.

We do not have an audit committee. We do not have a financial expert serving on our board of directors.

Code of Ethics

We have adopted a Code of Ethics and Business Conduct authorizing the establishment of a committee to ensure that our disclosure controls and procedures remain effective. Our Code also defines the standard of conduct expected by our officers, directors and employees.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers, and stockholders holding more than 10% of our outstanding common stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in beneficial ownership of our common stock. Executive officers, directors and greater-than-10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. To our knowledge, based solely on review of the copies of such reports furnished to us for the year ended December 31, 2010, no Section 16(a) reports required to be filed by our executive officers, directors and greater-than-10% stockholders were filed on a timely basis.

Item 11. Executive Compensation

Set forth below is information concerning the compensation paid for services in all capacities to our President and Executive Officers for the years ended December 31, 2010 and 2009.

| Name and Position | Year | Annual Compensation | | | Long-Term Compensation | | |
|--|------|---------------------|-------|---------------------------|------------------------------|---------------|-----------|
| | | Salary | Bonus | Other Annual Compensation | Restricted Stock Awards (\$) | Common Shares | |
| | | | | | | Underlying | All Other |
| | | | | | Options Granted (# Shares) | Compensation | |
| Brad M. Bingham, Esq. Chairman, Chief, Executive Officer Chief Financial Officer and Secretary | 2009 | -0- | -0- | -0- | -0- | ----- | -0- |
| | 2010 | -0- | -0- | -0- | -0- | ----- | -0- |
| Marc S. Applbaum Director and President | 2010 | -0- | -0- | -0- | -0- | ----- | -0- |
| Mark L. Baum Chairman, President, Chief Executive Officer Chief Financial Officer and Secretary | 2009 | -0- | -0- | -0- | -0- | ----- | -0- |
| | | | | | | | |

Option/SAR Grants in Fiscal Year 2010

None.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table presents information about the beneficial ownership of our share of common stock as of December 31, 2010 by:

- each person or entity who is known by us to own beneficially more than 5% of the outstanding shares of our share of common stock;
- each of our directors and each of our named executive officers and all directors and executive officers as a group.

| Name And Address | Number Of Shares Beneficially Owned | Percentage Owned |
|--|-------------------------------------|------------------|
| Brad M. Bingham, Esq. (1) | 1,500,000,000 | 96.49% |
| Marc S. Applbaum (1) | 0 | 0% |
| All directors, officers and 5% shareholders as a group | 1,500,000,000 | 96.49% |

(1) The address is 1133 6th Ave., San Diego, California 92101.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. The number of shares and the percentage beneficially owned by each individual listed above include shares that are subject to options held by that individual that are immediately exercisable or exercisable within 60 days from the date of this report and the number of shares and the percentage beneficially owned by all officers and directors as a group includes shares subject to options held by all officers and directors as a group that are immediately exercisable or exercisable within 60 days from the date of this report.

Item 13. Certain Relationships and Related Transactions

As described in Item 3. Legal Proceedings, on August 15, 2009 the Company entered into a note exchange with Noctua Fund, LP. The \$55,000 0% convertible debenture was cancelled, and in exchange Noctua Fund, LP was issued two new convertible notes and guaranteed a future payment of \$1,333 to help pay future Company expenses. The two notes issued are both in the amounts of \$28,167 with interest accruing at 5% of the principal balance. The notes were both due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. Noctua Fund, LP is managed by Noctua Fund Manager, LLC. Mark L. Baum, Esq., is the Company's former president, is also a managing member of Noctua Fund Manager, LLC.

On August 15, 2009 the Company issued two convertible notes both in the amount of \$13,862 with interest accruing at 5% of the principal balance. The notes were issued as part of a debt settlement agreement with Noctua Fund Manager, LLC. These notes are due on November 15, 2009 and are convertible into the Company's common stock at \$.01 per share. These notes are currently in default and accruing interest at the default rate of 15%. Noctua Fund Manager, LLC's managing member is Mark L. Baum, Esq. is our former President.

On November 15, 2009 the Company entered into an Advisory Services Agreement (the "NFM Agreement") with Noctua Fund Manager, LLC. Pursuant to the terms of the NFM Agreement, on March 15, 2010, the Company issued Noctua Fund Manager, LLC a 12% secured convertible promissory note in the principal amount of \$181,000 (the "NFM Note"). The note matures and is due 180 days following its issuance. Pursuant to the terms of the NFM Agreement and the NFM Note, concurrently with the issuance of the NFM Note, the Company entered into an escrow agreement (the "NFM Escrow Agreement") whereby 54,300,000 shares of the Company's common stock were to be issued into escrow for the potential conversion of the NFM Note. In addition, the Company was required to designate and issue 100,000 shares, \$0.001 par value, of Series Preferred A Stock to Noctua Fund Manager, LLC. Due to non payment, this note is currently in default and accruing interest at the default rate of 15%. Noctua Fund Manager, LLC's managing member is Mark L. Baum, Esq. is our former President.

The Company also obtains certain administrative services, as well as use of, among other things, internet, postage, copy machines, electricity, furniture, fixtures etc from Noctua Fund Manager, LLC, an entity indirectly controlled by Mark L. Baum, Esq., who is our former president, for a fee of \$5,000 per month. As of December 31, 2010, the Company had unpaid management fees of \$75,000.

Item 14. Principal Accountant Fees and Services

Audit Fee

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal account for the audit of our annual financial statement and review of financial statements included in our 10-Q reports and services normally provided by the accountant in connection with statutory and regulatory filings or engagements were \$8,500 for fiscal year ended 2010 and \$8,666 for fiscal year ended 2009.

Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of our financial statements that are not reported above were \$-0- for fiscal years ended 2010 and 2009.

Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were approximately \$-0- for fiscal year ended 2010 and consisted of tax compliance services and \$-0- for fiscal year ended 2009 and consisted of tax compliance services.

All Other Fees

There were no other aggregate fees billed in either of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above.

Our audit committee which consists of our board of directors will evaluate and approve in advance, the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services. We do not rely on pre-approval policies and procedures.

Item 15. Exhibits, Financial Statements and Schedules

| Exhibit # | Title |
|-----------|---|
| 3.1 | Articles of Incorporation. (Attached as an exhibit to our Form 10-SB filed with the SEC on June 29, 1999 and incorporated herein by reference). |
| 3.2 | Bylaws (Attached as an exhibit to our Form 10-SB filed with the SEC on June 29, 1999 and incorporated herein by reference). |
| 14 | Code of Ethics. (Attached as an exhibit to our Form 10-KSB filed with the SEC on May 19, 2005 and incorporated herein by reference). |
| 31.1 | Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

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

COCONNECT, INC.

Date: March 29, 2011
Brad M. Bingham, Esq.
Interim Chief Executive Officer

By: /s/ Brad M. Bingham, Esq.

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 29, 2011
Brad M. Bingham, Esq.
Interim Chief Executive Officer and Director

By: /s/ Brad M. Bingham, Esq.

