

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

Form 10-K

(Mark One)

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 number 000-25097

EClips Media Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

65-0783722

(I.R.S. Employer
Identification No.)

101 Middlesex Turnpike, Suite 6
Burlington, Massachusetts

(Address of principal executive offices)

01803

(Zip Code)

Registrant's telephone number, including area code: 646-820-5493

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$0.0001

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

Yes 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 No

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such filed).

Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

Yes No

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, based on the price at which the common equity was last sold on the OTC Bulletin Board on such date was approximately \$4,995,760. For purposes of this computation only, all officers, directors and 10% or greater stockholders of the registrant are deemed to be affiliates.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at March 25, 2011
Common Stock, \$0.0001 par value	185,833,555

ECLIPS MEDIA TECHNOLOGIES, INC.
ANNUAL REPORT ON FORM 10-K
Fiscal Year Ended December 31, 2010

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PART I

Item 1. Description of Business.

Corporate History

We were incorporated under the name "Swifty Carwash & Quick-Lube, Inc." in the state of Florida on September 25, 1997. On October 22, 1999, we changed our name from "Swifty Carwash & Quick-Lube, Inc." to "SwiftyNet.com, Inc." On January 29, 2001, we changed our name from "SwiftyNet.com, Inc." to "Yseek, Inc." On June 10, 2003, we changed our name from "Yseek, Inc." to "Advanced 3-D Ultrasound Services, Inc." We merged with World Energy Solutions, Inc., a private Florida corporation, on August 17, 2005. Advanced 3-D Ultrasound Services, Inc. remained as the surviving entity and legal acquirer, and World Energy Solutions, Inc. was the accounting acquirer. On November 7, 2005, we changed our name to "World Energy Solutions, Inc." and merged with Professional Technical Systems, Inc. We remained as the surviving entity and legal acquirer, while Professional Technical Systems, Inc. was the accounting acquirer. On February 26, 2009, we changed our name to "EClips Energy Technologies, Inc." For the purpose of changing our state of incorporation to Delaware, we merged with and into our newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc. on April 21, 2010, with EClips Media Technologies, Inc. continuing as the surviving corporation.

Recent Events

Our former operations were the development and manufacturing of products and services that reduced fuel costs and energy expenditures and benefited the environment. We sold these products and services to consumers in the public and private sectors. In December 2009 we discontinued these operations and disposed of certain of our subsidiaries related to the former operations.

On December 22, 2009 we entered into a purchase agreement with Benjamin C. Croxton, our former Chief Executive Officer and director, and certain investors who represented a controlling interest in us (the "Purchasers"). The agreement was amended on January 12, 2010, and the transactions contemplated therein became effective on February 4, 2010. On that date, we underwent a change of control through (i) the resignation of all of our existing officers and directors, including Mr. Croxton, (ii) the purchase by the Purchasers, in privately negotiated transactions, of certain of our outstanding shares of common and preferred stock from Mr. Croxton and (iii) the appointment of Gregory Cohen as our Chairman and Chief Executive Officer and the appointment of Glenn Kesner and Daniel Wood as directors. The Purchasers purchased an aggregate of 100,000,000 shares of our common stock, par value \$0.0001 per share and 3,000,000 shares of Series A Preferred Stock, which comprised approximately 82% of our issued and outstanding shares of voting stock (as adjusted for our 2:1 forward exchange effective April 21, 2010). As a result of the purchase agreement, Auracana, LLC, the purchaser of the 3,000,000 shares of Series A Preferred Stock, effectively gained control over our voting stock as each share of the Series A Preferred Stock is entitled to 500 votes per share voting as a class with common stock. Mr. Kesner is the president and control person of Auracana, LLC.

In connection with our purchase agreement with Mr. Croxton, we issued him 2,200,000 shares of our common stock and transferred to him or his designee our former subsidiaries Pure Air Technologies, Inc., Hydrogen Safe Technologies, Inc., World Energy Solutions Limited and Advanced Alternative Energy, Inc. and granted him a five-year option for the purchase of H-Hybrid Technologies, Inc.

Also on February 4, 2010, we entered into a consulting agreement with Colonial Ventures, LLC ("Colonial"), a company controlled by Mr. Cohen. The agreement provided that Colonial was to perform consulting and advisory services for us including but not limited to acquisitions, business development, management and sales services, and related services pertaining to our business, and that Mr. Cohen was to serve as our Chairman and Chief Executive Officer and perform the consulting and advisory services for us on behalf of Colonial. In connection with the agreement, we issued Colonial 5,000,000 shares of common stock that vested immediately and 5,000,000 shares of common stock that were to vest on the first year anniversary of the agreement. On December 13, 2010, the 5,000,000 unvested shares issued to Colonial were cancelled.

On April 21, 2010, we merged with our wholly-owned subsidiary, EClips Media Technologies, Inc., a Delaware corporation, for the purpose of changing our state of incorporation to Delaware from Florida. EClips Media Technologies, Inc. was the surviving corporation in this merger. Pursuant to the merger, (i) each issued and outstanding share of EClips Energy Technologies, Inc. common stock was converted into two shares of EClips Media Technologies, Inc. common stock, (ii) each issued and outstanding share of EClips Energy Technologies, Inc. Series D Preferred Stock was converted into two shares of EClips Media Technologies, Inc. Series A Preferred stock and (iii) the outstanding shares of EClips Media Technologies, Inc. common stock held by us were retired and canceled and assumed the status of authorized and unissued EClips Media Technologies, Inc. common stock. EClips Media Technologies, Inc. assumed the EClips Energy Technologies, Inc. outstanding 6% convertible debentures and they were converted into outstanding 6% convertible debentures of EClips Media Technologies, Inc. All options and rights to acquire EClips Energy Technologies, Inc. common stock, and all outstanding warrants or rights to purchase the EClips Energy Technologies, Inc. common stock, were automatically converted into equivalent options, warrants and rights to purchase two times the number of shares of EClips Media Technologies, Inc. common stock at 50% of the exercise, conversion or strike price of such converted options, warrants and rights. Trading of the securities on a 2:1 basis commenced on May 17, 2010. The conversion of each issued and outstanding share of EClips Energy Technologies, Inc. common stock into two shares of EClips Media Technologies, Inc. common stock was inadvertently not effectuated for the 294,177 shares of EClips Energy Technologies, Inc. common stock held by stockholders to whom we had previously issued shares under Regulation S. To put these stockholders in parity with the other holders of our common stock, on December 31, 2010 we issued a 2:1 dividend for these shareholders, issuing them an aggregate of 588,354 shares of common stock.

On February 5, 2010, we purchased a secured 6% demand promissory note (the "Demand Note") from RootZoo, Inc. ("RootZoo"). RootZoo owned and operated the website www.rootzoo.com, which focused on providing social networking, statistics and commentary to the sports fan community. During the fourth quarter of 2009 we entered into negotiations with the then 50% owner of RootZoo common stock and one of its then two directors to acquire RootZoo pursuant to an asset purchase agreement, but negotiations for the acquisition broke down and were terminated. Following termination of negotiations, all of the persons associated with the development of the RZ business resigned. As a result of the discontinuance of all negotiations for the acquisition, we foreclosed on our loan and acquired the RootZoo business under the terms of the Demand Note and accompanying security agreement. On June 6, 2010, RootZoo granted us all rights of possession in and to the collateral which secured the Demand Note, representing substantially all of its assets. Subsequently, we assigned the rights and possession in and to the collateral to our subsidiary, RZ Acquisition Corp.

On June 21, 2010, through our wholly-owned subsidiary SD Acquisition Corp, we acquired all of the business and assets of Brand Interaction Group, LLC, a New Jersey limited liability company ("BIG"). BIG owned and operated Superdraft, a sports entertainment and media business focused on promotion of fantasy league events through live and online events. In connection with the acquisition, Eric Simon, the control person of BIG, was appointed as our Chief Executive Officer and was issued 10,000,000 shares of our common stock. We also issued BIG 20,000,000 shares of our common stock and assumed certain debt that BIG had previously issued to several of its creditors.

In the fall of 2010, we decided to discontinue the operations of SD Acquisition Corp. because of the disappointing performance and negative results of its most recent fantasy league event in August 2010. Mr. Simon resigned as our Chief Executive Officer on November 15, 2010 and on December 7, 2010, we entered into a spinoff agreement with BIG, Mr. Simon, SD Acquisition Corp, and certain holders of our outstanding convertible debentures pursuant to which we agreed to spinoff SD Acquisition Corp. to BIG and Mr. Simon and cancel the 30,000,000 shares of common stock previously issued to BIG and Mr. Simon. Upon the execution of the spinoff, we were released from any obligations and agreements incurred by Mr. Simon on behalf of SD Acquisition Corp. As set forth in the spinoff agreement, BIG is obligated to make direct payments of an aggregate of \$95,000 to certain holders of our convertible debentures in order to retire or reduce, on a dollar for dollar basis, amounts due and payable by us to such holders. In connection with the foregoing, BIG issued a \$95,000 promissory note to these holders. The note is payable in six equal monthly installments of \$15,833, with the first payment due on January 21, 2011. Between January 2011 and March 2011, BIG paid the holders approximately \$47,500, and such amount reduces the principal balance of our convertible debentures issued to these holders.

Convertible Debentures and Warrants

Between December 2009 and June 2010, we entered into securities purchase agreements with several accredited investors pursuant to which we issued an aggregate of \$1,025,000 of our 6% convertible debentures and 41,000,000 warrants to purchase shares of our common stock. The debentures have an interest rate of 6% per year and mature 24 months from the date of issuance. The debentures are convertible at the option of the holder at any time into shares of our common stock, at a conversion price equal to the lesser of \$0.025 per share, or, until the 18 month anniversary of the debenture, the lowest price per share or the lowest conversion price per share in a subsequent sale of our common stock or convertible debt. The warrants are exercisable for a period of five years from the date of issuance at an exercise price of \$0.025 per share, subject to adjustment in certain circumstances. The holder may exercise the warrant on a cashless basis if the fair market value of our common stock is greater than the initial exercise price. Certain of the convertible debentures and warrants contain language providing that they can only be converted or exercised to the extent that upon conversion or exercise the holder, together with its affiliates, would own a maximum of (i) 4.99% of our outstanding shares of common stock or (ii) 9.99% of our outstanding shares of common stock.

Item 1A. Risk Factors

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

Item 1B. Unresolved Staff Comments

None.

Item 2. Description of Property.

Our main offices were located in St. Petersburg, Florida in January and February 2010. This space also housed the manufacturing and research and development facilities related to the business that we had discontinued in December 2009. We leased this space for a monthly rent of \$2,600 pursuant to a lease that was to terminate in September 2011. In March 2011 we paid the landlord \$15,000 and entered into a release agreement pursuant to which all of our liabilities under this lease have been discharged. In March 2010 we commenced sharing office space in New York, New York with an entity controlled by Mr. Cohen, our former Chief Executive Officer and Director. We ceased sharing this space upon Mr. Cohen's resignation as our director in December 2010. We paid an aggregate of \$12,486 in rent for this space from March 2010 through August 2010. We currently use office space near Burlington, Massachusetts provided to us at no cost by Glenn Kesner, our chairman and Chief Executive Officer. We believe that these facilities are adequate to meet our current needs.

Item 3. Legal Proceedings.

None.

Item 4. Removed and Reserved.

PART II

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

In 2009 and through May 16, 2010, our common stock traded on the OTC Bulletin Board under the symbol EEGT.OB. On May 17, 2010, our trading symbol on the OTC Bulletin Board was changed to EEMT.OB as a result of our merger into our wholly owned subsidiary EClips Energy Technologies, Inc. The following table sets forth the high and low bid prices for the periods indicated as reported on the OTC Bulletin Board. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

Common Stock

	High	Low
1st quarter 2009	\$ 0.07	0.02
2nd quarter 2009	0.08	0.01
3rd quarter 2009	1.71	0.01
4th quarter 2009	0.95	0.03
1st quarter 2010	\$ 0.14	0.05
2nd quarter 2010	0.11	0.01
3rd quarter 2010	0.06	0.03
4th quarter 2010	0.11	0.02

All per share amounts are retroactively adjusted for our 1:150 reverse stock split effective August 25, 2009, our 2:1 forward exchange effective April 21, 2010 and the 2:1 stock dividend issued to certain of our stockholders on December 31, 2010.

The last reported sales price of our common stock on the OTC Bulletin Board on March 25, 2011, was \$0.19 per share. As of March 25, 2011, there were 496 holders of record of our common stock.

In the past, we have not declared or paid cash dividends on our common stock, and we do not intend to pay any cash dividends on our common stock. Rather, we intend to retain future earnings (if any) to fund the operation and expansion of our business and for general corporate purposes. Subject to legal and contractual limits, our board of directors will make any decision as to whether to pay dividends in the future.

Recent Sales of Unregistered Securities

On January 10, 2011, we issued 219,863 shares of common stock to Glenn Kesner, our Chairman and Chief Executive Officer, at prices ranging from \$0.03 to \$0.095 per share, as partial compensation for his services as our director for the year ending December 31, 2010. These shares were issued pursuant to an exemption from registration for transactions not involving a public offering under Section 4(2) of the Securities Act.

On January 25, 2011, we issued 10,000,000 shares of common stock pursuant to the conversion of certain of our outstanding convertible debentures and 5,000,000 shares of common stock pursuant to the exercise of certain of our outstanding warrants. The conversion price of the debentures and the exercise price of the warrants was \$0.025 per share. We received \$125,000 upon exercise of the warrants. The debentures and warrants were issued pursuant to an exemption from registration for transactions not involving a public offering under Section 4(2) of the Securities Act.

Item 6. Selected Financial Data.

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

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

Cautionary Notice Regarding Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including those relating to our liquidity, our belief that we will not have sufficient cash and borrowing capacity to meet our working capital needs for the next 12 months without further financing, our expectations regarding acquisitions and new lines of business, gross profit, gross margins and capital expenditures. Additionally, words such as "expects," "anticipates," "intends," "believes," "will" and similar words are used to identify forward-looking statements.

Some or all of the results anticipated by these forward-looking statements may not occur. Important factors, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements include, but are not limited to, any risk factors which appear in our filings and reports made with the Securities and Exchange Commission, our lack of working capital, the value of our securities, the impact of competition, the continuation or worsening of current economic conditions, technology and technological changes, a potential decrease in consumer spending and the condition of the domestic and global credit and capital markets. Additionally, these forward-looking statements are presented as of the date this Form 10-K is filed with the Securities and Exchange Commission. We do not intend to update any of these forward-looking statements.

Overview

We were incorporated under the name "Swifty Carwash & Quick-Lube, Inc." in the state of Florida on September 25, 1997. On October 22, 1999, we changed our name from "Swifty Carwash & Quick-Lube, Inc." to "SwiftyNet.com, Inc." On January 29, 2001, we changed our name from "SwiftyNet.com, Inc." to "Yseek, Inc." On June 10, 2003, we changed our name from "Yseek, Inc." to "Advanced 3-D Ultrasound Services, Inc." We merged with World Energy Solutions, Inc., a private Florida corporation, on August 17, 2005. Advanced 3-D Ultrasound Services, Inc. remained as the surviving entity and legal acquirer, and World Energy Solutions, Inc. was the accounting acquirer. On November 7, 2005, we changed our name to "World Energy Solutions, Inc." and merged with Professional Technical Systems, Inc. We remained as the surviving entity and legal acquirer, while Professional Technical Systems, Inc. was the accounting acquirer. On February 26, 2009, we changed our name to "EClips Energy Technologies, Inc." For the purpose of changing our state of incorporation to Delaware, we merged with and into our newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc. on April 21, 2010, with EClips Media Technologies, Inc. continuing as the surviving corporation.

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On December 22, 2009 we entered into a purchase agreement with Benjamin C. Croxton, our former Chief Executive Officer and director, and certain investors who represented a controlling interest in us. The agreement was amended on January 12, 2010, and the transactions contemplated therein became effective on February 4, 2010. On that date, we underwent a change of control through (i) the resignation of all of our existing officers and directors, including Mr. Croxton, (ii) the purchase by the investors, in privately negotiated transactions, of certain of our outstanding shares of common and preferred stock from Mr. Croxton and (iii) the appointment of Gregory Cohen as our Chairman and Chief Executive Officer and the appointment of Glenn Kesner and Daniel Wood as directors. The investors purchased an aggregate of 100,000,000 shares of our common stock, par value \$0.0001 per share and 3,000,000 shares of Series A Preferred Stock, which comprised approximately 82% of our issued and outstanding shares of voting stock (as adjusted for our April 21, 2010 2:1 forward exchange). As a result of the purchase agreement, Auracana, LLC, the purchaser of the 3,000,000 shares of Series A Preferred Stock, effectively gained control over our voting stock as each share of the Series A Preferred Stock is entitled to 500 votes per share voting as a class with common stock. Mr. Kesner is the president and control person of Auracana, LLC.

In connection with our purchase agreement with Mr. Croxton, we issued him 2,200,000 shares of our common stock and transferred to him or his designee our former subsidiaries Pure Air Technologies, Inc., Hydrogen Safe Technologies, Inc., World Energy Solutions Limited and Advanced Alternative Energy, Inc. and granted him a five-year option for the purchase of H-Hybrid Technologies, Inc.

Also on February 4, 2010, we entered into a consulting agreement with Colonial, a company controlled by Mr. Cohen. The agreement provided that Colonial was to perform consulting and advisory services for us including but not limited to acquisitions, business development, management and sales services, and related services pertaining to our business, and that Mr. Cohen was to serve as our Chairman and Chief Executive Officer and perform the consulting and advisory services for us on behalf of Colonial. In connection with the agreement, we issued Colonial 5,000,000 shares of common stock that vested immediately and 5,000,000 shares of common stock that were to vest on the first year anniversary of the agreement. On December 13, 2010, the 5,000,000 unvested shares issued to Colonial were cancelled.

On April 21, 2010, we merged with our wholly-owned subsidiary, EClips Media Technologies, Inc., a Delaware corporation, for the purpose of changing our state of incorporation to Delaware from Florida. EClips Media Technologies, Inc. was the surviving corporation in this merger. Pursuant to the merger, (i) each issued and outstanding share of EClips Energy Technologies, Inc. common stock was converted into two shares of EClips Media Technologies, Inc. common stock, (ii) each issued and outstanding share of EClips Energy Technologies, Inc. Series D Preferred Stock was converted into two shares of EClips Media Technologies, Inc. Series A Preferred stock and (iii) the outstanding shares of EClips Media Technologies, Inc. common stock held by us were retired and canceled and assumed the status of authorized and unissued EClips Media Technologies, Inc. common stock. EClips Media Technologies, Inc. assumed the EClips Energy Technologies, Inc. outstanding 6% convertible debentures and they were converted into outstanding 6% convertible debentures of EClips Media Technologies, Inc. All options and rights to acquire EClips Energy Technologies, Inc. common stock, and all outstanding warrants or rights to purchase the EClips Energy Technologies, Inc. common stock, were automatically converted into equivalent options, warrants and rights to purchase two times the number of shares of EClips Media Technologies, Inc. common stock at 50% of the exercise, conversion or strike price of such converted options, warrants and rights. Trading of the securities on a 2:1 basis commenced on May 17, 2010. The conversion of each issued and outstanding share of EClips Energy Technologies, Inc. common stock into two shares of EClips Media Technologies, Inc. common stock was inadvertently not effectuated for the 294,177 shares of EClips Energy Technologies, Inc. common stock held by stockholders to whom we had previously issued shares under Regulation S. To put these stockholders in parity with the other holders of our common stock, on December 31, 2010 we issued a 2:1 dividend for these shareholders, issuing them an aggregate of 588,354 shares of common stock.

On February 5, 2010, RootZoo issued to us a secured 6% demand promissory note. RootZoo owned and operated the website www.rootzoo.com, which focused on providing social networking, statistics and commentary to the sports fan community. During the fourth quarter of 2009 we entered into negotiations with the then 50% owner of RootZoo common stock and one of its then two directors to acquire RootZoo pursuant to an asset purchase agreement, but negotiations for the acquisition broke down and were terminated. Following termination of negotiations, all of the persons associated with the development of the RZ business resigned. As a result of the discontinuance of all negotiations for the acquisition, we foreclosed on our loan to RootZoo and acquired the RootZoo business under the terms of the demand note and accompanying security agreement. On June 6, 2010, RootZoo granted us all rights of possession in and to the collateral which secured the demand note, representing substantially all of its assets. Subsequently, we assigned the rights and possession in and to the collateral to our subsidiary, RZ Acquisition Corp. RZ Acquisition Corp. presently has no employees or others who perform services necessary to maintain and develop its business successfully. Due to the termination of negotiations, we believe that the assets of RootZoo have no value and are worthless. Consequently, we recorded a total impairment loss of \$173,257, which represents the principal amount of \$171,100 and interest receivable of \$2,157 under the demand note.

On June 21, 2010, through our wholly-owned subsidiary SD Acquisition Corp, we acquired all of the business and assets of BIG. BIG owned and operated Superdraft, a sports entertainment and media business focused on promotion of fantasy league events through live and online events. In connection with the acquisition, Eric Simon, the control person of BIG, was appointed as our Chief Executive Officer and was issued 10,000,000 shares of our common stock. We also issued BIG 20,000,000 shares of our common stock and assumed certain debt that BIG had previously issued to several of its creditors.

In the fall of 2010, we decided to discontinue the operations of SD Acquisition Corp. because of the disappointing performance and negative results of its most recent fantasy league event in August 2010. Mr. Simon resigned as our Chief Executive Officer on November 15, 2010 and on December 7, 2010, we entered into a spinoff agreement with BIG, Mr. Simon, SD Acquisition Corp. and certain holders of our outstanding convertible debentures pursuant to which we agreed to spinoff SD Acquisition Corp. to BIG and Mr. Simon and cancel the 30,000,000 shares of common stock previously issued to BIG and Mr. Simon. Upon the execution of the spinoff, we were released from any obligations and agreements incurred by Mr. Simon on behalf of SD Acquisition Corp. As set forth in the spinoff agreement, BIG is obligated to make direct payments of an aggregate of \$95,000 to certain holders of our convertible debentures in order to retire or reduce, on a dollar for dollar basis, amounts due and payable by us to such holders. In connection with the foregoing, BIG issued a \$95,000 promissory note to these holders. The note is payable in six equal monthly installments of \$15,833, with the first payment due on January 21, 2011. Between January 2011 and March 2011, BIG paid the holders approximately \$47,500, and such amount reduces the principal balance of our convertible debentures issued to these holders.

For the year ended December 31, 2010, we had a net loss of \$11,579,406 and \$806,061 of net cash used in operations. At December 31, 2010 we had a working capital deficiency of \$6,893,807. Additionally, at December 31, 2010, we had an accumulated deficit of approximately \$36 million. These matters and our expected needs for capital investments required to support operational growth raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Critical Accounting Policies and Estimates

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by management's applications of accounting policies. Critical accounting policies for our company include revenue recognition and accounting for stock based compensation.

Stock Based Compensation

In December 2004, the Financial Accounting Standards Board, or FASB, issued FASB ASC Topic 718: Compensation – Stock Compensation (“ASC 718”). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. Companies may elect to apply this statement either prospectively, or on a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods under ASC 718. Upon adoption of ASC 718, we elected to value employee stock options using the Black-Scholes option valuation method that uses assumptions that relate to the expected volatility of the our common stock, the expected dividend yield of our stock, the expected life of the options and the risk free interest rate. Such compensation amounts, if any, are amortized over the respective vesting periods or period of service of the option grant.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, debt discount, the useful life of property and equipment, purchase price fair value allocation for the business acquisition, valuation and amortization periods of intangible asset, and valuation of goodwill.

Property and Equipment

Property and equipment are carried at cost. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. We examine the possibility of decreases in the value of fixed assets when events or changes in circumstances reflect the fact that their recorded value may not be recoverable. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Valuation of Long-Lived and Intangible Assets and Goodwill

Pursuant to ASC Topic 350, Goodwill and Other Intangible Asset and ASC 360-10-35-15, "Impairment or Disposal of Long-Lived Assets", we assess the impairment of identifiable intangibles, long-lived assets and goodwill annually or whenever events or circumstances indicate that the carrying value of these assets may not be recoverable. Factors we consider include and are not limited to the following:

- Significant changes in performance relative to expected operating results
- Significant changes in the use of the assets or the strategy of our overall business
- Significant industry or economic trends

As determined in accordance with ASC Topic 350, if the carrying amount of goodwill of a reporting unit exceeds its fair value, the impairment loss is measured as the amount by which the carrying amount exceeds the fair market value of the assets. In accordance with ASC 360-10-35-15, in determining if impairment exists, we estimate the undiscounted cash flows to be generated from the use and ultimate disposition of these assets. The impairment loss is measured as the amount by which the carrying amount of the assets exceeds the fair market value of the assets.

Derivative Liabilities

In June 2008, a FASB approved guidance related to the determination of whether a freestanding equity-linked instrument should be classified as equity or debt under the provisions of FASB ASC Topic No. 815-40, *Derivatives and Hedging – Contracts in an Entity's Own Stock*. The adoption of this requirement will affect accounting for convertible instruments and warrants with provisions that protect holders from declines in the stock price ("down-round" provisions). Warrants with such provisions will no longer be recorded in equity and would have to be reclassified to a liability. Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic 815, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares. ASC Topic 815 guidance is to be applied to outstanding instruments as of the beginning of the fiscal year in which the Issue is applied. The cumulative effect of the change in accounting principle shall be recognized as an adjustment to the opening balance of retained earnings (or other appropriate components of equity) for that fiscal year, presented separately. If an instrument is classified as debt, it is valued at fair value, and this value is re-measured on an ongoing basis, with changes recorded on the statement of operations in each reporting period.

Income Taxes

Income taxes are accounted for under the asset and liability method as prescribed by ASC Topic 740: Income Taxes ("ASC 740"). It requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. The charge for taxation is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probably that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and we intend to settle our current tax assets and liabilities on a net basis.

Pursuant to accounting standards related to the accounting for uncertainty in income taxes, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no effect on our financial statements.

Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-06, "Improving Disclosures about Fair Value Measurements" an amendment to ASC Topic 820, "Fair Value Measurements and Disclosures." This amendment requires an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers and (ii) present separate information for Level 3 activity pertaining to gross purchases, sales, issuances, and settlements. ASU No. 2010-06 is effective for us for interim and annual reporting beginning after December 15, 2009, with one new disclosure effective after December 15, 2010. The adoption of ASU No. 2010-06 did not have a material impact on the results of operations and financial condition.

In February 2010, the FASB issued an amendment to the accounting standards related to the accounting for, and disclosure of, subsequent events in an entity's consolidated financial statements. This standard amends the authoritative guidance for subsequent events that was previously issued and among other things exempts Securities and Exchange Commission registrants from the requirement to disclose the date through which it has evaluated subsequent events for either original or restated financial statements. This standard does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provides different guidance on the accounting treatment for subsequent events or transactions. The adoption of this standard did not have a material impact on our consolidated financial statements.

In July 2010, the FASB issued ASU No. 2010-20, *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. ASU 2010-20 requires additional disclosures about the credit quality of a company's loans and the allowance for loan losses held against those loans. Companies will need to disaggregate new and existing disclosures based on how it develops its allowance for loan losses and how it manages credit exposures. Additional disclosure is also required about the credit quality indicators of loans by class at the end of the reporting period, the aging of past due loans, information about troubled debt restructurings, and significant purchases and sales of loans during the reporting period by class. The new guidance is effective for interim- and annual periods beginning after December 15, 2010. We anticipate that adoption of these additional disclosures will not have a material effect on our financial position or results of operations.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

Results of Operations

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

Net revenues. We have not generated revenues during the years ended December 31, 2010 and 2009.

Operating Expenses. Costs associated with our administration were included in continuing operations and in relation to the public entity. Payroll and stock based compensation expenses were \$1,069,500 and \$117,249 for the years ended December 31, 2010 and 2009, respectively, an increase of approximately of \$952,251 or 812%. The increase was primarily attributable to the issuance of 10,000,000 shares of common stock to our former Chairman pursuant to a consulting agreement in February 2010 valued at \$575,000. In addition, pursuant to an employment agreement dated June 21, 2010, we issued 10,000,000 shares of common stock to our former Chief Executive Officer, Mr. Simon, valued at \$0.04 per share or \$400,000.

Professional and consulting expenses were \$2,885,571 and \$114,938 for the years ended December 31, 2010 and 2009, respectively, an increase of approximately of \$2,770,633 or 2,411%. Professional expenses were incurred for the audits and public filing requirements. The increase was primarily attributable to the issuance of our common stock to four consultants for services rendered amounting to \$2,610,000 during the year ended December 31, 2010.

General and administrative expenses, which consist of office expenses, insurance, rent and general operating expenses totaled \$333,614 for the year ended December 31, 2010, as compared to \$47,509 for the year ended December 31, 2009, an increase of approximately \$286,105 or 602%. The increase is primarily attributable to the impairment loss of \$173,258 in connection with the issuance of a secured 6% demand promissory note to RootZoo, an entity we contemplated acquiring but negotiations broke down and have since been terminated. As a result of the discontinuance of all negotiations for RootZoo, we elected to foreclose on our loan to RootZoo and to acquire the RootZoo business pursuant to the terms of the demand note agreement issued to us and accompanying security agreement. On May 15, 2010 we demanded repayment of all outstanding amounts under the note. On June 6, 2010, RootZoo entered into a Peaceful Possession Letter Agreement with us pursuant to which RootZoo granted us all rights of possession in and to the collateral which secured the demand note, representing substantially all of the assets of RootZoo in partial satisfaction of the demand note debt. Subsequently, we assigned the rights and possession of the collateral to our subsidiary, RZ Acquisition Corp. Due to the termination of this negotiation, we believe RootZoo is financially unable to satisfy its obligations to us and the foreclosed assets of RootZoo have no value and are worthless. In addition, such increase was also attributable to increased insurance expenses, public company expenses and loss on abandonment of assets of \$39,927 due to the abandonment of property, equipment and rental security deposit in connection to our previous office space located in New York.

Total Other Expense. Our total other expenses during the year ended December 31, 2010 primarily include expenses associated with derivative liabilities and interest expense.

Change in Fair Value of Derivative Liabilities and Derivative Liabilities Expense

We recorded derivative liability of \$6,708,815 in connection with the issuance of the convertible debentures and warrants during the year ended December 31, 2010. Change in fair value of derivative liabilities expense consisted of income or expense associated with the change in the fair value of derivative liabilities as a result of the application of FASB ASC Topic No. 815-40, *Derivatives and Hedging – Contracts in an Entity's Own Stock*, to our financial statements. The variation in fair value of the derivative liabilities between measurement dates amounted to an (increase) decrease of \$(2,490,252) and \$233 during the year ended December 31, 2010 and 2009, respectively. The increase/decrease in fair value of the derivative liabilities has been recognized as other expense/income.

The adoption of ASC Topic No. 815-40's requirements will affect accounting for convertible instruments and warrants with provisions that protect holders from declines in the stock price ("down-round" provisions). Warrants with such provisions will no longer be recorded in equity. Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic No. 815-40, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares. In connection with the issuance of the 6% Senior Convertible Debentures beginning on December 17, 2009, we have determined that the terms of the convertible debenture include a down-round provision under which the conversion price could be affected by future equity offerings undertaken by us until the 18 month anniversary of such convertible debenture.

So long as convertible instruments and warrants with down-round provisions that protect holders from declines in the stock price remain outstanding we will recognize other income or expense in future periods based upon the fluctuation of the market price of our common stock. This non-cash income or expense is reasonably anticipated to materially affect our net loss in future periods. We are, however, unable to estimate the amount of such income/expense in future periods as the income/expense is partly based on the market price of our common stock at the end of a future measurement date. In addition, in the future if we issue securities which are classified as derivatives we will incur expense and income items in future periods. Investors are cautioned to consider the impact of this non-cash accounting treatment on our financial statements.

Interest Expense, Net

Interest expense consists primarily of interest recognized in connection with the amortization of debt discount, amortization of debt issuance cost and interest on our convertible debentures. The increase in interest expense when compared to the same period in 2009 is primarily attributable to the amortization of the debt discount amounting to approximately \$392,292 during the year ended December 31, 2010, associated with the 6% convertible debenture.

Discontinued Operations

Our former operations were developing and manufacturing products and services that aimed to reduce fuel costs, save power and energy and benefit the environment. The products and services were offered to customers in the public and private sectors. In December 2009, we discontinued these operations and disposed of certain of its subsidiaries, and prior periods have been restated in our financial statements and related footnotes to conform to this presentation. Additionally, in September 2010, we decided to discontinue the operations of SD Acquisition Corp. because of the disappointing performance and negative results of its most recent fantasy league event in August 2010.

The following table sets forth for the years ended December 31, 2010 and 2009, indicated selected financial data of our discontinued operations.

	December 31, 2010	December 31, 2009
Revenues	\$ 178,645	\$ 13,660
Cost of sales	381,331	286,051
Gross (loss) profit	(202,686)	27,609
Operating and other non-operating expenses	(1,322,050)	(1,935,272)
Loss from discontinued operations	\$ (1,524,736)	\$ (1,907,663)

Spin off of SD Acquisition Corp. On December 7, 2010, we entered into a spin off agreement with SD Acquisition Corp. BIG and Mr. Simon, pursuant to which we agreed to return the Superdraft business to Mr. Simon by exchanging 100% of the issued and outstanding capital stock of SD Acquisition Corp., which owned and operated the Superdraft business, for the cancellation of 30,000,000 of our outstanding shares of common stock owned by Mr. Simon and BIG and the cancellation of the Asset Purchase Agreement and Employment Agreement entered into between us, Mr. Simon and BIG in June 2010. Additionally, upon the execution of the spinoff agreement, we were released from any obligations and agreements incurred by Mr. Simon on behalf of SD Acquisition Corp. We recorded the cancellation of the 30,000,000 shares of common stock at par value.

The spinoff of SD Acquisition Corp. is included in gain on disposal of discontinued operations during the year ended December 31, 2010 and is calculated as follows:

Consideration received in connection with the spinoff:	
Cancellation of 30,000,000 shares of our common stock	\$ -
Total consideration received	-
Add: net liabilities of former subsidiary on December 7, 2010	
	424,131
Gain on disposal of discontinued operations, net of tax	\$ 424,131

Loss from Continuing Operations

We recorded loss from continuing operations of \$10,478,801 for the year ended December 31, 2010 as compared to \$341,002 for the year ended December 31, 2009.

Net Loss

We recorded net loss of \$11,579,406 for the year ended December 31, 2010 as compared to \$2,248,665 for the year ended December 31, 2009. As a result of the factors described above, our loss per share from continuing operations (basic and diluted) for the year ended December 31, 2010 was \$0.06 per share as compared to \$0.01 per share during the same period in 2009. Our loss per share from discontinued operations (basic and diluted) for the year ended December 31, 2010 was \$0.01 per share as compared to \$0.05 during the same period in 2009.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At December 31, 2010, we had a cash balance of \$94,053. Our working capital deficit is \$6,893,807 at December 31, 2010. We reported a net loss of \$11,579,406 and \$2,248,665 during the years ended December 31, 2010 and 2009, respectively. We do not anticipate we will be profitable in fiscal 2011.

We reported a net increase in cash for the year ended December 31, 2010 of \$94,053. While we currently have no material commitments for capital expenditures, at December 31, 2010 we owed \$950,000 under various convertible debentures. During the year ended December 31, 2010, we have raised net proceeds of \$937,500 from convertible debentures and \$75,000 from the sale of our common stock. We do not presently have any external sources of working capital.

We do not have revenues to fund our operating expenses. We presently do not have any available credit, bank financing or other external sources of liquidity. We will need to obtain additional capital in order to expand operations and become profitable. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding. Additional capital is being sought, but we cannot guarantee that we will be able to obtain such investments. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. However, the trading price of our common stock and a downturn in the U.S. equity and debt markets could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail our operations.

Operating Activities

Net cash flows used in operating activities for the year ended December 31, 2010 amounted to \$806,061 and was primarily attributable to our net losses of \$11,579,406, offset by amortization of debt discount and debt issuance costs of \$398,023, stock based expenses of \$3,662,500, derivative liability expense of \$3,260,076, change in fair value of derivative liabilities of \$2,490,252, contributed services of \$10,000, depreciation of \$5,358, impairment loss of \$173,257, discontinued operating activities such as impairment loss of \$1,043,038, loss on abandonment of assets of \$39,927, total changes in assets and liabilities from continued and discontinued activities of \$95,506, and add back of gain on disposal of discontinued operations of \$424,131. Net cash flows used in operating activities for the year ended December 31, 2009 amounted to \$381,318 and was primarily attributable to our net losses of \$2,248,665 offset by stock based expenses of \$851,316, discontinued operating activities such as amortization of \$158,655, impairment loss of \$770,062, and total changes in discontinued assets and liabilities of \$382,618.

Investing Activities

Net cash flows used in investing activities was \$312,819 for the year ended December 31, 2010. We paid leasehold improvement of \$13,325, purchase of equipment of \$23,451, cash used in acquisition (net of cash acquired) of \$104,943 and invested \$171,100 on a 6% demand promissory note receivable. Net cash flows used in investing activities was \$19,436 for the year ended December 31, 2009. We paid \$789 for purchase of equipment and received gross proceeds of \$20,225 from disposal of property and equipment.

Financing Activities

Net cash flows provided by financing activities was \$1,212,933 for the year ended December 31, 2010. We received net proceeds from convertible debentures of \$950,000 offset by debt issuance cost of \$12,500, proceeds from related party advances of \$200,433 and the sale of our common stock of \$75,000. Net cash flows provided by financing activities was \$361,512 for the year ended December 31, 2009. We received net proceeds from sale of our stock of \$286,512 and proceeds from convertible debentures of \$75,000.

Debenture Financing

Between December 2009 and June 2010, we entered into various securities purchase agreements with accredited investors pursuant to which we agreed to issue an aggregate of \$1,025,000 of our 6% convertible debentures for an aggregate purchase price of \$1,025,000. The debentures bear interest at 6% per annum and mature 24 months from the date of issuance. The debentures are convertible at the option of the holder at any time into shares of common stock, at a conversion price equal to the lesser of (i) \$0.025 per share or (ii) until the 18 month anniversary of the debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of our equity and/or convertible debt securities paid by investors after the date of the debenture. In connection with the agreements, the investors received an aggregate of 41,000,000 warrants to purchase shares of our common stock. The warrants are exercisable for a period of five years from the date of issuance at an exercise price of \$0.025, subject to adjustment in certain circumstances. The investor may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the initial exercise price. At December 31, 2010, we owed \$950,000 under these convertible debentures.

Contractual Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, changing interest rates, and other factors may result in actual payments differing from the estimates. We cannot provide certainty regarding the timing and amounts of payments. We have presented below a summary of the most significant assumptions used in our determination of amounts presented in the tables, in order to assist in the review of this information within the context of our consolidated financial position, results of operations, and cash flows.

The following tables summarize our contractual obligations as of December 31, 2010, and the effect these obligations are expected to have on our liquidity and cash flows in future periods.

		Payments Due by Period				
		Total	Less than 1 year	1-3 Years	4-5 Years	5 Years +
Contractual Obligations:						
Long term loans		\$	—	950,000	—	—
Total	Contractual	\$	—	950,000	—	—
Obligations:						

Off-balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data.

See pages F-1 through F-22.

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

None.

Item 9A. Controls and Procedures.

Management's Conclusions Regarding Effectiveness of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of December 31, 2010, the end of the year covered by this report, our management concluded its evaluation of the effectiveness of the design and operation of our disclosure controls and procedures.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Our management does not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the fiscal year ending December 31, 2010, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934. Based upon our evaluation regarding the fiscal year ending December 31, 2010, our management, including Mr. Kesner, our principal executive officer and principal financial officer, has concluded that its disclosure controls and procedures were not effective due to our limited internal audit functions.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act. Our management is also required to assess and report on the effectiveness of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. During our assessment of the effectiveness of internal control over financial reporting as of December 31, 2010, management identified significant deficiency related to (i) our internal audit functions and (ii) a lack of segregation of duties within accounting functions. Therefore, our internal controls over financial reporting were not effective as of December 31, 2010.

Management has determined that our internal audit function is significantly deficient due to insufficient qualified resources to perform internal audit functions.

Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals.

We believe that the foregoing steps will remediate the significant deficiency identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate. Due to the nature of this significant deficiency in our internal control over financial reporting, there is more than a remote likelihood that misstatements which could be material to our annual or interim financial statements could occur that would not be prevented or detected.

A material weakness (within the meaning of PCAOB Auditing Standard No. 5) is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the three months ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

None.

PART III.

Item 10. Directors and Executive Officers and Corporate Governance.

The following table sets forth the names and positions of our directors and executive officers:

Name	Age	Position
Glenn Kesner	50	Chief Executive Officer, Chairman and President

Glenn Kesner, Chairman, President and Chief Executive Officer. Mr. Kesner has served as our Chairman and President since December 31, 2010. He was appointed to our board of directors on February 4, 2010 and has been our Chief Executive Officer since November 15, 2010. Mr. Kesner founded Auracana, LLC, in May 2001 and has served as its president since its inception. Mr. Kesner's responsibilities at Auracana, LLC include media, consumer, corporate, web and digital branding, marketing and content development/production. In 2010, Mr. Kesner served as the president, chief executive officer and sole director of FTOH Corp., where he played a leadership role in the company's management. Mr. Kesner has significant experience in branding, digital marketing, advertising and video content development and production. His wide-ranging expertise has earned him over one hundred national and international awards in the fields of media and entertainment including Emmys and Promax/BDA honors. Mr. Kesner was selected as our Chairman, President and Chief Executive Officer due to his business acumen and business experience.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. A copy of each report is furnished to us.

SEC rules require us to identify anyone who failed to file a required report, or filed a required report late, during the most recent fiscal year. Based solely on a review of copies of such reports, we believe that during the year ended December 31, 2010, all Section 16(a) filing requirements were complied with on a timely basis except that Glenn Kesner and Daniel Wood failed to timely file Form 3s, Glenn Kesner failed to timely file a Form 4 and Gregory Cohen failed to timely file two Form 4s.

Code of Ethics

We intend to adopt a code of ethics that applies to our officers, directors and employees, including our chief executive officer and chief financial officer, but have not done so to date due to our relatively small size.

Audit Committee

We intend to establish an audit committee of the board of directors once we have satisfied the other initial listing standards for listing our common stock on the Nasdaq Stock Market or another national exchange. The audit committee will consist of independent directors, of which at least one director will qualify as a qualified financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. The audit committee's duties will be to recommend to our board of directors the engagement of independent auditors to audit our financial statements and to review our accounting and auditing principles. The audit committee will review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee will at all times be composed exclusively of directors who are, in the opinion of our board of directors, free from any relationship that would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles.

Item 11. Executive Compensation.

The following table summarizes the overall compensation earned over each of the past two fiscal years ending December 31, 2010 by each person who served as our principal executive officer during fiscal 2010.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$ (1))	All Other Compensation (\$ (1))	Total (\$)
Benjamin Croxton (2) (Former Chief Executive Officer, Chief Financial Officer and Director)	2010 2009	\$132,000	—	\$55,000 (3)	\$187,000
Gregory Cohen (4) (Former Chief Executive Officer, Chairman and Director)	2010	\$80,000(5)	\$ 287,500(6)	\$ 14,920(7)	\$382,420
Glenn Kesner (8) (Current Chief Executive Officer and Chairman)	2010	\$ 14,000(9)	—	—	\$ 14,000
Eric Simon (10) (Former Chief Executive Officer)	2010	\$ 31,726	— (11)	—	\$ 31,726

(1) Reflects the grant date fair values of stock awards calculated in accordance with FASB Accounting Standards Codification Topic 718. All stock awards have been adjusted for our 1:150 reverse stock split effective August 25, 2009, our 2:1 forward exchange effective April 21, 2010 and our 2:1 stock dividend issued to certain stockholders on December 31, 2010.

(2) Mr. Croxton resigned from all of his positions with us effective February 4, 2010.

(3) Includes 2,200,000 shares of our common stock issued in connection with the termination of Mr. Croxton's employment agreement.

(4) Mr. Cohen joined us as our Chief Executive Officer, director and Chairman on February 4, 2010 and resigned as our Chief Executive Officer on June 21, 2010 but remained as our Chairman and director until December 31, 2010.

(5) Includes payments of \$80,000 per month made to Colonial Ventures, LLC, an entity controlled by Mr. Cohen, in connection with a consulting agreement between us and Colonial Ventures, LLC.

(6) Includes 5,000,000 shares of common stock issued on February 4, 2010, in connection with the consulting agreement with Colonial Ventures, LLC. We had issued Colonial Ventures LLC and Mr. Cohen's wife an aggregate of 10,000,000 shares of common stock in connection with the agreement and 5,000,000 of these shares were canceled effective December 13, 2010.

(7) Includes \$14,920 for reimbursements for certain health insurance expenses.

(8) Mr. Kesner has served as our Chief Executive Officer since November 15, 2010 and as a director since February 4, 2010. He has been our Chairman since December 31, 2010.

(9) Mr. Kesner received a total of \$9,500 in connection with his service on our board of directors and a total of \$4,500 in connection with his services as our Chief Executive Officer.

(10) Mr. Simon joined us as our Chief Executive Officer on June 21, 2010 and resigned effective November 15, 2010.

(11) Mr. Simon was originally issued 10,000,000 shares on June 21, 2010 in connection with his employment agreement and the 10,000,000 shares were canceled on December 7, 2010.

Employment Agreements

On January 31, 2006, we entered into an employment agreement with Mr. Croxton. The agreement provided for an annual salary of \$156,000, the transfer of 1,200,000 shares of our common stock and severance benefits equal to 52 weeks of base salary. On February 4, 2010, we and Mr. Croxton entered into a release agreement pursuant to which, in consideration for the termination of his employment agreement, we issued Mr. Croxton 2,200,000 shares of our common stock, valued at their fair market value in the amount of \$55,000. Furthermore, we agreed to transfer to Mr. Croxton our former subsidiaries Pure Air Technologies, Inc., Hydrogen Safe Technologies, Inc., World Energy Solutions Limited and Advanced Alternative Energy, Inc. and granted to Mr. Croxton a five-year option for the purchase of H-Hybrid Technologies, Inc.

On February 4, 2010, we entered into a Consulting Agreement with Colonial, a company controlled by Mr. Cohen. The agreement provided that Colonial was to perform consulting and advisory services for us including but not limited to acquisitions, business development, management and sales services, and related services pertaining to our business, and that Mr. Cohen was to serve as our Chairman and Chief Executive Officer and perform the consulting and advisory services for us on behalf of Colonial. Under the agreement, we agreed to pay Colonial \$10,000 per month as well as a discretionary bonus. We issued Colonial 10,000,000 shares of common stock. 5,000,000 shares of the 10,000,000 shares vested immediately upon issue and the remaining 5,000,000 shares were to vest on the one year anniversary of the agreement, so long as we continued to engage Colonial and so long as Mr. Cohen remained on our board of directors. The agreement was terminable at any time, without cause or for good reason, including upon a change of control. The agreement had an initial term of two years and was to subsequently automatically renew each year, subject to each party giving the other 60 days notice of non-renewal. In the event of termination without cause or for good reason, Colonial was entitled to receive the base salary for the remainder of the term, any unpaid bonus earned through the date of termination and any compensation previously deferred by Colonial. During the term of the agreement and for a period of twelve months thereafter, Colonial and Mr. Cohen were subject to non-competition and non-solicitation provisions. The agreement was terminated effective December 31, 2010 and the 5,000,000 unvested shares issued pursuant to the agreement were cancelled effective December 13, 2010.

Outstanding Equity Awards at Fiscal Year-End

There were no outstanding equity awards held by our named executive officers as of December 31, 2010.

Director Compensation

The compensation paid to Mr. Cohen and Mr. Kesner for their services as directors for the year ending December 31, 2010 is fully set forth above. Mr. Wood did not receive any compensation for his services as our director for the year ending December 31, 2010.

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

The following table sets forth information with respect to the beneficial ownership of our common stock and Series A Preferred Stock as of March 25, 2011 by:

- each person known by us to beneficially own more than 5.0% of our common stock or Series A Preferred Stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The percentages of common stock or Series A Preferred Stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of the security, or investment power, which includes the power to dispose of or to direct the disposition of the security. Except as indicated in the footnotes to this table, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned and each person's address is c/o EClips Media Technologies, Inc., 101 Middlesex Turnpike, Suite 6, Burlington, Massachusetts 01803. As of March 25, 2011, we had 185,833,555 shares of common stock and 3,000,000 shares of Series A Preferred Stock, respectively, issued and outstanding.

Name and Address of Beneficial Owner	Common Stock (1)		Series A Preferred Stock (2)	
	Shares Beneficially Owned	Percent of Class	Shares Beneficially Owned	Percent of Class
<i>5% Owners</i>				
Auracana, LLC (3)	219,863	*	3,000,000	100%
Michael Baybak (4)	13,541,667	7.29%	--	--
Benjamin Brauser (5)	15,500,000	8.34%	--	--
Michael Brauser (6)	19,061,234 (7)	9.99% (7)	--	--
Brooke Capital Investments, LLC (8)	14,500,000	7.8%	--	--
Frost Gamma Investments Trust (9)	16,000,000	8.61%	--	--
Barry Honig (10)	18,938,696 (11)	9.99% (11)	--	--
Sandor Master Capital Fund L.P. (12)	15,000,000	8.07%	--	--
<i>Officers and Directors</i>				
Glenn Kesner	219,863 (13)	*	3,000,000	100%
Officers and Directors as a Group (1 person)	219,863 (13)	*	3,000,000	100%

- (1) Shares of common stock beneficially owned and the respective percentages of beneficial ownership of common stock assumes the exercise of all debentures, warrants and other securities convertible into common stock beneficially owned by such person or entity currently exercisable or exercisable within 60 days of March 25, 2011. In computing the number of shares beneficially owned and the percentage ownership, shares of common stock that may be acquired within 60 days of March 25, 2011 pursuant to the conversion of debentures or the exercise of warrants are deemed to be outstanding for that person. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.
- (2) Each share of the Series A Preferred Stock is entitled to 500 votes per share voting as a class with common stock.
- (3) Mr. Kesner is the president and a control person of Auracana, LLC and, as such, has sole voting and dispositive power over the securities held by Auracana, LLC.
- (4) The principal address and office of Mr. Baybak is 2110 Drew Street, Suite 200, Clearwater, Florida 33765.
- (5) The principal address and office of Mr. Benjamin Brauser is 4400 Biscayne Boulevard, Suite 850, Miami, Florida 33137.
- (6) The principal address and office of Mr. Michael Brauser is 4400 Biscayne Boulevard, Suite 850, Miami, Florida 33137.
- (7) Represents 14,091,640 shares of common stock and 4,969,595 shares of common stock underlying convertible debentures and warrants to purchase common stock, which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock. Does not include (i) 8,000,000 shares of common stock underlying convertible debentures and warrants to purchase common stock, which contain blocker provisions providing that they can only be converted or exercised up to the point where the holder would beneficially own a maximum of 4.99% of our outstanding common stock and (ii) 18,530,406 shares of common stock underlying convertible debentures and warrants to purchase common stock, which contain blocker provisions providing that they can only be converted or exercised up to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock. All of the convertible debentures and warrants issued to Mr. Brauser are convertible and exercisable at any time and have a conversion price and exercise price of \$0.025.
- (8) The principal address and office of Brooke Capital Investments, LLC is P.O. Box 416, Penns Park, Pennsylvania, 18943. David Zazoff is the manager and control person of Brooke Capital Investments, LLC and, as such, has sole voting and dispositive power over the securities held by Brooke Capital Investments, LLC.
- (9) Dr. Philip Frost is the trustee and a control person of Frost Gamma Investments Trust and, as such, has sole voting and dispositive power over the securities held by Frost Gamma Investments Trust.
- (10) The principal address and office of Mr. Honig is 595 South Federal Highway, Suite 600, Boca Raton, Florida 33432.
- (11) Represents (i) 5,709,002 shares of common stock held by Mr. Honig, (ii) 6,361,500 shares of common stock held by GRQ Consultants, Inc. 401(k), (iii) 1,451,040 shares of common stock held by GRQ Consultants Defined Pension Benefit Plan and (iv) 5,417,154 shares of common stock underlying convertible debentures and warrants to purchase common stock held by GRQ Consultants, Inc. 401(k), which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock. Does not include (i) 8,000,000 shares of common stock underlying convertible debentures and warrants to purchase common stock held by Mr. Honig, which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 4.99% of our outstanding common stock, (ii) 6,900,000 shares common stock underlying convertible debentures and warrants to purchase common stock held by Mr. Honig, which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock, (iii) 600,000 shares common stock underlying convertible debentures and warrants to purchase common stock held by GRQ Consultants, Inc., which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock and (iii) 8,582,846 shares of common stock underlying convertible debentures and warrants to purchase common stock held by GRQ Consultants, Inc. 401(k), which contain blocker provisions providing that they can only be converted or exercised to the point where the holder would beneficially own a maximum of 9.99% of our outstanding common stock. Mr. Honig is the trustee and control person of GRQ Consultants Defined Benefit Pension Plan, the trustee and control person of GRQ Consultants, Inc. 401(k) and the president of GRQ Consultants, Inc. and, as such, has sole voting and dispositive power over the securities held by GRQ Consultants Defined Benefit Pension Plan, GRQ Consultants, Inc. 401(k) and GRQ Consultants, Inc.
- (12) The principal address and office of Sandor Master Capital Fund L.P. is 2828 Routh Street, Suite 500, Dallas, Texas 75201. John Lemak is the manager and a control person of Sandor Master Capital Fund L.P., and, as such, has sole voting and dispositive power over the 15,000,000 shares of common stock held by Sandor Master Capital Fund L.P.
- (13) Includes 219,863 shares of restricted stock issued to Auracana, LLC.

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

On February 4, 2010, we entered into a Consulting Agreement with Colonial, a company controlled by Mr. Cohen. The agreement provided that Colonial was to perform consulting and advisory services for us including but not limited to acquisitions, business development, management and sales services, and related services pertaining to our business, and that Mr. Cohen was to serve as our Chairman and Chief Executive Officer and perform the consulting and advisory services for us on behalf of Colonial. Under the agreement, we agreed to pay Colonial \$10,000 per month as well as a discretionary bonus. We issued Colonial 10,000,000 shares of common stock. 5,000,000 shares of the 10,000,000 shares vested immediately upon issue and the remaining 5,000,000 shares were to vest on the one year anniversary of the agreement, so long as we continued to engage Colonial and so long as Mr. Cohen remained on our board of directors. The agreement was terminable at any time, without cause or for good reason, including upon a change of control. The agreement had a term of two years. During the term of the agreement and for a period of twelve months thereafter, Colonial and Mr. Cohen were subject to non-competition and non-solicitation provisions. The 5,000,000 unvested shares issued pursuant to the agreement were cancelled on December 13, 2010 and the agreement was terminated effective December 31, 2010.

From March 2010 through June 2010, we paid leasehold improvements and rent of \$14,025 and \$12,486, respectively, in connection with the office space that we shared with a company controlled by Mr. Cohen.

Item 14. Principal Accounting Fees and Services

We paid Randall N. Drake, C.P.A., P.A., our independent registered public accounting firm for fiscal years 2010 and 2009, the following amounts:

	2010	2009
Audit Fees (1)	\$ 30,750	\$ 27,500
Audit Related Fees (2)	0	0
Tax Fees	0	0
All Other Fees	0	0
Total Fees	\$ 30,750	\$ 27,500

- (1) Audit fees consisted primarily of fees for the audit of our annual financial statements and reviews of the financial statements included in our quarterly reports and current reports.
- (2) Audit related fees consisted primarily of fees for assurance and related services reasonably related to the audit and review services described under footnote 1 above.

PART IV**Item 15. Exhibits, Financial Statement Schedules.**

(a) Documents filed as part of this report.

- (1) Financial Statements. See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item.
- (2) Financial Statements Schedules. None.
- (3) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated March 2, 2010 (Incorporated by reference to Exhibit 2.1 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
2.2	Articles of Merger filed with the Florida Department of State on April 21, 2010*
2.3	Articles of Merger filed with the Delaware Department of State on April 21, 2010*
3.1	Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
3.2	Bylaws (Incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
3.3	Series A Preferred Stock Certificate of Designation (Incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
4.1	Form of Convertible Debenture issued December 17, 2009 (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2010)
4.2	Form of Convertible Debenture issued February 4, 2010 (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2010)
4.3	Form of Common Stock Purchase Warrant issued February 4, 2010 (Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2010)
4.4	Form of Convertible Debenture issued April 21, 2010 (Incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
4.5	Form of Common Stock Purchase Warrant issued April 21, 2010 (Incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17, 2010)
4.6	Form of Convertible Debenture issued May 22, 2010 through June 11, 2010 (Incorporated by reference to Exhibit 10.9 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
4.7	Form of Common Stock Purchase Warrant issued May 22, 2010 through June 11 (Incorporated by reference to Exhibit 10.10 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
10.1	Lease Agreement dated August 11, 2009*
10.2	Stock Purchase Agreement dated December 22, 2009 (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2010)
10.3	Option Agreement dated December 22, 2009 (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2010)

- 10.4 Release dated December 22, 2009 (Incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2010)+
- 10.5 Securities Purchase Agreement dated December 17, 2009 (Incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 3, 2010)
- 10.6 Form of Securities Purchase Agreement dated February 4, 2010 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2010)
- 10.7 Consulting Agreement dated February 4, 2010 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2010)+
- 10.8 Demand Promissory Note dated February 5, 2010 (Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.9 Security Agreement dated February 5, 2010 (Incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.10 Peaceful Procession Letter Agreement dated February 6, 2010 (Incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.11 Assignment Agreement dated June 9, 2010 (Incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.12 Consulting Agreement dated June 24, 2010 (Incorporated by reference to Exhibit 10.8 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.13 Asset Purchase Agreement dated June 21, 2010 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.14 Employment Agreement dated June 21, 2010 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010) +
- 10.15 Lock-Up Agreement dated June 21, 2010 (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24, 2010)
- 10.16 Spinoff Agreement dated December 7, 2010*
- 10.17 Amendment to Consulting Agreement dated December 13, 2010*+
- 10.18 Termination Letter dated March 11, 2011*+
- 10.19 Settlement and Release Agreement dated March 14, 2011*
- 21.1 List of Subsidiaries*
- 31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
- 31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
- 32.1 Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

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

ECLIPS MEDIA TECHNOLOGIES, INC.

Dated: March 30, 2011

By: /s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer and Director (Principal
Executive Officer, Principal Financial Officer and
Principal Accounting Officer)

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

Dated: March 30, 2011

By: /s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer and Director (Principal
Executive Officer, Principal Financial Officer and
Principal Accounting Officer)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS OF ECLIPS MEDIA TECHNOLOGIES, INC.

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Consolidated Statements of Operations - For the years ended December 31, 2010 and 2009	F-4
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of EClips Media Technologies, Inc.:

We have audited the accompanying consolidated balance sheets of EClips Media Technologies, Inc. and Subsidiaries as of December 31, 2010 and 2009 and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EClips Media Technologies, Inc. and Subsidiaries as of December 31, 2010 and 2009 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has had recurring losses and negative cash flows from operations. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Randall N. Drake, CPA, PA

Randall N. Drake, CPA, PA
Clearwater, Florida

March 29, 2011

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2010 December 31, 2009

ASSETS			
CURRENT ASSETS:			
Cash	\$	94,053	\$ -
Prepaid expenses		85,542	-
Debt issuance cost - current portion		6,249	-
		<u>185,844</u>	<u>-</u>
Total Current Assets		185,844	-
OTHER ASSETS:			
Debt issuance cost - long term portion		520	-
		<u>520</u>	<u>-</u>
Total Assets	\$	<u>186,364</u>	\$ <u>-</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	\$	215,195	\$ 62,789
Derivative liabilities		6,708,815	67,147
Liabilities of discontinued operations		155,641	104,897
		<u>7,079,651</u>	<u>234,833</u>
Total Current Liabilities		7,079,651	234,833
LONG-TERM LIABILITIES:			
Convertible debentures, net of debt discount		317,292	7,620
		<u>317,292</u>	<u>7,620</u>
Total Liabilities		7,396,943	242,453
STOCKHOLDERS' DEFICIT			
Preferred stock, \$.0001 par value; 10,000,000 authorized			
Series A, 3,000,000 issued and outstanding		300	300
Series B, none issued and outstanding		-	-
Series C, none issued and outstanding		-	-
Series D, none issued and outstanding		-	-
Common stock; \$.0001 par value; 750,000,000 shares authorized; 170,613,692 and 129,725,338 shares issued and outstanding, respectively		17,061	12,972
Additional paid-in capital		28,831,876	24,224,685
Accumulated deficit		<u>(36,059,816)</u>	<u>(24,480,410)</u>
Total Stockholders' Deficit		<u>(7,210,579)</u>	<u>(242,453)</u>
Total Liabilities and Stockholders' Deficit	\$	<u>186,364</u>	\$ <u>-</u>

See accompanying notes to consolidated financial statements.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

For the Year Ended
December 31,

	<u>2010</u>	<u>2009</u>
Net revenues	\$ -	\$ -
Operating expenses:		
Payroll expense and stock based compensation	1,069,500	117,249
Professional and consulting	2,885,571	114,938
General and administrative expenses	333,614	47,509
Total operating expenses	<u>4,288,685</u>	<u>279,696</u>
Operating loss from continuing operations	<u>(4,288,685)</u>	<u>(279,696)</u>
Other income (expense)		
Gain (loss) on disposal of property and equipment	-	(59,429)
Interest income (expense), net	(439,788)	(2,110)
Derivative liability expense	(3,260,076)	-
Change in fair value of derivative liabilities	<u>(2,490,252)</u>	<u>233</u>
Total other income (expense)	<u>(6,190,116)</u>	<u>(61,306)</u>
Loss from continuing operations before provision for income taxes	(10,478,801)	(341,002)
Provision for income taxes	-	-
Loss from continuing operations	<u>(10,478,801)</u>	<u>(341,002)</u>
Discontinued operations:		
Loss from discontinued operations, net of tax	<u>(1,100,605)</u>	<u>(1,907,663)</u>
Net loss	<u>\$ (11,579,406)</u>	<u>\$ (2,248,665)</u>
Loss per common share, basic and diluted:		
Loss from continuing operations	\$ (0.06)	\$ (0.01)
Loss from discontinued operations	\$ (0.01)	\$ (0.05)
	<u>\$ (0.06)</u>	<u>\$ (0.06)</u>
Weighted average common shares outstanding	<u>179,382,182</u>	<u>38,908,770</u>

See accompanying notes to consolidated financial statements.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2010 and 2009

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Stockholders' Deficit
Balance, December 31, 2008	400,000	\$ 40	1,291,668	\$ 129	\$ 23,041,703	\$ (22,231,745)	\$ 810,127
Preferred stock converted:							
Advanced Alternative Energy	(200,000)	(20)	734,908	73	(53)	-	-
H-Hybrid Technologies	(200,000)	(20)	318,472	32	(12)	-	-
Issuance of stock for cash	-	-	200,200	20	286,492	-	286,512
Issuance of stock for services	-	-	24,980,090	2,498	723,318	-	725,816
Issuance of stock in settlement of debt	3,000,000	300	100,000,000	10,000	118,457	-	128,757
Issuance of stock in settlement of employment agreement	-	-	2,200,000	220	54,780	-	55,000
Net Loss	-	-	-	-	-	(2,248,665)	(2,248,665)
Balance, December 31, 2009	3,000,000	300	129,725,338	12,972	24,224,685	(24,480,410)	(242,453)
Issuance of stock for services	-	-	44,388,354	4,439	3,180,561	-	3,185,000
Issuance of stock in connection with an employment agreement	-	-	10,000,000	1,000	399,000	-	400,000
Issuance of stock in connection with an asset purchase agreement	-	-	20,000,000	2,000	798,000	-	800,000
Issuance of stock for cash	-	-	1,500,000	150	74,850	-	75,000
Contributed officer services	-	-	-	-	10,000	-	10,000
Contributed capital	-	-	-	-	75,000	-	75,000
Reclassification of derivative liability upon extinguishment of a debenture	-	-	-	-	66,280	-	66,280
Cancellation of stock in connection with the spin off agreement	-	-	(30,000,000)	(3,000)	3,000	-	-
Cancellation of common stock issued for services rendered	-	-	(5,000,000)	(500)	500	-	-
Net Loss	-	-	-	-	-	(11,579,406)	(11,579,406)
Balance, December 31, 2010	3,000,000	\$ 300	170,613,692	\$ 17,061	\$ 28,831,876	\$ (36,059,816)	\$ (7,210,579)

See accompanying notes to consolidated financial statements.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended
December 31,

2010 2009

Cash flows from operating activities:		
Loss from continuing operations	\$ (10,478,801)	\$ (341,002)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities:		
Depreciation	5,358	-
Amortization of prepaid expenses	19,158	-
Amortization of debt issuance costs	5,731	-
Amortization of debt discount	392,292	-
Impairment loss	173,257	-
Loss on abandonment of assets	39,927	-
Change in fair value of derivative liabilities	2,490,252	(233)
Derivative liability expense	3,260,076	-
Stock based consulting	2,687,500	-
Stock based compensation expense	975,000	-
Contributed services	10,000	-
(Increase) Decrease in:		
Interest receivable	(2,157)	-
Prepaid expense	(182,200)	-
Deposits	(8,509)	-
Increase (Decrease) in:		
Accounts payable and accrued expenses	15,504	-
Net cash used in continuing operations	<u>(597,612)</u>	<u>(341,235)</u>
Loss from discontinued operations	(1,100,605)	(1,907,663)
Adjustments to reconcile loss from discontinued operations to net cash used in discontinued operating activities:		
Amortization	381	158,655
Impairment loss	1,043,038	770,062
Loss on disposal of property and equipment	-	59,429
Forgiveness of debt	-	(354,500)
Stock based consulting	-	851,316
Gain on disposal of discontinued operations	(424,131)	-
(Increase) decrease in discontinued assets	-	(322,359)
Increase (decrease) in discontinued liabilities	272,868	704,977
Net cash used in discontinued operations	<u>(208,449)</u>	<u>(40,083)</u>
Net cash used in operating activities	<u>(806,061)</u>	<u>(381,318)</u>
Cash flows from investing activities:		
Cash acquired in acquisition	5,057	-
Cash used in acquisition	(110,000)	-
Payment of leasehold improvement	(13,325)	-
Proceeds from disposal of property and equipment	-	20,225
Purchase of equipment	(23,451)	(789)
Investment in note receivable	(171,100)	-
Net cash (used in) provided by investing activities	<u>(312,819)</u>	<u>19,436</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	75,000	286,512
Net proceeds from debentures	937,500	-
Proceeds from loan payable	-	75,000
Proceeds from related party advances	200,433	-
Net cash provided by financing activities	<u>1,212,933</u>	<u>361,512</u>
Net increase (decrease) in cash	94,053	(370)
Cash, beginning of year	-	370
Cash, end of year	<u>\$ 94,053</u>	<u>\$ -</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:		
Interest	\$ -	\$ 1,937
Income Taxes	\$ -	\$ -

Supplemental disclosure of non-cash investing and financing activities:

Issuance of common stock in connection with acquisition of business	\$ 800,000	\$ -
Conversion of debt to equity (preferred stock)	\$ -	\$ 58,257
Contributed capital in connection with an extinguishment of a convertible debenture	\$ 75,000	\$ -

See accompanying notes to consolidated financial statements.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

The Company was incorporated under the name "Swifty Carwash & Quick-Lube, Inc." in the state of Florida on September 25, 1997. On October 22, 1999, the Company changed its name from "Swifty Carwash & Quick-Lube, Inc." to "SwiftyNet.com, Inc." On January 29, 2001, the Company changed its name from "SwiftyNet.com, Inc." to "Yseek, Inc." On June 10, 2003, the Company changed its name from "Yseek, Inc." to "Advanced 3-D Ultrasound Services, Inc."

The Company merged with a private Florida corporation known as World Energy Solutions, Inc. effective August 17, 2005. Advanced 3D Ultrasound Services, Inc. ("A3D") remained as the surviving entity as the legal acquirer, and the Company was the accounting acquirer. On November 7, 2005, the Company changed its name to World Energy Solutions, Inc. ("WESI"). On November 7, 2005, WESI merged with Professional Technical Systems, Inc. ("PTS"). WESI remained as the surviving entity as the legal acquirer, while PTS was the accounting acquirer. On February 26, 2009, the Company changed its name to EClips Energy Technologies, Inc.

On December 22, 2009, in a private equity transaction ("Purchase Agreement"), the majority shareholder (the "Seller") and former Chief Executive of the Company entered into agreement, whereby certain purchasers collectively purchased from the Seller an aggregate of (i) 50,000,000 shares of Common Stock of the Company and (ii) 1,500,000 shares of series D preferred stock, \$0.001 par value (the "Preferred Stock"), comprising approximately 82 % of the issued and outstanding shares of capital stock of the Company, for the aggregate purchase price, including expenses, of \$100,000.

In connection with the Purchase Agreement, the Company and Seller entered into a release pursuant to which in consideration for the termination of Seller's employment agreement, dated January 31, 2006, the Company issued to Seller 2,200,000 shares of the Company's common stock. Furthermore, the Company agreed to transfer to Seller or Seller's designee, the Company's subsidiaries Pure Air Technologies, Inc., Hydrogen Safe Technologies, Inc., World Energy Solutions Limited and Advanced Alternative Energy, Inc. and granted to Seller a five-year option for the purchase of H-Hybrid Technologies, Inc.

On March 16, 2010, the Company filed a definitive information statement on Schedule 14C (the "Definitive Schedule 14C") with the Securities and Exchange Commission (the "SEC") notifying its stockholders that on March 2, 2010, a majority of the voting capital stock of the Company took action in lieu of a special meeting of stockholders authorizing the Company to enter into an Agreement and Plan of Merger (the "Merger Agreement") with its newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc., a Delaware corporation ("EClips Media") for the purpose of changing the state of incorporation of the Company to Delaware from Florida. Pursuant to the Merger Agreement, the Company merged with and into EClips Media with EClips Media continuing as the surviving corporation on April 21, 2010. On the effective date of the Merger, (i) each issued and outstanding share of common stock of the Company was converted into two (2) shares of EClips Media common stock, (ii) each issued and outstanding share of Series D preferred stock of the Company was converted into two (2) shares of EClips Media Series A preferred stock and (iii) the outstanding shares of EClips Media Common Stock held by the Company were retired and cancelled and resuming the status of authorized and unissued EClips Media common stock. The outstanding 6% convertible debentures of the Company were assumed by EClips Media and converted into outstanding 6% convertible debentures of EClips Media. All options and rights to acquire the Company's common stock, and all outstanding warrants or rights outstanding to purchase the Company's common stock, were automatically converted into equivalent options, warrants and rights to purchase two (2) times the number of shares of EClips Media common stock at fifty (50%) percent of the exercise, conversion or strike price of such converted options, warrants and rights. Trading of the Company's securities on a 2:1 basis commenced May 17, 2010 upon approval of the FINRA. All shares and per share values are retroactively stated at the effective date of merger.

On June 21, 2010, the Company, through its wholly-owned subsidiary SD Acquisition Corp., a New York corporation ("SD"), acquired (the "Acquisition") all of the business and assets and assumed certain liabilities of Brand Interaction Group, LLC, a New Jersey limited liability company ("BIG") which is described below. In September 2010, the Company decided to discontinue the operations of SD because of the disappointing performance and negative results of its most recent fantasy league event in August 2010. In December 2010, the Company entered into a spin off agreement (the "Spinoff") with BIG and Mr. Eric Simon, the Company's former CEO, pursuant to which the Company returned the Superdraft business to Mr. Simon by exchanging 100% of the issued and outstanding capital stock of SD which owned and operated the Superdraft business, for the cancellation of 30,000,000 shares of the Company owned by Mr. Simon and BIG, the cancellation of the Asset Purchase Agreement and Employment Agreement entered into between the Company, Mr. Simon and BIG in June 2010.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the Agreement BIG is obligated to make payments for a total of \$95,000 directly to certain holders of the Company's outstanding convertible debentures in order to retire, or reduce, on a dollar for dollar basis, amounts due and payable by the Company to such holders. In connection with the foregoing, BIG entered into a six month promissory note for \$95,000 with the Company's holders, payable in six equal monthly installments on the first day of each succeeding calendar month in the amount of \$15,833 with the first payment due in January 2011.

Acquisition of Business of Brand Interaction Group, LLC

On June 21, 2010, the Company entered into an Asset Purchase Agreement (the "Purchase Agreement") by and among the Company, SD and BIG. Pursuant to the Purchase Agreement, the Company, through its wholly-owned subsidiary SD acquired all of the business and assets and assumed certain liabilities of BIG owned by Eric Simon, the Company's former Chief Executive Officer. BIG owned Fantasy Football SUPERDRAFT™, and operates as a sports entertainment and media business focused on promotion of fantasy league events through live events hosted in various venues such as Las Vegas, and online, which feature sports and media personalities, and the sale and marketing of various sports oriented products and services.

As consideration for the Acquisition by SD, the Company agreed to issue BIG 20,000,000 shares of the Company's common stock valued at \$0.04 per share (applying FASB ASC 805 "Determination of the Measurement Date for the Market Price of Acquirer Securities Issued in a Purchase Business Combination"). The total purchase price was \$868,152 and included common stock valued at \$800,000 and incurred legal fees of \$68,152. Additionally, in May 2010, the Company issued a demand promissory note agreement and security agreement in the amount of \$110,000 with BIG and such promissory note is included in the liabilities assumed and has been recognized as intercompany transaction following the acquisition. Thus such intercompany transaction has been eliminated in consolidation. The purchase price was allocated as follows:

Assets Acquired	
Cash	\$ 5,057
Intangible	
Trademark	3,863
Goodwill	1,043,038
Total assets acquired	1,051,958
Liabilities Assumed	
	183,806
Net assets acquired	<u>\$ 868,152</u>

Since the Company decided to discontinue the operations of SD Acquisition Corp., the Company deemed the acquired goodwill to be impaired and wrote-off the goodwill during the year ended December 31, 2010. Accordingly, the Company recorded an impairment of goodwill of \$1,043,038 included in loss from discontinued operations in the accompanying statements of operations.

Discontinued Operations

The Company's operations were developing and manufacturing products and services, which reduce fuel costs, save power & energy and protect the environment. The products and services were made available for sale into markets in the public and private sectors. In December 2009, the Company discontinued these operations and disposed of certain of its subsidiaries, and prior periods have been restated in the Company's consolidated financial statements and related footnotes to conform to this presentation. Additionally, in September 2010, the Company decided to discontinue the operations of SD Acquisition Corp. because of the disappointing performance and negative results of its most recent fantasy league event in August 2010.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The remaining liabilities of discontinued operations are presented in the balance sheet under the caption "Liabilities of discontinued operation" and relates to the discontinued operations of developing and manufacturing of energy saving and fuel efficient products and services. The carrying amounts of the major classes of these liabilities as of December 31, 2010 are summarized as follows:

	December 31, 2010	December 31, 2009
Assets of discontinued operations	\$ -	\$ -
Liabilities		
Accounts payables and accrued expenses	\$ (155,641)	\$ (104,897)
Liabilities of discontinued operations	<u>\$ 155,641</u>	<u>\$ 104,897</u>

The following table sets forth for the years ended December 31, 2010 and 2009, indicated selected financial data of the Company's discontinued operations. During fiscal 2009, the Company discontinued its operations of developing and manufacturing products and services, which reduce fuel costs, save power & energy and protect the environment. Discontinued operations during fiscal 2010 primarily consisted of the operations of the Company's formerly owned subsidiary, SD Acquisition Corp.

	December 31, 2010	December 31, 2009
Revenues	\$ 178,645	\$ 313,660
Cost of sales	381,331	286,051
Gross (loss) profit	(202,686)	27,609
Operating and other non-operating expenses	(1,322,050)	(1,935,272)
Loss from discontinued operations	<u>\$ (1,524,736)</u>	<u>\$ (1,907,663)</u>

Spin off of SD Acquisition Corp.

In December 2010, the Company entered into a spin off agreement (the "Spinoff") with SD, BIG and Mr. Eric Simon, the Company's former CEO, pursuant to which the Company returned the Superdraft business to Mr. Simon by exchanging 100% of the issued and outstanding capital stock of SD which owned and operated the Superdraft business, for the cancellation of 30,000,000 shares of the Company owned by Mr. Simon and BIG, the cancellation of the Asset Purchase Agreement and Employment Agreement entered into between the Company, Mr. Simon and BIG in June 2010. Additionally, upon the execution of the Spinoff, the Company was released from any obligations and agreements incurred by Mr. Simon on behalf of SD. Such obligations and agreements were assumed by the Company's formerly owned subsidiary, SD. The Company recorded the cancellation of the 30,000,000 shares of common stock at par value in accordance with ASC 505 - 30 "Treasury stock".

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The spinoff of SD Acquisition Corp. is included in gain on disposal of discontinued operations and is calculated as follows:

Consideration received in connection with the spinoff:	
Cancellation of 30 million shares of the Company's common stock	\$ -
Total consideration received	-
Add: net liabilities of former subsidiary on December 7, 2010	
	424,131
Gain on disposal of discontinued operations, net of tax	\$ 424,131

Basis of presentation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). The consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

FASB Accounting Standards Codification

The issuance by the FASB of the Accounting Standards Codification™ (the "Codification") on July 1, 2009 (effective for interim or annual reporting periods ending after September 15, 2009), changes the way that GAAP is referenced. Beginning on that date, the Codification officially became the single source of authoritative nongovernmental GAAP; however, SEC registrants must also consider rules, regulations, and interpretive guidance issued by the SEC or its staff. The change affects the way the Company refers to GAAP in financial statements and in its accounting policies. All existing standards that were used to create the Codification became superseded. Instead, references to standards consist solely of the number used in the Codification's structural organization.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, debt discount, the useful life of property and equipment, purchase price fair value allocation for the business acquisition, valuation and amortization periods of intangible asset, and valuation and impairment of goodwill.

Reclassification

Certain amounts in the 2009 consolidated financial statements have been reclassified to conform to the 2010 presentation. Such reclassifications had no effect on the reported net loss.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company places its cash with a high credit quality financial institution.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents accounts are held at financial institutions and are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. During the year ended December 31, 2010, the Company has not reached bank balances exceeding the FDIC insurance limit. While the Company periodically evaluates the credit quality of the financial institutions in which it holds deposits, it cannot reasonably alleviate the risk associated with the sudden failure of such financial institutions. The Company's investment policy is to invest in low risk, highly liquid investments. The Company does not believe it is exposed to any significant credit risk in its cash investment.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

Effective January 1, 2008, the Company adopted FASB ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company analyzes all financial instruments with features of both liabilities and equity under the FASB's accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Depending on the product and the terms of the transaction, the fair value of notes payable and derivative liabilities were modeled using a series of techniques, including closed-form analytic formula, such as the Black-Scholes option-pricing model.

The following table presents a reconciliation of the derivative liability measured at fair value on a recurring basis using significant unobservable input (Level 3) from January 1, 2010 to December 31, 2010:

	Conversion feature derivative liability	Warrant liability
Balance at January 1, 2010	\$ 67,147	\$ —
Recognition of derivative liability	1,973,938	2,243,759
Extinguishment of derivative liability upon conversion of debt to equity	(66,280)	—
Change in fair value included in earnings	1,128,091	1,362,160
Balance at December 31, 2010	<u>\$ 3,102,896</u>	<u>\$ 3,605,919</u>

Total derivative liabilities at December 31, 2010 amounted to \$6,708,815.

Cash and cash equivalents include money market securities that are considered to be highly liquid and easily tradable as of December 31, 2010 and 2009. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

The carrying amounts reported in the balance sheet for cash, accounts payable and accrued expenses approximate their estimated fair market value based on the short-term maturity of these instruments. The carrying amount of the convertible debentures at December 31, 2010 and 2009, approximate their respective fair value based on the Company's incremental borrowing rate.

The Company did not identify any other non-recurring assets and liabilities that are required to be presented on the consolidated balance sheets at fair value in accordance with the relevant accounting standards.

Property and equipment

Property and equipment are carried at cost. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. The Company examines the possibility of decreases in the value of fixed assets when events or changes in circumstances reflect the fact that their recorded value may not be recoverable. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets

Long-Lived Assets of the Company are reviewed for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, "*Impairment or Disposal of Long-Lived Assets*". The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. In September 2010, the Company decided to discontinue the operations of SD Acquisition Corp. because of the disappointing performance and negative results of its most recent fantasy league event in August 2010. Accordingly, during the year ended December 31, 2010, the Company has determined that an adjustment to the carrying value of goodwill was required. The Company recorded an impairment of goodwill of \$1,043,038 included in loss from discontinued operations in the accompanying statement of operations. The Company recorded a loss on abandonment of assets of \$39,927 due to the abandonment of property and equipment of \$31,418 and rental security deposit of \$8,509 in connection to our previous office space located in New York.

Income Taxes

Income taxes are accounted for under the asset and liability method as prescribed by ASC Topic 740: Income Taxes ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance, when in the Company's opinion it is likely that some portion or the entire deferred tax asset will not be realized.

Pursuant to ASC Topic 740-10: Income Taxes related to the accounting for uncertainty in income taxes, the evaluation of a tax position is a two-step process. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigation based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. A tax position is measured at the largest amount of benefit that is greater than 50% likelihood of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent period in which the threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not criteria should be de-recognized in the first subsequent financial reporting period in which the threshold is no longer met. The accounting standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The adoption had no effect on the Company's consolidated financial statements.

Stock Based Compensation

In December 2004, the Financial Accounting Standards Board, or FASB, issued FASB ASC Topic 718: Compensation – Stock Compensation ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. Companies may elect to apply this statement either prospectively, or on a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods under ASC 718. Upon adoption of ASC 718, the Company elected to value employee stock options using the Black-Scholes option valuation method that uses assumptions that relate to the expected volatility of the Company's common stock, the expected dividend yield of our stock, the expected life of the options and the risk free interest rate. Such compensation amounts, if any, are amortized over the respective vesting periods or period of service of the option grant. For the years ended December 31, 2010 and 2009, the Company did not grant any stock options.

Subsequent Events

For purposes of determining whether a post-balance sheet event should be evaluated to determine whether it has an effect on the financial statements for the year ended December 31, 2010, subsequent events were evaluated by the Company as of the date on which the consolidated financial statements for the year ended December 31, 2010, were available to be issued.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Parties

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions shall be recorded at fair value of the goods or services exchanged. Property purchased from a related party is recorded at the cost to the related party and any payment to or on behalf of the related party in excess of the cost is reflected as a distribution to related party.

Advertising Expense

The Company follows the policy of charging advertising and promotions to expense as incurred. Advertising expense was \$1,676 and \$5,665 for the years ended December 31, 2010 and 2009, respectively. Such expense relates to the discontinued operations and is included in the loss from discontinued operations.

Net Loss per Common Share

Net loss per common share is calculated in accordance with ASC Topic 260: Earnings Per Share ("ASC 260"). Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net earnings per share does not include dilutive common stock equivalents in the weighted average shares outstanding as they would be anti-dilutive. At December 31, 2010, the Company has 41,000,000 outstanding warrants and 38,000,000 shares equivalent issuable pursuant to embedded conversion features. There were no dilutive common stock equivalents as of December 31, 2009.

Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-06, "Improving Disclosures about Fair Value Measurements" an amendment to ASC Topic 820, "Fair Value Measurements and Disclosures." This amendment requires an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers and (ii) present separate information for Level 3 activity pertaining to gross purchases, sales, issuances, and settlements. ASU No. 2010-06 is effective for the Company for interim and annual reporting beginning after December 15, 2009, with one new disclosure effective after December 15, 2010. The adoption of ASU No. 2010-06 did not have a material impact on the results of operations and financial condition.

In February 2010, the FASB issued an amendment to the accounting standards related to the accounting for, and disclosure of, subsequent events in an entity's consolidated financial statements. This standard amends the authoritative guidance for subsequent events that was previously issued and among other things exempts Securities and Exchange Commission registrants from the requirement to disclose the date through which it has evaluated subsequent events for either original or restated financial statements. This standard does not apply to subsequent events or transactions that are within the scope of other applicable GAAP that provides different guidance on the accounting treatment for subsequent events or transactions. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In July 2010, the FASB issued ASU No. 2010-20, *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. ASU 2010-20 requires additional disclosures about the credit quality of a company's loans and the allowance for loan losses held against those loans. Companies will need to disaggregate new and existing disclosures based on how it develops its allowance for loan losses and how it manages credit exposures. Additional disclosure is also required about the credit quality indicators of loans by class at the end of the reporting period, the aging of past due loans, information about troubled debt restructurings, and significant purchases and sales of loans during the reporting period by class. The new guidance is effective for interim- and annual periods beginning after December 15, 2010. The Company anticipates that adoption of these additional disclosures will not have a material effect on its financial position or results of operations.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

NOTE 2 – GOING CONCERN CONSIDERATIONS

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. At December 31, 2010, the Company had an accumulated deficit of approximately \$36 million, and a working capital deficiency of \$6,893,807. Additionally, for the year ended December 31, 2010, the Company incurred net losses of \$11,579,406 and had negative cash flows from operations in the amount of \$806,061. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. Management intends to attempt to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to raise additional funds, there can be no assurances to that effect.

NOTE 3 – NOTE RECEIVABLE

During the first quarter of 2010, the Company entered into a secured 6% demand promissory note (the "Demand Note") with RootZoo, Inc. ("RZ"). RZ owned and operated a website www.rootzoo.com, focused upon providing social networking to sports fans, statistics and commentary to the sports community. During the fourth quarter of 2009 the Company had entered into negotiations with the then fifty (50%) percent owner of the common stock of RZ and one of its then two directors (the "RZ Part Owner") to acquire RZ pursuant to an Asset Purchase Agreement (the "RZ Acquisition"), but negotiations for the RZ Acquisition broke down and have since been terminated. As a result of the discontinuance of all negotiations for the RZ Acquisition, the Company elected to foreclose on its loan and to acquire the RZ business under its foreclosed loan agreement. On May 15, 2010 the Company demanded repayment of all outstanding amounts under the Demand Note. On June 6, 2010, RZ entered into a Peaceful Possession Letter Agreement with the Company pursuant to which RZ granted the Company all rights of possession in and to the collateral which secures the Demand Note, representing substantially all of the assets of RZ in partial satisfaction with the Demand Note debt. Subsequently the Company, through an Assignment Agreement, assigned the rights and possession of the collateral to its subsidiary, RZ Acquisition Corp. Following termination of negotiations, all of the persons associated with the development of the RZ business resigned. RZ presently has no employees or others who perform services necessary to maintain and develop RZ business successfully. Due to the termination of negotiations, the Company believes that the assets of RZ has no value and worthless. Consequently, the Company recorded a total impairment loss of \$173,257 which represents the principal amount of \$171,100 and interest receivable of \$2,157 in connection with the secured 6% demand promissory note agreement. Such amount is included in the accompanying statements of operations under general and administrative expenses.

NOTE 4 – DERIVATIVE LIABILITIES

In June 2008, a FASB approved guidance related to the determination of whether a freestanding equity-linked instrument should be classified as equity or debt under the provisions of FASB ASC Topic No. 815-40, *Derivatives and Hedging – Contracts in an Entity's Own Stock*. The adoption of this requirement will affect accounting for convertible instruments and warrants with provisions that protect holders from declines in the stock price ("down-round" provisions). Warrants with such provisions will no longer be recorded in equity and would have to be reclassified to a liability. The Issue is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Earlier application by an entity that has previously adopted an alternative accounting policy is not permitted.

Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic 815, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares.

ASC Topic 815 guidance is to be applied to outstanding instruments as of the beginning of the fiscal year in which the Issue is applied. The cumulative effect of the change in accounting principle shall be recognized as an adjustment to the opening balance of retained earnings (or other appropriate components of equity) for that fiscal year, presented separately. If an instrument is classified as debt, it is valued at fair value, and this value is re-measured on an ongoing basis, with changes recorded on the statement of operations in each reporting period. The Company did not have outstanding instruments with down-round provisions as of the beginning of fiscal 2009 thus no adjustment will be made to the opening balance of retained earnings.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 – DERIVATIVE LIABILITIES (continued)

In connection with the issuance of the 6% Senior Convertible Debentures, the Company has determined that the terms of the convertible debenture include a down-round provision under which the conversion price could be affected by future equity offerings undertaken by the Company until the 18 month anniversary of such convertible debenture. Accordingly, the convertible instrument is accounted for as a liability at the date of issuance and adjusted to fair value through earnings at each reporting date. The Company has recognized a derivative liability of \$ \$6,708,815 and \$67,147 at December 31, 2010 and December 31, 2009, respectively. Derivative liability expense and the loss resulting from the increase in fair value of this convertible instrument was \$3,260,076 and \$2,490,252 for the year ended December 31, 2010. The gain resulting from the decrease in fair value of this convertible instrument was \$233 for the year ended December 31, 2009.

The Company used the following assumptions for determining the fair value of the convertible instruments granted under the Black-Scholes option pricing model:

	December 31, 2010	December 31, 2009
Expected volatility	184% - 236%	231%
Expected term	1.20-5 Years	2 Years
Risk-free interest rate	0.27%-2.62%	0.77%-1.14%
Expected dividend yield	0%	0%

NOTE 5 – CONVERTIBLE DEBENTURES

On December 17, 2009, to obtain funding for working capital, the Company entered into securities purchase agreement with an accredited investor pursuant to which the Company agreed to issue its 6% Senior Convertible Debentures for an aggregate purchase price of \$75,000. The Debenture bears interest at 6% per annum and matures twenty-four months from the date of issuance. The Debenture will be convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to the lesser of (i) \$0.05 per share or (ii) until the eighteen (18) months anniversary of the Debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of the Company's equity and/or convertible debt securities paid by investors after the date of the Debenture. On February 4, 2010, the Company amended the terms of this agreement (see note below).

On February 4, 2010 the Company entered into securities purchase agreement with an accredited investor pursuant to which the Company agreed to issue \$200,000 of its 6% convertible debentures for an aggregate purchase price of \$200,000. The Debenture bears interest at 6% per annum and matures twenty-four months from the date of issuance. The Debenture is convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to the lesser of (i) \$0.05 per share or (ii) until the eighteen (18) months anniversary of the Debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of the Company's equity and/or convertible debt securities paid by investors after the date of the Debenture. In connection with the Agreement, the Investor received a warrant to purchase 4,000,000 shares of the Company's common stock. The Warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of \$0.05, subject to adjustment in certain circumstances. The Investor may exercise the Warrant on a cashless basis if the Fair Market Value (as defined in the Warrant) of one share of common stock is greater than the Initial Exercise Price. In accordance with ASC 470-20-25, the convertible debentures were considered to have an embedded beneficial conversion feature because the effective conversion price was less than the fair value of the Company's common stock. These convertible debentures were fully convertible at the issuance date thus the value of the beneficial conversion and the warrants were treated as a discount on the 6% Senior Convertible debentures and were valued at \$200,000 to be amortized over the debenture term. The fair value of this warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility of 219%; risk-free interest rate of 2.29% and an expected holding period of five years. The Company paid a legal fee of \$12,500 in connection with this debenture. Accordingly, the Company recorded debt issuance cost of \$12,500 which will be amortized over the term of the debenture. As of December 31, 2010, amortization of debt issuance cost amounted to \$5,731 and is included in interest expense. As a result of the Merger with EClips Media on March 16, 2010, the new conversion price of this debenture is equivalent to \$0.025 and the warrants increased to 8,000,000 shares of the Company's common stock.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
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NOTE 5 – CONVERTIBLE DEBENTURES (continued)

On February 4, 2010, the Company amended the 6% Senior Convertible Debentures agreement dated December 17, 2009 with a principal amount of \$75,000. Pursuant to the terms of the original agreement, the investor was granted the right to receive the benefit of any more favorable terms or provisions provided to subsequent investors for a period of 18 months following the closing of the transaction. As a result of the issuance of the \$200,000 note payable above, the investor was issued a Debenture in the aggregate principal amount of \$75,000 and received a warrant to purchase 1,500,000 shares of the Company's common stock on the same terms and conditions as previously described. The original Debenture was cancelled. These warrants were treated as an additional discount on the 6% Senior Convertible debentures amounting to \$7,610 to be amortized over the debenture term. The fair value of this warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility of 219%; risk-free interest rate of 2.29% and an expected holding period of five years. As a result of the Merger with EClips Media on March 16, 2010, the new conversion price of this debenture was equivalent to \$0.025 and the warrants increased to 3,000,000 shares of the Company's common stock. During 2010, in a private equity transaction, a shareholder of the Company transferred 3,000,000 shares of the Company's common stock he owned to the holder of this Senior Convertible Debentures amounting to \$75,000. As a result of this private equity transaction and pursuant to a release notice agreement, the Company was released from this Senior Convertible Debentures. During fiscal 2010, the Company cancelled such debenture and recognized capital contribution of \$75,000 to additional paid in capital. Additionally, during fiscal 2010, the Company has reclassified \$66,280 of derivative liabilities to additional paid in capital related to the release and extinguishment of this convertible debenture.

Between March 2010 and June 2010, the Company entered into securities purchase agreements with accredited investors pursuant to which the Company agreed to issue an aggregate of \$750,000 of its 6% Senior Convertible Debentures with the same terms and conditions of the debentures issued on February 4, 2010. In connection with the Agreement, the Investors received warrants to purchase 30,000,000 shares of the Company's common stock. The Warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of \$0.025, subject to adjustment in certain circumstances. In accordance with ASC 470-20-25, the convertible debentures were considered to have an embedded beneficial conversion feature because the effective conversion price was less than the fair value of the Company's common stock. These convertible debentures were fully convertible at the issuance date thus the value of the beneficial conversion and the warrants were treated as a discount on the 6% Senior Convertible debentures and were valued at \$750,000 to be amortized over the debenture term. The fair value of this warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility of 211%; risk-free interest rate of 2.43% and an expected holding period of five years.

On March 16, 2010, the Company filed the Definitive Schedule 14C with the SEC notifying its stockholders that on March 2, 2010, a majority of the voting capital stock of the Company took action in lieu of a special meeting of stockholders authorizing the Company to enter into the Merger Agreement with its newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc., a Delaware corporation for the purpose of changing the state of incorporation of the Company to Delaware from Florida. Pursuant to the Merger Agreement, the Company merged with and into EClips Media with EClips Media continuing as the surviving corporation on April 21, 2010. As a result of the Merger with EClips Media, the outstanding 6% convertible debentures of the Company were assumed by EClips Media and converted into outstanding 6% convertible debentures of EClips Media. All options and rights to acquire the Company's Common Stock, and all outstanding warrants or rights outstanding to purchase the Company's Common Stock, automatically converted into equivalent options, warrants and rights to purchase two (2) times the number of shares of EClips Media Common Stock at fifty (50%) percent of the exercise, conversion or strike price of such converted options, warrants and rights.

At December 31, 2010 and December 31, 2009, convertible debentures consisted of the following:

	December 31, 2010	December 31, 2009
Long-term convertible debentures	\$ 950,000	\$ 75,000
Less: debt discount	(632,708)	(67,380)
Long-term convertible debentures – net	<u>\$ 317,292</u>	<u>\$ 7,620</u>

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NOTE 5 – CONVERTIBLE DEBENTURES (continued)

Total amortization of debt discounts for the convertible debentures amounted to \$392,292 for the year ended December 31, 2010, and is included in interest expense. Accrued interest as of December 31, 2010 amounted to \$42,916.

In accordance with ASC Topic 815 "Derivatives and Hedging", these convertible debentures include a down-round provision under which the conversion price could be affected by future equity offerings (see Note 5). Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic 815, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares.

NOTE 6 - STOCKHOLDERS' DEFICIT

Capital Structure

On March 16, 2010, the Company filed the Definitive Schedule 14C with the SEC notifying its stockholders that on March 2, 2010, a majority of the voting capital stock of the Company took action in lieu of a special meeting of stockholders authorizing the Company to enter into the Merger Agreement with its newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc., a Delaware corporation for the purpose of changing the state of incorporation of the Company to Delaware from Florida. Pursuant to the Merger Agreement, the Company merged with and into EClips Media with EClips Media continuing as the surviving corporation on April 12, 2010.

On the effective date of the Merger, (i) each issued and outstanding share of Common Stock of the Company shall be converted into two (2) shares of EClips Media Common Stock, (ii) each issued and outstanding share of Series D Preferred Stock of the Company shall be converted into two (2) shares of EClips Media Series A Preferred Stock and (iii) the outstanding share of EClips Media Common Stock held by the Company shall be retired and canceled and shall resume the status of authorized and unissued EClips Media Common Stock. All shares and per share values are retroactively stated at the effective date of merger. Except as otherwise noted, amounts set forth as of December 31, 2010 reflects the effect of the merger.

The authorized capital of EClips Media consists of 750,000,000 shares of common stock, par value \$0.0001 per share and 10,000,000 shares of preferred stock, par value \$0.0001 per share of which 3,000,000 shares have been designated as series A Preferred Stock.

Preferred stock

On February 13, 2009, the Company issued 3,000,000 shares of the restricted Preferred Stock to Benjamin C. Croxton, the Company's prior Chief Executive Officer. The Company exchanged the shares for an assignment of accrued vacation pay and back salary in the amount of \$8,257 due to Mr. Croxton. The issuance of the restricted Preferred Stock and the consideration received by the Company were approved by the Board of Directors at a meeting on February 10, 2009. The shares of restricted Preferred Stock were issued in a private transaction pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933. These shares were sold in a private equity transaction in late December 2009, resulting in a change in ownership.

On May 7, 2009, 200,000 shares of preferred stock were converted to 734,908 shares of restricted common stock at the request of the holders. The shares were valued at par and recorded to additional paid-in capital, with no effect on operations.

On June 29, 2009, 200,000 shares of preferred stock were converted to 318,472 shares of restricted common stock at the request of the holders. The shares were valued at par and recorded to additional paid-in capital, with no effect on operations.

Common stock

The Company has regularly issued shares for cash. The Company has issued 200,200 common shares for \$286,512 for the year ended December 31, 2009.

The Company has issued shares to consultants and other service providers. The Company valued these shares at the fair market value on the date of grant. Shares are normally for settlement of fees for services provided and accordingly are expensed at the time of grant. Total shares issued were 24,980,090 for the year ended December 31, 2009. The shares were valued at the fair market value for a total of \$725,816.

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NOTE 6 - STOCKHOLDERS' DEFICIT (continued)

The Company issued 100,000,000 shares of its common stock on September 15, 2009. The Company issued the Shares in exchange for forgiveness of accrued salary in the amount of \$50,000 due to a Company employee. The Shares were issued pursuant to the transaction exemption from registration in Section 4(2) of the Securities Act of 1933. The Shares were issued to an affiliated person who is a sophisticated investor. The shares were valued at the fair market value of the shares at \$120,500, representing an additional \$70,500 of stock-based compensation, recognized for the year ending December 31, 2009. These shares were sold in a private equity transaction in late December 2009, resulting in a change in ownership.

In connection with the Seller Agreement, the Company and Seller entered into a release pursuant to which in consideration for the termination of Seller's employment agreement, dated January 31, 2006, the Company issued to Seller 2,200,000 shares of the Company's common stock. Furthermore, upon closing, the Company shall transfer to Seller or Seller's designee, all of the capital stock of Pure Air Technologies, Inc., Hydrogen Safe Technologies, Inc., World Energy Solutions Limited and Advanced Alternative Energy, Inc. and the Company shall execute an Option Agreement with Seller for the purchase of H-Hybrid Technologies, Inc. within a five-year period from closing. The Company valued these common shares at the fair market value on the date of grant at \$55,000 and recorded as stock based compensation, included in operating expenses during the year ended December 31, 2009.

On February 4, 2010, the Company entered into a Consulting Agreement with Colonial Ventures, LLC (the "Consultant"), a company controlled by former CEO of the Company. Pursuant to the Agreement, the Company shall pay Consultant \$10,000 per month during the term of the Agreement. The Company issued 10,000,000 (post-merger) shares pursuant to this consulting agreement, 50% of which vested upon execution of the Agreement and the remaining 50% of which will vest on the one year anniversary of the Agreement as long as the Consultant is still engaged by the Company and Designated Person is still serving as chief executive officer or as a member of the board of directors of the Company. The Company valued these common shares at the fair market value on the date of grant of \$575,000. On December 13, 2010, the Company's Consulting Agreement with Colonial Ventures, LLC was amended by cancelling certain unvested shares issued to or on behalf of the Consultant as compensation. As a result 5,000,000 shares of the Company's common stock have been returned for cancellation. In connection with the issuance of these shares during the year ended December 31, 2010, the Company recorded stock based compensation of \$575,000. In connection with the return of the 5,000,000 shares of common stock, the Company recorded such cancellation of shares at par value. As of December 31, 2010, such consulting agreement has been terminated by the Company.

On February 5, 2010 the Company issued an aggregate of 6,000,000 shares (12,000,000 post-merger) of the Company's common stock of the Company to two persons for consulting services rendered. The Company valued these common shares at the fair market value on the date of grant at \$0.115 per share or \$690,000. In connection with the issuance of these shares during the year ended December 31, 2010, the Company recorded stock based consulting of \$690,000.

On April 15, 2010 the Company issued an aggregate of 22,388,354 shares of the Company's common stock of the Company to two consultants for consulting services rendered. The Company valued these common shares at the fair market value on the date of grant at \$1,920,000. In connection with the issuance of these shares during the year ended December 31, 2010, the Company recorded stock based consulting of \$1,920,000.

On June 21, 2010, in connection with the Asset Purchase Agreement with BIG, the Company issued 20,000,000 shares of common stock valued at \$0.04 per share or \$800,000. The Company valued these common shares at the fair market value on the date of grant (see Note 1). These shares were cancelled in December 2010 in connection with the Spinoff agreement.

Pursuant to an Employment Agreement dated on June 21, 2010 the Company issued 10,000,000 shares of common stock to the Company's former Chief Executive Officer. The Company valued these common shares at the fair market value on the date of grant at \$0.04 per share or \$400,000. In connection with the issuance of these shares during the year ended December 31, 2010, the Company recorded stock based compensation of \$400,000. These shares were cancelled in December 2010 in connection with the Spinoff agreement.

In July 2010, in connection with the sale of the Company's common stock, the Company issued 1,500,000 shares of common stock for net proceeds of approximately \$75,000.

ECLIPS MEDIA TECHNOLOGIES, INC. AND SUBSIDIARIES
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NOTE 6 - STOCKHOLDERS' DEFICIT (continued)

In December 2010, the Company entered into a spin off agreement (the "Spinoff") with SD Acquisition Corp. ("SD"), Brand Interaction Group, LLC ("BIG") and Mr. Eric Simon, the Company's former CEO, pursuant to which the Company will return the Superdraft business to Mr. Simon by exchanging 100% of the issued and outstanding capital stock of SD which owned and operated the Superdraft business, for the cancellation of 30,000,000 shares of the Company owned by Mr. Simon and BIG, the cancellation of the Asset Purchase Agreement and Employment Agreement entered into between the Company, Mr. Simon and BIG in June 2010. The Company recorded the cancellation of the 30,000,000 shares of common stock at par value in accordance with ASC 505 - 30 "Treasury stock".

During 2010, in a private equity transaction, a shareholder of the Company transferred 3,000,000 shares of the Company's common stock he owned to the holder of this Senior Convertible Debentures amounting to \$75,000. As a result of this private equity transaction and pursuant to a release notice agreement, the Company was released from this Senior Convertible Debentures. During fiscal 2010, the Company cancelled such debenture and recognized capital contribution of \$75,000 to additional paid in capital.

Stock Warrants

In connection with the 6% convertible debentures issued between February 2010 and June 2010, the Company granted warrants to purchase 41,000,000 shares of common stock at an exercise price of \$0.025 per share. These warrants are exercisable for a period of five years from the date of issuance. These warrants were treated as a debt discount on the 6% Senior Convertible debentures and were valued at \$957,620 to be amortized over the debenture term. The fair value of this warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility ranging from 184% to 219%; risk-free interest rate from 2.03% to 2.62% and an expected holding period of five years.

A summary of the status of the Company's outstanding stock warrants as of December 31, 2010 and 2009 and changes during the periods then ended is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2008	-	\$ -
Granted	-	-
Exercised/Forfeited	-	-
Balance at December 31, 2009	-	\$ -
Granted	41,000,000	0.025
Exercised	-	-
Forfeited	-	-
Balance at December 31, 2010	<u>41,000,000</u>	<u>\$ 0.025</u>
Warrants exercisable at end of year	<u>41,000,000</u>	<u>\$ 0.025</u>
Weighted average fair value of warrants granted during the year		\$ 0.06

The following table summarizes the Company's stock warrants outstanding at December 31, 2010:

Range of Exercise Price	Warrants Outstanding			Warrants Exercisable	
	Number Outstanding at December 31, 2010	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2010	Weighted Average Exercise Price
\$ 0.025	41,000,000	4.31 Years	\$ 0.025	41,000,000	\$ 0.025
	<u>41,000,000</u>		<u>\$ 0.025</u>	<u>41,000,000</u>	<u>\$ 0.025</u>

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NOTE 7 - RELATED PARTY TRANSACTIONS

On February 4, 2010, the Company entered into a Consulting Agreement with Colonial Ventures, LLC (the "Consultant"), a company controlled by former CEO/director of the Company. Pursuant to the Agreement, the Company shall pay Consultant \$10,000 per month during the term of the Agreement. The Company issued 10,000,000 post-merger shares pursuant to this consulting agreement, 50% of which vested upon execution of the Agreement and the remaining 50% of which will vest on the one year anniversary of the Agreement as long as the Consultant is still engaged by the Company and Designated Person is still serving as chief executive officer or as a member of the board of directors of the Company. The Agreement has an initial term of two years from the date of execution and shall automatically renew on a year-to-year basis unless either party gives notice of non-renewal to the other party at least sixty days prior to the date of the Agreement. During the year ended December 31, 2010, the Company paid \$80,000 in cash to this consultant. Compensation in the amount of \$10,000 was recorded to additional paid-in capital for contributed services provided by such consultant in September 2010. On December 13, 2010, the Company's Consulting Agreement with Colonial Ventures, LLC was amended by cancelling certain unvested shares issued to or on behalf of the Consultant as compensation. As a result 5,000,000 shares of the Company's common stock have been returned for cancellation. As of December 31, 2010, such consulting agreement has been terminated by the Company.

During the year ended December 31, 2010, the Company paid leasehold improvements and rent of \$14,025 and \$12,486, respectively on a facility lease by a formerly affiliated company for which our former CEO/director, Greg Cohen, is the President. Greg Cohen served as the Company's Director until December 31, 2010.

NOTE 8 - COMMITMENTS

Consulting Agreement

On June 24, 2010 the Company engaged Brooke Capital Investments, LLC ("Brooke") to perform certain investor relations, branding and media relations services for the Company for a 12 month period (the "Consulting Agreement"). The Company shall pay to Brooke an amount equal to \$150,000, in cash, on the date of execution of this Agreement. This Agreement may not be terminated during the term and under no circumstance is Brooke under any obligation to return all or any portion of the Consulting Fee to the Company. In connection with this consulting agreement during the year ended December 31, 2010, the Company recorded investor relations expense of \$77,500 and prepaid expense of \$72,500 to be amortized over the term of this agreement.

Pursuant to the compensation plan for the Company's non-employee directors, the Company has undertaken to pay each non-executive director \$1,000 per month in cash and reimburse each director for reasonable expenses incurred in connection with services provided to the Company. Furthermore, each director shall be issued such number of shares of the Company's common stock having an aggregate market value equal to \$2,000 for each meeting of the Board of Directors of the Company attended in person or telephonically. The value of such shares of common stock to be issued shall be based on the average high and low bid price of the Company's common stock as quoted on the Over-the-Counter Bulletin Board or any national securities exchange on the trading day immediately prior to the date of such meeting. The Company has recorded director fees of \$32,500 during the year ended December 31, 2010 and is included in consulting fees in the accompanying consolidated statements of operations. At December 31, 2010, accrued directors' fee amounted to \$23,500 and is included in accrued expenses in the accompanying consolidated balance sheet.

NOTE 9 - INCOME TAXES

The Company accounts for income taxes under ASC Topic 740: Income Taxes which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carry forwards. ASC Topic 740 additionally requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets. The Company has a net operating loss carry forward for tax purposes totaling approximately \$19.8 million at December 31, 2010, expiring through the year 2030. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by carry forwards after certain ownership shifts.

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NOTE 9 – INCOME TAXES (continued)

The table below summarizes the differences between the Company's effective tax rate and the statutory federal rate as follows for the year ended December 31, 2010 and 2009:

	2010	2009
Tax benefit computed at "expected" statutory rate	\$ (3,936,998)	\$ (838,800)
State income taxes, net of benefit	(62,996)	(74,200)
Permanent differences	3,811,660	73,200
Increase in valuation allowance	188,334	839,800
Net income tax benefit	\$ -	\$ -

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes. Temporary differences, which give rise to a net deferred tax asset is as follows:

	December 31, 2010	December 31, 2009
Deferred tax assets:		
Net operating loss carryforward	\$ 7,812,134	\$ 7,630,800
Other	-	7,000
Total deferred tax assets	\$ 7,812,134	\$ 7,637,800
Deferred tax liabilities:		
Book basis of property and equipment in excess of tax basis	\$ -	\$ 14,000
Total deferred tax liabilities	\$ -	\$ 14,000
Net deferred tax asset before valuation allowance	\$ 7,812,134	\$ 7,623,800
Less: valuation allowance	(7,812,134)	(7,623,800)
Net deferred tax asset	\$ -	\$ -

After consideration of all the evidence, both positive and negative, management has recorded a full valuation allowance at December 31, 2010 and 2009, due to the uncertainty of realizing the deferred income tax assets. The valuation allowance was increased by \$188,334.

NOTE 10 – SUBSEQUENT EVENTS

In January 2011, the Company issued 219,863 shares in connection with the payment of accrued directors' fee of \$10,000. The Company valued these common shares at the fair market value on the date of grants at approximately \$0.04 per share or \$10,000.

In January 2011, two note holders (the "Assignors") of the Company's 6% convertible debentures entered into an Assignment agreement with an unrelated party (the "Assignee") whereby the Assignors assigned a total principal amount of \$250,000 of the convertible debentures (the "Assigned Debenture") and 5,000,000 warrants (the "Assigned Warrants")(the Assigned Debenture and the Assigned Warrants collectively, the "Assigned Securities"). The Assignee purchased the Assigned Securities for \$300,000. Contemporaneously with the closing of this agreement, the Assignee converted the Assigned Debenture into shares of the Company's common stock and exercised the Assigned Warrants for total net proceeds of \$125,000 to the Company. The Company issued 10,000,000 shares in connection with the conversion of the Assigned Debenture and 5,000,000 shares in connection with the exercise of the Assigned Warrants. The fair value of such shares issued amounted to \$0.025 per share.

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NOTE 10 – SUBSEQUENT EVENTS (continued)

In March 2011, the Company entered into a Settlement and Release Agreement (the “Agreement”) with an unrelated party whereby the Company settled the amounts due to the unrelated party for past legal services provided amounting to approximately \$15,000 and certain lease payments in connection with the Company’s previous headquarters in Florida amounting to approximately \$28,000 which amounts are included in the liabilities of discontinued operations in the accompanying consolidated balance sheet as of December 31, 2010. Pursuant to this agreement, the Company shall pay \$15,000 to release the Company from further obligation including the termination of the lease in Florida.

Between January 2011 and March 2011, BIG has paid approximately \$47,500 in connection with the spinoff agreement and such amount reduces the principal balance of the outstanding convertible debentures from the Company’s holders.

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Merger, filed on April 21, 2010, for ECLIPS MEDIA TECHNOLOGIES, INC., the surviving Delaware entity not authorized to transact business in Florida, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H10000092694. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 910A00009973-042210-P97000083463-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-second day of April, 2010



Handwritten signature of Kurt S. Browning.

Kurt S. Browning
Secretary of State

Exhibit 2.3

**ARTICLES OF MERGER
OF
ECLIPS ENERGY TECHNOLOGIES, INC., a Florida Corporation
INTO
ECLIPS MEDIA TECHNOLOGIES, INC., a Delaware Corporation**

The undersigned corporations organized and existing under and by virtue of the General Corporation Law of the State of Delaware and the General Corporation Act of the State of Florida, **DO HEREBY CERTIFY:**

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger are as follows:

<u>NAME</u>	<u>STATE OF INCORPORATION</u>
EClips Energy Technologies, Inc.	Florida
EClips Media Technologies, Inc.	Delaware

SECOND: An Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations pursuant to Title 8, Section 252, subsection (c) of the General Corporation Law of the State of Delaware and Section 607.1101 of the Florida Business Corporation Act.

THIRD: The surviving corporation is EClips Media Technologies, Inc., a Delaware corporation, and its name shall be EClips Media Technologies, Inc.

FOURTH: The address of the registered office of EClips Media Technologies, Inc. in the State of Delaware, its state of incorporation, is 1209 Orange Street, Wilmington, Delaware, and its registered agent at such address is The Corporation Trust Company. EClips Media Technologies, Inc., the surviving corporation is deemed to have appointed the Secretary of State of Florida as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of EClips Energy Technologies, Inc. EClips Media Technologies, Inc. agrees to promptly pay to the dissenting shareholders of EClips Energy Technologies, Inc., if any, the amount to which they are entitled under Section 607.1302 of the Florida Business Corporation Act.

FIFTH: The Certificate of Incorporation of the surviving corporation shall be its Certificate of Incorporation.

SIXTH: The Agreement and Plan of Merger is on file at office of the surviving corporation at 110 Greene Street, Suite 403, New York, New York 10012.

SEVENTH: A copy of the Agreement and Plan of Merger will be furnished by the surviving corporation on request, without cost, to any stockholder of the constituent corporations.

EIGHTH: The authorized capital stock of EClips Energy Technologies, Inc. was 850,000,000 shares, of which 750,000,000 were designated as Common Stock with a par value of \$0.0001 per share, and 100,000,000 of which were designated as Preferred Stock with a par value of \$0.0001 per share. Of the 100,000,000 shares of Preferred Stock, \$0.0001 par value, 1,500,000 have been designated as Series D Preferred Stock.

NINTH: The effective date of the Agreement and Plan of Merger shall be the date of filing this Articles of Merger with the Secretary of State of Delaware and the Department of State of Florida.

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 20th day of April 2010.

ECLIPS ENERGY TECHNOLOGIES, INC., a Florida corporation

By: /s/ Gregory D. Cohen
Name: Gregory D. Cohen
Title: Chief Executive Officer

ECLIPS MEDIA TECHNOLOGIES, INC., a Delaware corporation

By: /s/ Gregory D. Cohen
Name: Gregory D. Cohen
Title: Chief Executive Officer

Exhibit 10.1

LEASE AGREEMENT

THE LEASE ("LEASE") IS MADE AND ENTERED INTO AS OF THE 11th DAY OF AUGUST, 2009, BY AND BETWEEN ECLIPS ENERGY TECHNOLOGIES, INC. ("TENANT") AND PETER W. JAMES ("LANDLORD").

IN CONSIDERATION OF THE RENTALS AND OTHER AMOUNTS HEREINAFTER RESERVED AND OF THE COVENANTS, AGREEMENTS AND CONDITIONS ON THE PART OF THE TENANT TO BE KEPT AND PERFORMED, LANDLORD HEREBY LEASES, LETS, AND DISMISES TO TENANT, AND TENANT HEREBY LEASES AND HIRES FROM LANDLORD THE REAL AND PERSONAL PROPERTY DESCRIBED IN THIS LEASE (THE "PROPERTY"), ALL IN ACCORDANCE WITH THE TERMS, PROVISIONS AND CONDITIONS OF THIS LEASE.

PROPERTY

1. THE PROPERTY, SUBJECT TO THIS LEASE, LOCATED AT 3900A 31st ST. NORTH, ST. PETERSBURG, FL 33714 HEREIN CALLED "PREMISES".

TERM

2. THE TERM OF THIS LEASE IS TWO (2) YEARS COMMENCING ON THE 1ST DAY OF OCTOBER, 2009, AND ENDING ON THE 30TH DAY TERMINATED AS HEREINAFTER PROVIDED. TENANT AGREES TO PEACEABLE AND QUIETLY VACATE AND DELIVER THE PREMISES TO LANDLORD IN THE SAME REPAIR AND CONDITION IN WHICH THEY WERE RECEIVED, ORDINARY WEAR AND TEAR EXCEPTED, AT THE EXPIRATION OR TERMINATION OF THIS LEASE.

RENT

3. AS RENTAL FOR THE PROPERTY, TENANT AGREES TO PAY \$2,600 +TAX TO THE LANDLORD, ON THE EFFECTIVE DATE OF THIS LEASE, AND \$2,600 PLUS APPLICABLE SALES TAX ON THE SAME DAY OF EACH CALENDAR MONTH THEREAFTER FOR THE TERM OF THE LEASE. ALL RENTAL PAYMENTS SHALL BE MADE AT THE PROPERTY FROM TIME TO TIME DESIGNATE IN WRITING.

MAINTENANCE AND REPAIR

4. LANDLORD MAKES NO REPRESENTATION NOR WARRANTY THAT THE IMPROVEMENTS OR EQUIPMENT ARE IN GOOD REPAIR AND WORKING CONDITION, NOR DOES LANDLORD HAVE ANY KNOWLEDGE OF ANY LATENT OR HIDDEN DEFECTS IN SUCH IMPROVEMENTS OR THE MECHANICAL COMPONENTS OF THE IMPROVEMENTS. TENANT ACCEPTS THE PROPERTY IN THE CONDITION IT IS IN AT THE COMMENCEMENT OF THIS LEASE. TENANT AGREES TO MAINTAIN, AT ITS EXPENSE, THE PROPERTY IN GOOD AND SOUND CONDITION AND REPAIR, BOTH INSIDE AND OUTSIDE, STRUCTURAL AND NONSTRUCTURAL, INCLUDING, BUT NOT LIMITED TO, THE PARKING AREA, THE ROOF, ALL AIR CONDITIONING, PLUMBING AND ELECTRICAL SYSTEMS, INCLUDING ANY AND ALL REPLACEMENTS OR

ADDITIONS MADE BY TENANT.

ALTERATIONS

5. TENANT SHALL MAKE NO ALTERATIONS, ADDITIONS, OR IMPROVEMENTS TO THE PROPERTY WITHOUT THE PRIOR CONSENT OF LANDLORD, WHICH CONSENT SHALL NOT BE UNREASONABLE WITHHELD. ALL SUCH ALTERATIONS AND IMPROVEMENTS SHALL BE MADE IN GOOD WORKMANLIKE MANNER AND IN ACCORDANCE WITH ALL VALID REQUIREMENTS OF MUNICIPAL AND OTHER GOVERNMENTAL AUTHORITIES. ALL ALTERATIONS, FIXTURES, IMPROVEMENTS OR ADDITIONS MADE BY TENANT SHALL BECOME THE PROPERTY OF LANDLORD AND REMAIN UPON AND BECOME A PART OF THE PROPERTY UPON THE TERMINATION OR THE EXPIRATION OF THIS LEASE.

INSPECTION

6. LANDLORD SHALL HAVE THE RIGHT TO ENTER UPON THE PROPERTY AT REASONABLE TIMES, FOR THE PURPOSE OF INSPECTING THE SAME, PREVENTING WASTE AND MAKING SUCH REPAIRS TO THE PROPERTY AS LANDLORD MAY DESIRE, BUT THIS CLAUSE SHALL IN NO EVENT BE DEEMED TO REQUIRE LANDLORD TO MAKE ANY REPAIRS.

UTILITIES

7. TENANT SHALL PAY ALL CHARGES FOR GAS, ELECTRICITY, WATER, LIGHTS, HEAT, POWER, TELEPHONE, AIR CONDITIONING, SEWAGE DISPOSAL, GARBAGE, AND TRASH COLLECTION, AND OTHER SERVICES USED OR CHARGES IMPOSED ON OR ABOUT OR SUPPLIED TO THE PROPERTY, AND SHALL INDEMNIFY LANDLORD AGAINST ANY AND ALL LIABILITY ON SUCH ACCOUNT.

PERSONAL PROPERTY

8. ALL PERSONAL PROPERTY PLACED OR MOVED IN THE PREMISES SHALL BE AT THE RISK OF THE LESSEE OR OWNER THEREOF, AND LESSOR SHALL NOT BE LIABLE FOR ANY DAMAGE TO SAID PROPERTY, AND RESPONSIBILITY TO CARRY HAZARD INSURANCE ON SAID PERSONAL PROPERTY SHALL BE LESSEE'S.

LIABILITY INSURANCE

9. TENANT FURTHER AGREES THAT, AT ITS COST AND EXPENSE, IT WILL PROCURE AND MAINTAIN DURING THE TERM OF THIS LEASE FOR THE BENEFIT OF LANDLORD AND TENANT, AS THEIR RESPECTIVE INTERESTS MAY APPEAR, COMPREHENSIVE PUBLIC LIABILITY INSURANCE, INCLUDING PROPERTY DAMAGE, IN AN COMPANY OR COMPANIES AUTHORIZED TO ENGAGE IN THIS BUSINESS OF GENERAL LIABILITY INSURANCE IN THE STATE OF FLORIDA, COVERING THE PROPERTY AND IN AN AMOUNT NOT LESS THAN \$150,000. TENANT SHALL PROMPTLY PAY WHEN DUE ANY AND ALL INSURANCE PREMIUMS IN CONNECTION WITH ANY POLICY OR POLICIES OF INSURANCE AND SHALL DELIVER SATISFACTORY EVIDENCE OF SUCH INSURANCE TO TENANT. SHOULD TENANT FAIL TO FURNISH EVIDENCE OF SUCH INSURANCE TO LANDLORD, LANDLORD MAY OBTAIN SUCH INSURANCE AND THE PREMIUMS IN SUCH INSURANCE SHALL BE DEEMED TO BE ADDITIONAL RENTAL.

USE

10. TENANT SHALL USE AND OCCUPY THE PROPERTY IN A LAWFUL, SAFE AND PROPER MANNER AND SHALL AT ALL TIMES KEEP THE PROPERTY IN A REASONABLY NEAT, SANITARY AND ORDERLY CONDITION. TENANT WILL NOT COMMIT OR SUFFER ANY WASTE THEREIN AND WILL NOT MAKE ANY USE THEREOF WHICH WOULD CONSTITUTE A NUISANCE OR WHICH WOULD PROVE OFFENSIVE OR WHICH WOULD VIOLATE ANY MUNICIPAL, COUNTY OR STATE ORDER, REGULATION ORDINANCE OR STATUTE. THE PROPERTY SHALL NOT BE USED FOR ANY OTHER PURPOSE THAN AS IN ASSEMBLY SHOP AND OFFICES, WITHOUT FIRST HAVING OBTAINED THE LANDLORD'S WRITTEN CONSENT TO A CHANGE OF PURPOSE FOR THE USE OF THE PROPERTY. TENANT SHALL PROMPTLY AND FULLY COMPLY WITH ALL LAWS, RULES, ORDINANCES AND REGULATIONS OF ANY AND ALL GOVERNMENTAL AUTHORITIES CONCERNING OR AFFECTING THE PROPERTY.

THIRD PARTY NOTICES

11. TENANT AND LANDLORD AGREE TO IMMEDIATELY INFORM THE OTHER PARTY OF ANY MATERIAL NOTICE RECEIVED BY THE PARTY IN RESPECT TO THE PROPERTY, INCLUDING, WITHOUT IMPLIED LIMITATION, ALL NOTICES FROM TAXING AUTHORITIES AND INSURANCE COMPANIES.

INDEMNIFICATION

12. TENANT HEREBY INDEMNIFIES AND AGREES TO SAVE HARMLESS LANDLORD, FROM AND AGAINST ALL CLAIMS, WHICH EITHER (i) ARISE FROM OR ARE IN CONNECTION WITH THE POSSESSION, USE, OCCUPATION, MANAGEMENT, REPAIR, MAINTENANCE OR CONTROL OF THE PROPERTY OR ANY PORTION THEREOF; (ii) ARISE FROM OR ARE IN CONNECTION WITH ANY ACT OR OMISSION OF TENANT OR TENANT'S AGENTS; (iii) RESULT FROM ANY DEFAULT, BREACH, VIOLATION OR NON-PERFORMANCE OF THIS LEASE OR ANY PROVISION OF THIS LEASE BY TENANT; (iv) RESULT IN INJURY TO PERSON OR PROPERTY OR LOSS OF LIFE SUSTAINED IN OR ABOUT THE PROPERTY, EXCEPT CLAIMS WHICH ARE ULTIMATELY FOUND BY A COURT OF COMPETENT JURISDICTION TO HAVE BEEN THE RESULT OF THE NEGLIGENCE OF LANDLORD, ITS AGENTS OR EMPLOYEES.

TENANT SHALL DEFEND ANY CLAIMS AGAINST LANDLORD WITH RESPECT TO THE FOREGOING OR IN WHICH HE MAY BE IMPEADED. TENANT SHALL PAY, SATISFY AND DISCHARGE ANY JUDGMENTS, ORDERS AND DECREES WHICH MAY BE RECOVERED AGAINST LANDLORD IN CONNECTION WITH THE FOREGOING, FOR WHICH TENANT IS RESPONSIBLE HEREUNDER AND SHALL PAY ALL COSTS, EXPENSES AND REASONABLE ATTORNEY'S FEES INCURRED BY LANDLORD IN CONNECTION WITH SUCH LITIGATION AND EXPENSES.

DEFAULT

13. UPON THE HAPPENING OF ANY ONE OR MORE OF THE FOLLOWING EVENTS, EACH OF WHICH SHALL CONSTITUTE A DEFAULT:

(a) TENANT'S FAILURE TO MAKE PAYMENT OF ANY RENTAL DUE WITHIN (10) DAYS AFTER THE DATE SUCH PAYMENT IS DUE;

(b) TENANT'S DEFAULT IN PERFORMANCE OF ANY OTHER CONVENANT OF THIS LEASE FOR FIFTEEN (15) DAYS AFTER DELIVERY OF WRITTEN NOTICE OF SUCH DEFAULT TO TENANT BY LANDLORD OR LANDLORDS AGENT; PROVIDED, HOWEVER, THAT IF THE TENANT COMMENCES A CURE OF ANY SUCH DEFAULT WITHIN THE AFORESAID FIFTEEN (15) DAY PERIOD, AND THEREAFTER DILIGENTLY AND

CONTINUOUSLY PURSUES SUCH CURE TO COMPLETION, THE TIME SHALL BE EXTENDED ACCORDINGLY, UNLESS AND UNTIL TENANT THEREAFTER CEASES TO CURE OR IS ULTIMATELY UNABLE TO CURE THE DEFAULT;

(c) THE BANKRUPTCY OF TENANT; TENANT'S MAKING AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS; A RECEIVER OR TRUSTEE BEING APPOINTED FOR TENANT; TENANT'S VOLUNTARILY PETITIONING FOR RELIEF UNDER, OR OTHERWISE SEEKING THE BENEFIT OF ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENTS OR INSOLVENCY LAW.

(d) TENANT'S VACATING OR ABANDONING THE PROPERTY.

(e) TENANT'S INTEREST UNDER THIS LEASE BEING SOLD UNDER EXECUTION OR OTHER LEGAL PROCESS.

(f) TENANT'S INTEREST UNDER THIS LEASE BEING ASSIGNED BY OPERATION OF LAW.

(g) ANY OF THE GOODS OR CHATTLES OF THE TENANT USED IN OR INCIDENT TO THE OPERATION OF THE PROPERTY BEING SEIZED, SEQUESTERED, OR IMPOUNDED BY VIRTUE OF OR UNDER AUTHORITY OF ANY LEGAL PROCEEDING, WHICH SEIZURE, SEQUESTRATION OR IMPOUNDING SHALL MATERIALLY AFFECT THE POSSIBLE CONTINUATION OF THE OPERATION OF THE PROPERTY BY TENANT.

REMEDIES

14. UPON DEFAULT, THE LANDLORD, AT ITS OPTION, MAY EXERCISE ANY ONE OR MORE OF THE FOLLOWING REMEDIES:

(a) TREAT THE LEASE AS TERMINATED AND RESUME POSSESSION OF THE PROPERTY, THEREAFTER USING THE SAME EXCLUSIVELY FOR LANDLORD'S OWN PURPOSES;

(b) RETAKE POSSESSION OF THE PROPERTY FOR THE ACCOUNT OF THE TENANT, HOLDING TENANT IN GENERAL DAMAGES FOR THE DIFFERENCE BETWEEN THE RENT TO BE PAID HEREUNDER

PAYMENT WHEN DUE

15. TENANT SHALL PROMPTLY PAY WHEN DUE THE RENTS HEREIN RESERVED, AND ALL OTHER SUMS AS MAY BECOME DUE AND PAYABLE HEREUNDER, INCLUDING ALL SUMS WHICH MAY BECOME PAYABLE ON ACCOUNT OF TENANT'S PART TO BE KEPT AND PERFORMED. IF ANY SUM OF MONEY DUE LANDLORD ACCORDING TO THE TERMS OF THE LEASE IS NOT PAID BY THE TENTH (10TH) BUSINESS DAY AFTER SUCH PAYMENT IS DUE, TENANT SHALL PAY TO LANDLORD, IN ADDITION TO SUCH AMOUNT, A PENALTY IN THE AMOUNT OF 10% OF SUCH PAYMENT.

-

CONDEMNATION

16. IF THE WHOLE OR ANY PART OF THE PROPERTY SHALL BE TAKEN FOR ANY PUBLIC OR QUASI-PUBLIC, UNDER ANY STATUTE OR BY RIGHT OF EMINENT DOMAIN, OR PRIVATE PURCHASE IN LIEU THEREOF, THEN THE TERM OF THIS LEASE SHALL CEASE ON THE PART SO TAKEN FROM THE DATE OF SUCH TAKING. IN THE EVENT OF A PARTIAL TAKING WHICH WOULD NOT JUSTIFY A TERMINATION OF THIS LEASE AS HEREINAFTER PROVIDED, THE RENT RESERVED HEREUNDER AND THE PURCHASE PRICE SHALL BE REDUCED IN AN EQUITABLE MANNER IN RELATION TO THE PORTION OF THE PROPERTY SO TAKEN AND TENANT SHALL HAVE NO RIGHT TO CLAIM ANY PORTION OF THE MONIES PAID TO THE LANDLORD FROM THE CONDEMNATION AUTHORITY AS COMPENSATION FOR THE PROPERTY SO TAKEN. IF THE PORTION OF THE PROPERTY SO TAKEN IS SUCH AS TO DESTROY THE USEFULNESS OF THE PROPERTY FOR THE PURPOSES FOR WHICH THE PROPERTY WERE LEASED, THEN TENANT SHALL BE ENTITLED TO TERMINATION OF THIS LEASE, AT ITS OPTION, WITHIN TEN (10) DAYS AFTER SERVICE OF PROCESS ON TENANT IN SUCH CONDEMNATION SUIT, AND ANY UNEARNED RENT OR OTHER CHARGES PAID IN ADVANCE (INCLUDING, WITHOUT IMPLIED LIMITATION THE ENTIRE DEPOSIT) SHALL BE REFUNDED TO THE TENANT. HOWEVER, IF TENANT ELECTS TO TERMINATE THIS LEASE, UNDER THIS SECTION, TENANT SHALL NOT BE ENTITLED TO ANY PORTION OF THIS CONDEMNATION AWARD TO LANDLORD.

ENVIRONMENTAL LIABILITY

17. ENVIRONMENTAL LIABILITY:

(A) DEFINITIONS:

i. HAZARDOUS MATERIAL – MEANS ANY SUBSTANCE THE PRESENCE OF WHICH REQUIRES INVESTIGATION OR REMEDIATION UNDER FEDERAL, STATE OR LOCAL STATUTE, REGULATION, ORDINANCE, ORDER, ACTION, POLICY OR COMMON LAW; OR WHICH IS OR BECOMES DEFINED AS A “HAZARDOUS WASTE”, “HAZARDOUS SUBSTANCE”, “POLLUTANT”, OR “CONTAMINATE” UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, RULE OR ORDINANCE INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT. (42 U.S.C. SEC. 9602 et seq)

ii. ENVIRONMENTAL DAMAGES – MEANS ALL CLAIMS, JUDGMENTS, DAMAGES, LOSSES, PENALTIES, FINES, LIABILITIES, ENCUMBRANCES, LIENS, COSTS AND EXPENSES OF INVESTIGATION AND DEFENSE OF ANY CLAIM, WHETHER OR NOT SUCH CLAIM IS ULTIMATELY DEFEATED OR SETTLED, INCLUDING WITHOUT LIMITATION ATTORNEYS FEES AND DISBURSEMENTS AND CONSULTANTS’ FEES, IF ANY INCURRED AS A RESULT OF THE EXISTENCE OF “HAZARDOUS MATERIAL” UPON, ABOUT, BENEATH THE PROPERTY OR MIGRATING OR THREATENING TO MIGRATE TO OR FROM THE PROPERTY, OR THE EXISTENCE OR A VIOLATION OF “ENVIRONMENTAL REQUIREMENTS” PERTAINING TO THE PROPERTY.

iii. ENVIRONMENTAL REQUIREMENTS – MEANS ALL APPLICABLE PRESENT AND FUTURE STATUTES, REGULATIONS, RULES, ORDINANCES, CODES, LICENSES, PERMITS, ORDERS, AND SIMILAR ITEMS, OF ALL GOVERNMENTAL AGENCIES, DEPARTMENTS, COMMISSIONS, BOARDS, BUREAUS OR INSTRUMENTALITIES OF THE UNITED STATES, THE STATE OF FLORIDA AND POLITICAL SUBDIVISIONS THEREOF AND ALL APPLICABLE JUDICIAL, ADMINISTRATIVE AND REGULATORY DECREES, JUDGMENTS AND ORDERS RELATING

TO THE PROTECTION OF HUMAN HEALTH, OR THE ENVIRONMENT, INCLUDING THE PROTECTION OF WETLANDS, WILDLIFE HABITAT AND OTHER ENVIRONMENTALLY SENSITIVE LANDS.

(B) DISPOSAL OF HAZARDOUS MATERIALS AND TRASH: LESSEE SHALL SUBJECT PROPERTY. LESSEE SHALL KEEP THE PROPERTY CLEAR FROM TRASH AND DEBRIS AT ALL TIMES AND DISPOSE OF ALL OIL AND PETROLEUM PRODUCTS AND OTHER HAZARDOUS MATERIALS OFF THE SUBJECT PROPERTY. ALL CANS, CONTAINERS, TANKS AND OTHER PACKAGES OR DRUMS SHALL BE REMOVED FROM THE PROPERTY. ALL PLASTIC SHALL BE REMOVED FROM THE PROPERTY. NOTHING SHALL BE BURNED OR BURIED ON THE PROPERTY.

(C) OBLIGATION TO INDEMNIFY, DEFEND AND HOLD HARMLESS: LESSEE, HIS HEIRS, PERSONAL REPRESENTATIVES AND ASSIGNS AGREE TO INDEMNIFY, DEFEND, REIMBURSE AND HOLD HARMLESS LESSORS, THEIR HEIRS, PERSONAL REPRESENTATIVES AND ASSIGNS FROM ANY ENVIRONMENTAL DAMAGES, INCLUDING LOST RENTAL DURING THE PERIOD OF ANY CLEANUP OR REMEDIATION ON THE SUBJECT PROPERTY.

(D) RIGHT TO INSPECT AND AUDIT: LESSORS SHALL HAVE THE RIGHT, IN THEIR SOLE AND ABSOLUTE DISCRETION, TO ENTER AND CONDUCT AN INSPECTION OF THE PROPERTY, INCLUDING SOIL AND WATER TESTS, AT ANY REASONABLE TIME TO DETERMINE WHETHER LESSEE IS COMPLYING WITH THE TERMS OF THIS AGREEMENT.

(E) OBLIGATION TO CORRECT AND CURE: NOTWITHSTANDING THE OBLIGATION OF LESSEE TO INDEMNIFY LESSORS PURSUANT TO THIS AGREEMENT, LESSEE SHALL, UPON DEMAND OF LESSORS, AND AT HIS SOLE COST AND EXPENSE, PROMPTLY TAKE ALL ACTIONS TO CORRECT AND CURE (REMEDiate) AND PROPERTY WHICH ARE REQUIRED BY ALL FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY OR POLITICAL SUBDIVISION OR WHICH ARE REASONABLY NECESSARY TO MITIGATE ENVIRONMENTAL DAMAGES OR TO ALLOW FULL ECONOMIC USE OF THE PROPERTY OF A "HAZARDOUS MATERIAL" OR A VIOLATION OF "ENVIRONMENTAL REQUIREMENTS". SUCH ACTIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, THE INVESTIGATION OF THE ENVIRONMENTAL CONDITION OF THE PROPERTY, THE PREPARATION OF ANY FEASIBILITY STUDIES, REPORTS OR REMEDIAL PLANS AND THE PERFORMANCE OF ANY CLEANUP, REMEDIATION, CONTAINMENT, OPERATION, MAINTENANCE, MONITORING, OR RESTORATION WORK, WHETHER ON OR OFF THE PROPERTY.

LESSEE SHALL TAKE ALL ACTIONS NECESSARY TO RESTORE THE PROPERTY TO THE CONDITION EXISTING PRIOR TO THE INTRODUCTION OF "HAZARDOUS MATERIAL" UPON, ABOUT OR BENEATH THE PROPERTY, AND TO RESTORE THE PROPERTY TO ITS CONDITION PRIOR TO THE "ENVIRONMENTAL DAMAGES".

(F) SURVIVORSHIP CLAUSE" THE OBLIGATIONS OF LESSEE UNDER THIS PARAGRAPH AND ALL ITS SUB-PARTS SHALL COVER THE PERIOD FROM THE BEGINNING OF LESSEE'S MONTH-TO-MONTH TENANCY PRIOR TO THIS WRITTEN LEASE AND SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT, THE DISCHARGE OF ANY OTHER OBLIGATIONS OWED BY THE PARTIES TO EACH OTHER, AND ANY TRANSFER OF THE TITLE TO THE PROPERTY, WHETHER BY SALE, FORECLOSURE OR OTHERWISE.

WAIVER

18. ITS IS AGREED THAT THE FAILURE OF LANDLORD IN ONE OR MORE INSTANCES TO INSIST UPON STRICT PERFORMANCE OR OBSERVATION OF ONE OR MORE OF THE COVENANTS OR CONDITIONS HEREUNDER OR TO EXERCISE ANY REMEDY, PRIVILEGE, OR OPTION HEREIN CONFERRED UPON OR RESERVED TO LANDLORD, SHALL NOT OPERATE OR BE CONSTRUED AS A RELINQUISHMENT OR WAIVER FOR THE FUTURE OF SUCH COVENANT OR CONDITION OR OF THE RIGHT TO ENFORCE THE SAME OR TO EXERCISE SUCH PRIVILEGE, OPTION OR REMEDY, BUT THE SAME SHALL CONTINUE IN FULL FORCE AND EFFECT. THE RECEIPT BY LANDLORD OR RENT, OR ADDITIONAL RENT, OR OF ANY OTHER PAYMENT REQUIRED TO BE MADE BY THE TENANT, OR ANY PART THEREOF, SHALL NOT BE WAIVER OF ANY OTHER RENTS, OR ADDITIONAL RENTS OR PAYMENT THEN DUE, NOR SHALL RECEIPT THOUGH WITH KNOWLEDGE OF THE BREACH OF ANY COVENANT OR CONDITION HEREOF, OPERATE AS OR BE DEEMED TO BE WAIVER OF SUCH BREACH, AND NO WAIVER BY THE LANDLORD OF ANY OF THE PROVISIONS HEREOF, OR ANY OF THE LANDLORD'S RIGHTS, REMEDIES, PRIVILEGES OR OPTIONS HEREUNDER, SHALL BE DEEMED TO HAVE BEEN MADE UNLESS MADE BY THE LANDLORD IN WRITING.

ATTORNEY'S FEES

19. THE PARTIES HEREBY AGREE THAT IN THE EVENT IT SHOULD BECOME NECESSARY FOR EITHER PARTY TO EMPLOY AN ATTORNEY TO ENFORCE ANY OF ITS RIGHTS HEREUNDER OR UNDER FLORIDA LAW, THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT OF ALL COSTS AND EXPENSES, INCLUDING ATTORNEY'S FEES WHICH MAY REASONABLY BE INCURRED OR PAID AT ANY TIME OR TIMES BY HIM IN CONECTION THEREWITH, INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND COSTS IN ALL PROCEEDINGS, TRAILS AND APPEALS, INCLUDING PROCEEDINGS PURSUANT TO ANY INSOLVENCY, BANKRUPTCY OR PROBATE LAW.

NOTICE

20. ALL NOTICES REQUIRED TO BE GIVEN TO LANDLORD HEREUNDER SHALL BE SENT TO THE REGISTERED MAIL AND ALL RENT PAYMENTS SHALL BE MADE TO LANDLORD AT 120 79TH ST. SOUTH, ST. PETERSBURG OR TO SUCH OTHER ADDRESS AS LANDLORD MAY DIRECT FROM TIME TO TIME BY WRITTEN NOTICE FORWARDED TO TENANT BY REGISTERED OR CERTIFIED MAIL. ALL NOTICES REQUIRED TO BE GIVEN TO TENANT HEREUNDER SHALL BE SENT TO REGISTERED OR CERTIFIED MAIL TO TENANT MAY DIRECT FROM TIME TO TIME BY WRITTEN NOTICE FORWARDED TO LANDLORD BY REGISTERED OR CERTIFIED MAIL ALL NOTICES AND ALL RENTAL PAYMENTS HEREUNDER WILL BE DEEMED TO HAVE BEEN GIVEN OR MADE ON THE DATE THE NOTICE OR PAYMENT IS MAILED.

BENEFIT

21. THE COVENANTS HEREIN CONTAINED SHALL BIND, AND THE BENEFITS AND ADVANTAGES SHALL INSURE TO THE RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS, AND ASSIGNS OF THE PARTIES HERETO. WHEREVER USED, THE SINGULAR NUMBER SHALL INCLUDE THE PLURAL, AND THE PLURAL THE SINGULAR, AND THE USE OF ANY GENDER SHALL INCLUDE ALL GENDERS.

ASSIGNMENTS: ENCUMBRANCES

22. TENANT MAY NOT ASSIGN, TRANSFER, SELL OR ENCUMBER ANY PART OR ALL OF ITS RIGHT AND INTEREST IN THE PROPERTY OR UNDER THIS LEASE.

TIME OF ESSENCE

23. TIME IS OF THE ESSENCE WITH RESPECT TO THE TERMS AND CONDITIONS OF THIS LEASE.

OTHER AGREEMENTS

24. NO PRIOR OR PRESENT AGREEMENTS, WARRANTIES OR REPRESENTATIONS WILL BE BINDING UPON ANY OF THE PARTIES HERETO UNLESS INCORPORATED IN THIS LEASE. NO MODIFICATION OF OR SUPPLEMENT TO THIS LEASE SHALL BE VALID OR BINDING UPON THE PARTIES UNLESS IN WRITING EXECUTED BY THE PARTY OR PARTIES TO BE BOUND THEREBY.

MECHANICS' AND SIMILAR LIENS

25. LANDLORD'S INTEREST IN THE PROPERTY IS NOT SUBJECT TO LIENS FOR IMPROVEMENTS OR REPAIRS MADE BY TENANT TO OR UPON THE PROPERTY, AND SUCH LIABILITY IS EXPRESSLY PROHIBITED AS CONTEMPLATED BY SECTION 713.10, FLORIDA STATUTES. IF ANY MECHANICS' LIEN IS PLACED OR ANY CLAIM THEREOF IS FILED AGAINST THE PROPERTY AS A RESULT OF ANYTHING DONE OR PERMITTED BY TENANT, TENANT PROMPTLY SHALL CAUSE THE SAME TO BE REMOVED AND SHALL INDEMNIFY LANDLORD AND HOLD LANDLORD HARMLESS FROM ANY ADVERSE EFFECT THEREOF. TENANT IS EXPRESSLY PROHIBITED AGAINST CREATING ANY LIENS OR CHARGE AGAINST THE FEE INTEREST OF LANDLORD IN THE PREMISES.

IN WITNESS WHEREOF, THIS LEASE HAS BEEN DULY EXECUTED AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

WITNESSES:

Paula Scott

AS TO LANDLORD

Paula Scott

AS TO TENANT

By: /s/ Peter W. James
LANDLORD

By: /s/
TENANT
Eclipse Energy Technologies, Inc.

SPINOFF AGREEMENT

THIS SPINOFF AGREEMENT (this "Agreement"), dated as of December 7, 2010, is made by and between Eclips Media Technologies, Inc., a Delaware corporation ("Company"), SD Acquisition Corp., a New York corporation ("SD"), Brand Interaction Group, LLC ("Brand"), a New Jersey limited liability company, Eric Simon ("Simon") and each of the individuals listed under the heading "Lenders" on Exhibit A annexed hereto ("collectively, 'Lenders'").

RECITALS

A. Company owns 100 shares of common stock, par value \$0.001 per share (the "Shares"), of SD, which Shares constitute, as of the date hereof, all of the issued and outstanding capital stock of SD.

B. Brand and Simon collectively hold 30,000,000 shares of common stock, par value \$0.0001 per share, of Company (the "Company Shares"), which constitute all of the Company Shares owned by each of Brand and Simon, and Brand and Simon (either directly or through such record owner of Company Shares) have agreed to transfer and convey to Company such shares for cancellation (the "Cancellation"), which Company Shares were acquired pursuant to an Asset Purchase Agreement dated as of June 21, 2010 by and between the Company, SD and Brand (the "APA") and the Employment Agreement (as hereinafter defined) between the Company and Simon .

C. Lenders previously provided funds to Brand, which loans were assumed by the Company upon the closing of the APA.

D. 1. Company, SD and Simon desire to terminate the APA and the Employment Agreement, rescind and cancel the issuance of all Company Shares and transfer, assign and convey to Brand all of the Shares of SD;

2. The following revenues from the Fantasy Football SUPERDRAFT event held August 25, 2010 – August 28, 2010 in Las Vegas, Nevada, will immediately be paid to the Lenders by Brand and/or SD once received (the "Receivables"):

\$37,500 from Yahoo; and

\$45,000 from Carl's Jr. sponsorship.

3. Brand and Lenders will enter into a six (6) month promissory note for \$95,000, payable in six (6) equal monthly installments on the first day of each succeeding calendar month in the amount of \$15,833.33 (the "Monthly Installments"), with the first payment due in 45 days of Closing (as hereinafter defined)(the "Note") (the Note and the Receivables, collectively, the "Debt"), plus accrued interest at a rate of six (6%) percent per annum. Any Monthly Installments not paid within five (5) days of its due date will incur a five (5%) percent penalty of the amount of the payment, and the balance unpaid shall be immediately accelerated.

E. Company consents to the foregoing payment arrangements under which Company debt owed to Lenders may be, in whole or in part, extinguished and upon repayment Lenders shall release Company from any and all obligations with respect to the principal amount of the Debts in fact paid.

F. Company, SD, Simon, Lenders and Brand each desire to release the other from all claims and liabilities associated with the foregoing and the APA, the Employment Agreement and any and all matters arising from their relationship thereunder, except for the obligations of Brand as to the Receivables and under the Note and the obligations of Company to Lenders, net of any payments made by Brand and/or SD.

G. In connection with the Cancellation, Brand wishes to acquire from Company, and Company wishes to transfer to Brand, the Shares, upon the terms and subject to the conditions set forth herein.

Accordingly, the parties hereto agree as follows:

1. Purchase and Sale of Stock.

(a) Purchased Shares. Subject to the terms and conditions provided below, Company shall sell and transfer to Brand and Brand shall purchase from Company, on the Closing Date (as defined in Section 2), all of the Shares in such amounts as are set forth on Schedule I, annexed hereto.

(b) Purchase Price. The purchase price for the Shares shall be: (i) the irrevocable transfer and delivery by Brand to Company of the Company Shares; and (ii) the amounts, interests, agreements and payments provided for as described in Paragraph D in the preambles hereto. The conveyance by Mr. Simon of his Company Shares back to the Company is in consideration of the releases provided to him later in the Agreement.

(c) Additional Agreements. As an additional inducement to the sale of the Shares to Brand, and as a condition thereto, the parties agree that the following additional agreements shall be effective as of the date hereof:

I. immediate termination with respect to any and all agreements and understandings with respect to Simon and/or Brand, including, without limitation, the APA and that certain employment agreement dated as of June 21, 2010 (the "Employment Agreement") and any ancillary or additional agreements with the Company or SD executed in connection therewith or involving or relating to the acquisition of the Brand business or the employment of Simon, or his holding of any office or position with the Company and the immediate resignation from all offices and positions of Simon from the Company and its subsidiaries. Notwithstanding anything herein to the contrary, the transfer or assignment of any assets from Brand and/or Simon to SD shall survive termination of the APA and the Employment Agreement, provided, however, Company makes no representations or warranties with respect thereto and Brand accepts such assignment "as is"; and

II. the Company waives any and all lock up agreements in regards to the Company Shares in order to effectuate the transfers contemplated herein.

(2) Closing.

(a) Time for Closing. The closing of the transactions contemplated in this Agreement (the “Closing”) are subject to following conditions (the “Closing Conditions”) being met (which closing conditions may be waived solely by the Company) on the date hereof (the “Closing Date”):

(i) The receipt by Company of the certificates representing all Company Shares issued to Simon and any third party, together with stock powers medallion guaranteed attached, and cancellation of any and all options, rights, agreements and understandings of Simon and any third party as to any future issuances or funding of Simon (including, without limitation, any stock options or stock issuable under any employment, compensation, incentive or other plan or agreement), including, without limitation, pursuant to the Employment Agreement or the APA;

(ii) approval of the Closing and to cancellation and retirement of the Company Shares by the Board of Directors of Company;

(iii) release of the Company of any and all liabilities, claims and obligations by the Lenders as provided in the preambles hereto: and

(iv) all matters related to this Agreement and the actions contemplated hereunder shall be acceptable to the Company, and counsel to the Company, the Lenders, in their sole and absolute discretion.

(b) Transfer of Shares. At the Closing, Company shall deliver to Brand certificates representing the Shares, duly endorsed to Brand or as directed by Brand, which delivery shall vest Brand with good and marketable title to all of the issued and outstanding shares of capital stock of SD, free and clear of all liens and encumbrances.

(c) Payment of Purchase Price. At the Closing, each of Brand and Simon shall deliver to Company a certificate or certificates representing the Company Shares duly endorsed to Company, which delivery shall vest Company with good and marketable title to the Company Shares to be cancelled, free and clear of all liens and encumbrances. The secretary of the Company is hereby appointed with full power of attorney to record on the transfer books of the Company the transfer and cancellation of the Company Shares delivered to Company, at the Closing.

3. Representations and Warranties of Company. Company represents and warrants to Brand as of the date hereof as follows:

(a) Corporate Authorization; Enforceability. The execution, delivery and performance by Company of this Agreement is within its corporate powers and has been duly authorized by all necessary corporate action on the part of Company. This Agreement has been duly executed and delivered by Company and constitutes the valid and binding obligation of Company, enforceable against Company in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) Governmental Authorization. The execution, delivery and performance by Company of this Agreement requires no consent, approval, Order, authorization or action by or in respect of, or filing with, any Governmental Authority.

(c) Non-Contravention; Consents. The execution, delivery and performance by Company of this Agreement and the consummation of the transactions contemplated hereby do not (i) violate the certificate of incorporation or bylaws of Company or (ii) violate any applicable Law or Order.

(d) Capitalization. As of the date hereof, Company owns the Shares, which shares represent 100% of the authorized, issued and outstanding capital stock of SD. The Shares are duly authorized, validly issued, fully-paid, non-assessable and free and clear of any Liens.

(e) SD.

(i) all SD operations, financial and contractual obligations, and actions of SD directors and officers (other than Simon) are reflected in the books and records of SD, copies of which have been delivered to Brand;

(ii) SD has cash necessary to satisfy all of SD's tax obligations to governmental authorities; and

(iii) SD has made all tax payments required to governmental authorities, including payroll taxes. Simon has not been in possession of books and records of SD, including the checkbook or general ledger of SD.

4. Representations and Warranties of Brand. Brand represents and warrants to Company as of the date hereof as follows:

(a) Enforceability. The execution, delivery and performance by Brand of this Agreement are within Brand's powers. This Agreement has been duly executed and delivered by Brand and constitutes the valid and binding obligation of Brand, enforceable against Brand in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) Governmental Authorization. The execution, delivery and performance by Brand of this Agreement requires no consent, approval, Order, authorization or action by or in respect of, or filing with, any Governmental Authority.

(c) Non-Contravention; Consents. The execution, delivery and performance by Brand of this Agreement, and the consummation of the transactions contemplated hereby do not violate any applicable Law or Order.

(d) Purchase for Investment. Brand is financially able to bear the economic risks of acquiring an interest in SD and the other transactions contemplated hereby, and has no need for liquidity in this investment. Brand has such knowledge and experience in financial and business matters in general, and with respect to businesses of a nature similar to the business of SD, so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, the acquisition of the Shares. Brand is acquiring the Shares solely for their own account and not with a view to or for resale in connection with any distribution or public offering thereof, within the meaning of any applicable securities laws and regulations, unless such distribution or offering is registered under the Securities Act of 1933, as amended (the "Securities Act"), or an exemption from such registration is available. Brand has (i) received all the information they have deemed necessary to make an informed investment decision with respect to the acquisition of the Shares, (ii) had an opportunity to make such investigation as they have desired pertaining to SD and the acquisition of an interest therein, and to verify the information which is, and has been, made available to them and (iii) had the opportunity to ask questions concerning SD. Brand has received no public solicitation or advertisement with respect to the offer or sale of the Shares.

Brand realizes that the Shares are "restricted securities" as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act, the resale of the Shares is restricted by federal and state securities laws and, accordingly, the Shares must be held indefinitely unless their resale is subsequently registered under the Securities Act or an exemption from such registration is available for their resale. Brand understands that any resale of the Shares by them must be registered under the Securities Act (and any applicable state securities law) or be effected in circumstances that, in the opinion of counsel for SD at the time, create an exemption or otherwise do not require registration under the Securities Act (or applicable state securities laws). Brand acknowledges and consent that certificates now or hereafter issued for the Shares will bear a legend substantially as follows:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS"), HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND QUALIFICATION UNDER THE STATE ACTS OR PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS (INCLUDING, IN THE CASE OF THE SECURITIES ACT, THE EXEMPTIONS AFFORDED BY SECTION 4(1) OF THE SECURITIES ACT AND RULE 144 THEREUNDER). AS A PRECONDITION TO ANY SUCH TRANSFER, THE ISSUER OF THESE SECURITIES SHALL BE FURNISHED WITH AN OPINION OF COUNSEL OPINING AS TO THE AVAILABILITY OF EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION AND/OR SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY

THERE TO THAT ANY SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES LAWS.

Brand understands that the Shares are being sold to them pursuant to the exemption from registration under the Securities Act and that Company is relying upon the representations made herein as one of the bases for claiming the availability of such exemption.

(e) Title to Company Shares. Brand is the sole record and beneficial owner of the Company Shares. At Closing, Brand will have good and marketable title to the Company Shares, which Company Shares are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Company, except for restrictions on transfer as contemplated by applicable securities laws.

(f) Securities Law Restrictions. Brand acknowledges that it is aware the federal securities laws restrict parties in possession of material non-public information to refrain from all transactions in the securities of Company until public announcement of such material non-public information. Accordingly, Brand, on its own behalf and on behalf of its affiliates and others who will have knowledge of the terms of this Agreement, shall refrain from affecting any transactions in securities of Company, other than pursuant to this Agreement.

5. Indemnification and Release.

(a) Indemnification of the Company. Brand, (the “Indemnitor”) covenants and agrees to indemnify, defend, protect and hold harmless Company, and its officers, directors, employees, stockholders, agents, representatives and affiliates (collectively, together with Company, the “Company Indemnified Parties”) at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys’ fees and expenses of investigation), whether or not involving a third party claim (collectively, “Losses”), incurred by any Company Indemnified Party as a result of or arising from (i) any breach of the representations and warranties of Brand set forth herein or in certificates delivered in connection herewith, (ii) any breach or nonfulfillment of any covenant or agreement on the part of Brand, Simon or SD under this Agreement or (iii) any debt, liability or obligation of SD Brand or Simon, whether incurred or arising prior to the date hereof or after.

(b) Third Party Claims.

(i) If any claim or liability (a “Third-Party Claim”) should be asserted against any of the Company Indemnified Parties (the “Indemnitee”) by a third party after the Closing for which the Indemnitor has an indemnification obligation under the terms of Section 5(a), then the Indemnitee shall notify Brand within ten (10) days after the Third-Party Claim is asserted by a third party (said notification being referred to as a “Claim Notice”) and give the Indemnitor a reasonable opportunity to take part in any examination of the books and records of the Indemnitee relating to such Third-Party Claim and to assume the defense of such Third-Party Claim and in connection therewith and to conduct any proceedings or negotiations relating

thereto and necessary or appropriate to defend the Indemnitee and/or settle the Third-Party Claim. The expenses (including reasonable attorneys' fees) of all negotiations, proceedings, contests, lawsuits or settlements with respect to any Third-Party Claim shall be borne by the Indemnitor. If the Indemnitor agrees to assume the defense of any Third-Party Claim in writing within twenty (20) days after the Claim Notice of such Third-Party Claim has been delivered, through counsel reasonably satisfactory to Indemnitee, then the Indemnitor shall be entitled to control the conduct of such defense, and shall be responsible for any expenses of the Indemnitee in connection with the defense of such Third-Party Claim so long as the Indemnitor continues such defense until the final resolution of such Third-Party Claim. The Indemnitor shall be responsible for paying all settlements made or judgments entered with respect to any Third-Party Claim the defense of which has been assumed by the Indemnitor. Except as provided in this sentence and in subsection (ii) below, both the Indemnitor and the Indemnitee must approve any settlement of a Third-Party Claim, provided however, in the event that Indemnitor has assumed the defense of such Third-Party Claim and is solely liable for any for the payment and performance of any settlement then only the Indemnitor must approve any settlement of a Third-Party Claim. A failure by the Indemnitee to timely give the Claim Notice shall not excuse Indemnitor from any indemnification liability except only to the extent that the Indemnitor is prejudiced by such failure.

(ii) If the Indemnitor shall not agree to assume the defense of any Third-Party Claim in writing within twenty (20) days after the Claim Notice of such Third-Party Claim has been delivered, or shall fail to continue such defense until the final resolution of such Third-Party Claim, then the Indemnitee may defend against such Third-Party Claim in such manner as it may deem appropriate and the Indemnitee may settle such Third-Party Claim, in its sole discretion, on such terms as it may deem appropriate. The Indemnitor shall promptly reimburse the Indemnitee for the amount of all settlement payments and expenses, legal and otherwise, incurred by the Indemnitee in connection with the defense or settlement of such Third-Party Claim. If no settlement of such Third-Party Claim is made, then the Indemnitor shall satisfy any judgment rendered with respect to such Third-Party Claim before the Indemnitee is required to do so, and pay all expenses, legal or otherwise, incurred by the Indemnitee in the defense against such Third-Party Claim.

(c) Non-Third-Party Claims. Upon discovery of any claim for which the Indemnitor has an indemnification obligation under the terms of this Section 5 which does not involve a claim by a third party against the Indemnitee, the Indemnitee shall give prompt notice to Brand of such claim and, in any case, shall give Brand such notice within twenty (20) days of such discovery. A failure by Indemnitee to timely give the foregoing notice to Brand shall not excuse Indemnitors from any indemnification liability except to the extent that Indemnitors are prejudiced by such failure.

(d) Indemnification of SD and Brand. The Company covenants and agrees to indemnify, defend, protect and hold harmless SD, Brand, and their officers, directors, employees, stockholders, agents, representatives and affiliates (collectively, together with SD and Brand, the "SD and Brand Indemnified Parties") at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation), whether or not involving a third party

claim of any SD and Brand Indemnified Party (collectively, “SD and Brand Losses”), incurred by any SD and Brand Indemnified Party as a result of or arising from (i) any breach of the representations and warranties of Company set forth herein or in certificates delivered in connection herewith (ii) any breach or nonfulfillment of any covenant or agreement on the part of Company under this Agreement or (iii) any debt, liability or obligation of Company unrelated to the business of SD, whether incurred or arising prior to the date hereof or after.

(e) SD Third Party Claims.

(i) If any claim or liability (a “SD Third-Party Claim”) should be asserted against any of SD Indemnified Parties (the “SD Indemnitee”) by a third party after the Closing for which the Company has an indemnification obligation under the terms of Section 6(d), then SD Indemnitee shall notify the Company within ten (10) days after SD Third-Party Claim is asserted by a third party (said notification being referred to as a “Company Claim Notice”) and give the Company a reasonable opportunity to take part in any examination of the books and records of SD Indemnitee relating to such Third-Party Claim and to assume the defense of such SD Third-Party Claim and in connection therewith and to conduct any proceedings or negotiations relating thereto and necessary or appropriate to defend SD Indemnitee and/or settle SD Third-Party Claim. The expenses (including reasonable attorneys’ fees) of all negotiations, proceedings, contests, lawsuits or settlements with respect to any SD Third-Party Claim shall be borne by the Company. If the Company agrees to assume the defense of any SD Third-Party Claim in writing within twenty (20) days after the Company Claim Notice of such SD Third-Party Claim has been delivered, through counsel reasonably satisfactory to SD Indemnitee, then the Company shall be entitled to control the conduct of such defense, and shall be responsible for any expenses of SD Indemnitee in connection with the defense of such SD Third-Party Claim so long as the Company continues such defense until the final resolution of such SD Third-Party Claim. The Company shall be responsible for paying all settlements made or judgments entered with respect to any SD Third-Party Claim the defense of which has been assumed by the Company. Except as provided in this Section and in subsection (ii) below, both the Company and SD Indemnitee must approve any settlement of a SD Third-Party Claim, provided however, in the event that Company has assumed the defense of such Third-Party Claim and is solely liable for any for the payment and performance of any settlement then only the Company must approve any settlement of a SD Third-Party Claim. A failure by SD Indemnitee to timely give the Company Claim Notice shall not excuse Company from any indemnification liability except only to the extent that the Company is prejudiced by such failure.

(ii) If the Company shall not agree to assume the defense of any SD Third-Party Claim in writing within twenty (20) days after the Company Claim Notice of such SD Third-Party Claim has been delivered, or shall fail to continue such defense until the final resolution of such SD Third-Party Claim, then SD may defend against such SD Third-Party Claim in such manner as it may deem appropriate and SD may settle such SD Third-Party Claim, in its sole discretion, on such terms as it may deem appropriate. The Company shall promptly reimburse SD Indemnitee for the amount of all settlement payments and expenses, legal and otherwise, incurred by SD Indemnitee in connection with the defense or settlement of such SD Third-Party Claim. If no settlement of such SD Third-Party Claim is made, then the Company shall satisfy any judgment rendered with respect to such SD Third-Party Claim before SD is

required to do so, and pay all expenses, legal or otherwise, incurred by SD in the defense against such SD Third-Party Claim.

(f) SD Non-Third-Party Claims. Upon discovery of any claim for which the Company has an indemnification obligation under the terms of this Section 6 which does not involve a claim by a third party against SD Indemnitee, SD Indemnitee shall give prompt notice to the Company of such claim and, in any case, shall give the Company such notice within twenty (20) days of such discovery. A failure by SD Indemnitee to timely give the foregoing notice to the Company shall not excuse Company from any indemnification liability except to the extent that SD Indemnitors are prejudiced by such failure.

(g) Simon, SD and Brand Release. Simon, SD and Brand, on behalf of themselves and their Related Parties, hereby release and forever discharge Company and its individual, joint or mutual, past and present representatives, Affiliates, officers, directors, employees, agents, attorneys, stockholders, controlling persons, subsidiaries, successors and assigns (individually, a "Company Releasee" and collectively, "Company Releasees") from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which Simon, SD and/or Brand or any of the Brand Related Parties now have or have ever had against any Company Releasee, provided, however, that notwithstanding anything herein to the contrary, such release shall not be deemed to include any claims that may be asserted by any third parties other than Simon, SD, Brand, or any of their Related Parties. Simon, SD and Brand hereby irrevocably covenant to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Company Releasee, based upon any matter released hereby. "Brand Related Parties" shall mean, with respect to Brand, (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with Brand, (ii) any Person in which Brand holds a Material Interest or (iii) any Person with respect to which Brand serves as a general partner or a trustee (or in a similar capacity). Notwithstanding anything to the contrary herein, this release shall not release the Company from any obligations or agreements contained in this Agreement and does not apply to indemnification obligations of the Company provided by statute or the Company's bylaws.

(h) Company and Lender Release. The Company and Lenders, on behalf of itself and its Related Parties, hereby releases and forever discharges Simon, Brand, and SD and its individual, joint or mutual, past and present representatives, Affiliates, officers, directors, employees, agents, attorneys, stockholders, controlling persons, subsidiaries, successors and assigns (individually, a "SD Releasee" and collectively, "SD Releasees") from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which the Company or any of the Company Related Parties now have or have ever had against any SD Releasee, provided, however, that notwithstanding anything herein to the contrary, such release shall not be deemed to include any claims that may be asserted by any third parties other than the Company or any of its Related Parties. Company hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any SD Releasee,

based upon any matter released hereby. “Company Related Parties” shall mean, with respect to Company, (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with Company, (ii) any Person which holds a Material Interest in Company or (iii) any person with respect to which the Company serves as a general partner or trustee (or in a similar capacity). Notwithstanding anything to the contrary herein, this release shall not release Simon, SD or Brand from any obligations or agreements contained in this Agreement. SD Brand or Simon will have no further obligations to the Lenders other than the obligations contained in this Agreement and Brand’s obligations under the Note

6. Assumption of Liabilities.

(a) Liabilities Assumed by SD. SD hereby acknowledges it is solely liable for and agrees to pay for the following liabilities:

- (i) any and all obligations incurred by Simon on behalf of SD;
- (ii) any and all agreements, understandings and obligations with Katalyst Media and/or Ashton Kutscher obligations; and
- (iii) defense costs and costs of settlement of each of the foregoing.

(b) Liabilities Assumed by the Company. The Company hereby agrees to be liable for and pay for the following liabilities:

- (i) all claims and amounts paid or payable to or in respect of any Company dispute with any of the Lenders and any other business or operations unrelated to SD, BIG or Simon; and
- (ii) defense costs and costs of settlement of each of the foregoing.

7. Mutual Confidential Information. The Company, on behalf of itself and its Related Parties, on the one hand, and Simon, SD and Brand on the other hand, each agree to hold in confidence and not to reveal, report, publish, disclose or transfer, directly or indirectly, any of the Confidential Information of the other party to any third party or use any of the Confidential Information, including the terms and existence of this Agreement, except as otherwise required by law. Upon the request of the other party each of the parties will promptly return all confidential Information (in any media), including any copies as well as all materials (in any media) which contain or embody Confidential Information, and, with respect to abstracts or summaries of Confidential Information that Company may have made, Company and SD will destroy such abstracts or summaries and will provide a written declaration from an authorized officer certifying that it has done so. Notwithstanding the above, the parties agree that disclosures will need to be made to accountants and other professionals, or for purposes of enforcing the terms of the Agreement.

8. Non-Disparagement. The parties hereto agree that they will not make any disparaging or misleading comments about each other, and will not discuss each with any third-part in any negative light.

9. Future Cooperation. The parties agree to provide reasonable cooperation with respect to each other with respect to providing information that may be needed in connection with the tax or reporting obligations with the Securities and Exchange Commission.

10. Definitions. As used in this Agreement:

(a) "Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with the first Person. For the purposes of this definition, "Control", when used with respect to any Person, means the possession, directly or indirectly, of the power to (i) vote 10% or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person or (ii) direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing;

(b) "Confidential Information" shall mean any information or materials in oral, written, pictorial, magnetic, graphic or maintained or transferred in any other media, which has been disclosed by Simon, SD or Brand to the Company, or Company to Simon SD or Brand, or any Lender, relating to Simon, SD, Brand, Company or Lender or their respective products, services, or operations. Confidential Information shall not include any information which (a) at the time of its disclosure or thereafter is generally available to and known to the public other than as a result of a disclosure by the disclosing party its representatives in breach of this Agreement (b) was or becomes available on a non-confidential basis from a source other than the disclosing party or its representatives, (c) is shown by written dated records (or any other documentary media) to have been independently acquired or developed without breaching this Agreement, (d) is shown by written dated records (or any other documentary media) to have been lawfully in the possession of the disclosing party prior to disclosure, or (e) if compelled by court or government action pursuant to applicable law to disclose such information, provided, however, that party gives prompt notice thereof so that the non-disclosing party may seek a protective order or other appropriate remedy.

(c) "Governmental Authority" means any domestic or foreign governmental or regulatory authority;

(d) "Law" means any federal, state or local statute, law, rule, regulation, ordinance, code, Permit, license, policy or rule of common law;

(e) "Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person will be deemed to own, subject to a Lien, any property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset;

(f) "Material Interest" means mean direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of voting

securities or other voting interests representing at least ten percent (10%) of the outstanding voting power of a Person or equity securities or other equity interests representing at least ten percent (10%) of the outstanding equity securities or equity interests in a Person.

(g) “Order” means any judgment, injunction, judicial or administrative order or decree;

(h) “Permit” means any government or regulatory license, authorization, permit, franchise, consent or approval; and

(i) “Person” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

11. Miscellaneous.

(a) Counterparts. This Agreement may be signed in any number of counterparts, each of which will be deemed an original but all of which together shall constitute one and the same instrument.

(b) Amendments and Waivers.

(i) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(ii) No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by Law.

(c) Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer (including by operation of Law) any of its rights or obligations under this Agreement without the consent of each other party hereto.

(d) No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied will give or be construed to give to any Person, other than the parties hereto, those referenced in Section 5 above, and such permitted successors and assigns, any legal or equitable rights hereunder.

(e) Governing Law. This Agreement is governed by the laws of New York without regard to its conflict of law provisions, and shall inure to the benefit of and be binding upon the successors, assigns, heirs and personal representatives of the parties hereto. Each party hereto

hereby irrevocable submits to the personal jurisdiction of the state and federal courts located within the City and State of New York with respect to any action, suit or proceeding relating to or arising from this Agreement. Each party hereto irrevocably waives (i) any claim or defense based upon improper venue or inconvenient forum with respect to any action, suit or proceeding brought in any such court and (ii) the right to trial by jury in any action, suit or proceeding relating to or arising under this Agreement. Each party waives personal service of process and consents to the service of process by the manner set forth in the Notices section, below, in addition to any other method of service of process permitted by applicable law. The Parties agree that the remedies at law for any breach by the other party of the provisions of this Agreement will be inadequate and that the damages flowing from any such breach are not readily susceptible to being measured in monetary terms. Accordingly, upon breach of any legally enforceable provision of this Agreement the Parties shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing in this Agreement shall be deemed to limit the remedies at law or in equity available to the Parties for any breach or failure to deliver the Company Shares.

(f) Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

(g) Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof of this Agreement.

(h) Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the remainder of the provisions of this Agreement (or the application of such provision in other jurisdictions or to Persons or circumstances other than those to which it was held invalid, illegal or unenforceable) will in no way be affected, impaired or invalidated, and to the extent permitted by applicable Law, any such provision will be restricted in applicability or reformed to the minimum extent required for such provision to be enforceable. This provision will be interpreted and enforced to give effect to the original written intent of the parties prior to the determination of such invalidity or unenforceability.

(i) Notices. Any notice, request or other communication hereunder shall be given in writing and shall be served either personally, by overnight delivery or delivered by mail, certified return receipt and addressed to the addresses for such parties contained in the APA and the Employment Agreement, or if to Lenders to the last known address for Lenders.

[Signature Page Follows]

[SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered, effective as of the date first above written.

“COMPANY”

ECLIPS MEDIA TECHNOLOGIES, INC.

By: /s/ Glenn Kesner
Name: Glenn Kesner
Title: Chief Executive Officer

SD ACQUISITION CORP.

By: /s/ Eric Simon
Name: Eric Simon
Title: Chief Executive Officer

“BUYER”

BRAND INTERACTION GROUP, INC.

By: /s/ Eric Simon
Name: Eric Simon
Title: Chief Executive Officer

/s/ Eric Simon
Eric Simon

“LENDERS”

/s/ Michael Brauser

Michael Brauser

/s/ Barry Honig

Barry Honig

Exhibit 10.17

AMENDMENT

This Amendment, dated as of December 13, 2010 (this "Amendment"), by and between EClips Media Technologies, Inc. (the "Company") and Colonial Ventures, LLC ("Colonial"), has been executed for the purpose of amending that certain consulting agreement, dated as of February 4, 2010 (the "Agreement").

In consideration of the premises, the mutual agreements contained herein and other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, the undersigned agree as follows:

1. Section 2(f) is amended by terminating the 5,000,000 unvested shares (the "Unvested Shares") of the Company's common stock issued to Colonial.
2. The Company is authorized to submit certificates # 5558, 5559, 5560, 5561 and 500,000 shares from certificate # 5557, which represent the Unvested Shares to the Company's transfer agent for cancellation.
3. The Company's secretary is authorized to take all further action to effectuate the cancellation of the Unvested Shares.
4. This Amendment may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all of such counterparts, taken together, shall constitute one and the same Amendment.
5. This Amendment and the rights of the parties hereto shall be interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the day and year first above written.

ECLIPS MEDIA TECHNOLOGIES, INC.

COLONIAL VENTURES, LLC

/s/ Glenn Kesner

Name: Glenn Kesner

Title: Chief Executive Officer

By: /s/ Gregory D. Cohen

Name: Gregory D. Cohen

Title: Manager

/s/ Gregory D. Cohen

Gregory D. Cohen, Individually

Exhibit 10.18

ECLIPS MEDIA TECHNOLOGIES, INC.
101 Middlesex Turnpike, Suite 6
Burlington, MA 01803

March 11, 2011

Colonial Ventures LLC
110 Greene St., Suite 403
New York, NY 10012

Re: Consulting Agreement

Mr. Cohen:

Reference is made to that certain consulting agreement, dated February 4, 2010 (the "Consulting Agreement"), by and between EClips Media Technologies, Inc. (the "Company") and Colonial Ventures LLC ("Consultant"). All terms defined in the Consulting Agreement shall have the same meaning when used in this letter unless otherwise defined herein.

This letter is to confirm that the Consulting Agreement and any and all obligations of either of the parties arising from such Consulting Agreement, shall, in all respects, be deemed to be null and void and of no further force and effect as of December 31, 2010 (the "Effective Date"). Furthermore, after the Effective Date, no party to the Consulting Agreement shall have any further obligations of any nature whatsoever with respect to the other parties pursuant to or arising from the Consulting Agreement.

This letter may be executed in counterparts and by facsimile transmission.

Yours truly,

ECLIPS MEDIA TECHNOLOGIES, INC.

/s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer

ACKNOWLEDGED AND ACCEPTED:

COLONIAL VENTURES LLC

/s/ Gregory D. Cohen
Gregory D. Cohen
Manager

SETTLEMENT AND RELEASE AGREEMENT

AGREEMENT

This Settlement and Release Agreement (the "Agreement") is entered into effective as of the 14th day of March, 2011, by and between EClips Media Technologies, Inc. (the "Company") and Peter W. James ("James") (each of the Company and James individually, a "Party" and collectively the "Parties").

WITNESSTH:

WHEREAS, an amount of unpaid monies remain due to James from the Company for both past legal services provided (the "Services Compensation") as well as certain lease payments due to the Company's previous headquarters (the "Lease Amount Due") (the Services Compensation and the Lease Amount Due, collectively, the "Debt"), located at 3900A 31st Street North, St. Petersburg, FL 33714 (the "St. Pete Office"), of which James is the landlord; and

WHEREAS, the Company and James wish to enter into this Agreement to memorialize their understanding that (i) the payment of the sum of \$15,000 (the "Payment"), by the Company to James upon the execution of this Agreement, constitutes the final payment under the Debt, (ii) effective as of the execution of this Agreement, the Debt is in all respects terminated and of no further force and effect, and (iii) each of the Parties agrees to release the other from any and all further obligations and responsibilities under the Debt.

NOW, THEREFORE, in consideration of the covenants, payments, and agreements set forth in this Agreement, the Company and James intending to be legally bound thereby, and hereby warranting that they each have the capacity and authority to execute this Agreement, it is agreed by and among the undersigned parties, that all of the matters relating to the Debt (or any claims which could have been asserted with respect thereto) by the Company or James are hereby settled and compromised on the following terms and conditions, to wit:

1. Compromise.

(a) In consideration for the termination of the Debt and the release found in Section 1(b)(ii) below, upon the execution of this Agreement, the Company agrees as follows:

(i) to make the Payment by check or wire transfer within 5 days from the execution of this Agreement; and

(ii) The Company releases James, his heirs, executors, administrators, successors, and assigns from all actions, cause of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which against James, the Company, the Company's heirs, executors, administrators, successors and assigns, ever had, now have or hereafter can, shall or may, have for,

upon, or by reason of any matter, cause or thing solely with respect to the matters relating to the performance and obligations under the Debt from the beginning of the world to the day of the date of this Agreement.

(b) In consideration of the Payment and the release found in section 1(a)(ii) above, James acknowledge and agrees as follows:

(i) Upon receipt of the Payment, the Debt in all respects, including the lease at the St. Pete Office is hereby terminated; and

(ii) James releases the Company, its officers, directors heirs, executors, administrators, successors, and assigns, (collectively the "Indemnified Parties") from all actions, cause of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which against the Indemnified Parties, heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing from the beginning of the world to the day of the date of this Agreement

2. Confidentiality; Non Disparagement.

(a) The Company and James each understand and agree that this Agreement (including all of its terms) is forever deemed confidential between them. Except as required under the statutes, rules or regulations of any federal or state government, government agency or court of competent jurisdiction, each of the Company and James, and their respective counsel, shall not disclose or divulge any of the matters underlying this Agreement or any of the terms or substance of this Agreement to others. The Company and James each further agree that they will not (i) assist against the other party in any way in any action arising from activity that pre-dates this Agreement, or (ii) provide testimony against the other party in any action arising from activity that pre-dates this Agreement, unless such assistance or testimony is compelled by subpoena or order of court.

(b) The parties agree not to make any disparaging statements concerning the other party and/or said party's performance under the Debt. All inquiries, if any, regarding the other party's performance shall be responded to promptly; and, both parties response shall set forth that the termination of the Debt was mutual and that the other party's performance was satisfactory in all respects. Each party shall furnish the other party with a written copy of each and every written response; or, if such response was oral the date, time and person to whom a response was given.

3. Binding Agreement. The terms of this Agreement are binding upon and inure to the benefit of each of the parties hereto, their respective successors, assigns, dependents, and all other related persons, affiliates or associates.

4. Headings. The captions of the paragraphs and sections of this Agreement are provided solely for convenience, and are not intended to, and in fact, shall not affect the substance or meaning of this Agreement.

5. Representation. Each of the parties hereto represents that each has read and fully understands each of the provisions as contained herein, and has been afforded the opportunity to review same with his attorney of choice; and further that each of the parties hereto represents that each and every one of the provisions contained in this Agreement is fair and not unconscionable to either party.

6. No Admission of Liability. The Agreement is not, and shall not be construed or deemed, an admission by the Company of any wrongdoing or of any liability to James.

7. Counterparts. The Agreement may be executed in facsimile counterparts, each of which, when all parties have executed at least one such counterpart, shall be deemed an original, with the same force and effect as if all signatures were appended to one instrument, but all of which together shall constitute one and the same Agreement.

8. Severability. Should any provision of the Agreement be declared or be determined by any court or tribunal to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be severed and deemed not to be part of the Agreement.

9. Choice of Laws. The Agreement shall be governed by and construed in accordance with the substantive law of the State of New York.

10. Attorneys' Fees and Costs. Each Party will bear its own expenses, including any costs or attorneys' fees incurred in connection with the negotiation and execution of this Agreement.

11. Entire Agreement. This Agreement constitutes the only existing and binding agreement of settlement among the Parties, and the Parties acknowledge that there are no other warranties, promises, assurances or representations of any kind, express or implied, upon which the Parties have relied in entering into this Agreement, unless expressly set forth herein. This Agreement shall not be modified except by written agreement signed by the party against whom modification is sought.

IN WITNESS WHEREOF, the parties have read and executed this Agreement as of the 14th day March, 2011.

ECLIPS MEDIA TECHNOLOGIES, INC.

By: /s/ Glenn Kesner

Name: Glenn Kesner

Title: Chief Executive Officer

/s/ Peter W. James

Peter W. James

Exhibit 21.1

Subsidiaries

H-Hybrid Technologies, Inc., incorporated in 2008 in the state of Florida

RZ Acquisition Group, incorporated in 2010 in the state of New York

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, Glenn Kesner, certify that:

1. I have reviewed this annual report on Form 10-K of EClips Media Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: March 30, 2011

By: /s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer (principal executive officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, Glenn Kesner, certify that:

1. I have reviewed this annual report on Form 10-K of EClips Media Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: March 30, 2011

By: /s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer (principal financial and
accounting officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of EClips Media Technologies, Inc. (the "Company") for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn Kesner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dated: March 30, 2011

By: /s/ Glenn Kesner
Glenn Kesner
Chief Executive Officer
(principal executive officer, principal financial and
accounting officer)

