

SITSEARCH CORP
Form 424B3
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Registration No. 333-155043

2,822,901 shares of common stock

SITSEARCH CORPORATION

This prospectus covers the resale by our 20 selling stockholders of 1,359,000 shares of our common stock and 59 selling stockholders of 1,463,901 shares underlying common stock purchase warrants. The selling stockholders' names and share amounts are set forth under "Selling Stockholders and Plan of Distribution" in this prospectus. The shares will be offered by our selling stockholders initially at \$1.00 per share and then at prevailing market prices or privately negotiated prices when and if the shares are listed for quotation on the Electronic Bulletin Board. The offering will terminate on the earlier of the date all of the shares are sold or one year from the date hereof. We will not receive any proceeds from the sale of shares offered by the selling stockholders. Any proceeds we receive from the exercise of warrants will be added to our working capital.

There is no public market for our common stock and it is not quoted or listed on any exchange.

Investing in our common stock involves substantial risks. See "Risk Factors" beginning on page 3.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 20, 2008

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus as we have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where such an offer or sale is not permitted.

SUMMARY

This summary highlights material information regarding our company and the offering contained in this prospectus. However, you should read the entire prospectus carefully, including the financial information and related notes, before making an investment decision.

Business

We have launched and continue to develop a proprietary online community and virtual world that combines various emerging Internet business models: Social bookmarking, social networking, original user generated content, and other services, all under our Sitesearch brand. Sitesearch users organize, share, and rank web links, interact with each other through online social networking and are able to create, post, and collaboratively edit online data and documents. Since our users are able to discover, dynamically organize and rank content using non-standard methods and technologies, we offer an alternative to standard search engines for organizing online information.

We were incorporated in August 2006 as a Nevada corporation. We are headquartered in Phoenix, Arizona with technical operations based in Sonora, Mexico. Our corporate headquarters are located at 2600 N. 44th Street Suite 214 Phoenix, AZ 85008-1565 and our telephone number is (602) 840-0668. Our website address is www.sitesearch.com. Information on our website is not a part of this prospectus.

The Offering

Securities offered by our selling stockholders:	1,359,000 shares of common stock 1,463,901 shares of common stock underlying warrants
Common stock outstanding prior to and after the offering(1):	8,049,677 shares of common stock
Use of proceeds:	We will not receive any proceeds from the sale of the common stock. Any proceeds from the sale of warrants will be added to our working capital.

(1) Excluding 1,463,901 shares issuable upon exercise of common stock purchase warrants.

Description of Selling Stockholders

Through this prospectus, we are registering for resale (i) 454,151 shares underlying common stock purchase warrants which we sold to a group of 24 accredited investors between May and November 2007 for an aggregate of \$643,748.75, (ii) 1,359,000 shares of common stock and 339,750 shares underlying common stock purchase warrants which we sold to a group of 20 accredited investors between May and September 2008 for an aggregate of \$1,359,000, and (iii) 670,000 shares underlying common stock purchase warrants which we issued to 15 individuals under employment or consulting agreements. In the 2007 offering, each share was sold for \$.75 per share in cash and included 0.525 warrant for each share sold. In the 2008 offering each share was sold for \$1.00 and included 0.25 warrant for each share sold.

The names and share amounts of the selling stockholders are set forth under Selling Stockholders and Plan of Distribution in this prospectus. None of the selling stockholders except Cesar Sanvincente are officers, directors or 10% or greater stockholders of our company, nor are any affiliated or associated with any broker-dealers.

SUMMARY FINANCIAL DATA

The following summary financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes for the periods indicated below. This financial information is derived from our audited financial statements contained elsewhere herein.

Statement of Operations Data

	Year Ended July 31, 2008	Year Ended July 31, 2007
Revenue	\$ 0	\$ 222
Loss from operations	\$ 863,069	\$ 374,841
Net loss	\$ 854,046	\$ 373,926
Net loss per share of common stock	\$ 0.13	\$ 0.09

Balance Sheet Data

	As of July 31, 2008
Total assets	\$ 1,103,409
Total liabilities	\$ 16,562
Working capital	\$ 1,035,542
Stockholders' equity	\$ 1,086,847

RISK FACTORS

The shares of common stock offered by this prospectus involve a high degree of risk and represent a highly speculative investment. You should not purchase these shares if you cannot afford the loss of your entire investment. In addition to the other information contained in this prospectus, you should carefully consider the following risk factors in evaluating our company, our business prospects and an investment in our shares of common stock.

We expect to face increasing competition that could result in a loss of users and reduced profit margins.

The market for social networking and bookmarking services is competitive, and we expect competition to significantly increase in the future. Our social networking services compete with a wide variety of social networking websites, including popular social networking websites such as MySpace and Facebook and a number of social bookmarking sites, including Digg, StumbleUpon and Technorati. As a result of the growth of these websites and minimal barriers to entry, a number of companies are entering our market, either directly or indirectly, some of which may become significant competitors in the future. In addition, many existing social media sites are broadening their offerings to compete with us. As we broaden our services and evolve into a service used for interacting with people with similar interests or affiliations, we may compete with the increasing number of social networking websites for special niches and areas of interest.

Some of our competitors have longer operating histories, greater name and brand recognition, larger user bases, significantly greater financial, technical, sales and marketing resources, and engage in more extensive research and development than we do. Some of our competitors also have lower user acquisition costs than we do and offer a wider variety of services. If our competitors are more successful than we are in attracting users, our ability to maintain a large and growing user base will be adversely affected. Some of our social networking competitors have compelling websites with more extensive user generated content and also offer their services free to their users. If our social media services are not as compelling and we do not stay current with evolving consumer trends, we may not succeed in maintaining or increasing our traffic.

More intense competition could also require us to increase our marketing expenditures, thereby reducing our profit margins and any profitability.

Failure to increase traffic to our website would reduce our revenue and any profitability.

We must increase the number of members for our social networking services in order to generate revenue from advertising on our website. Only a small percentage of members initially registering for our social networking services sign up the first time they visit the website. As a result, our ability to generate revenue is highly dependent on our ability to convince individuals to become members and to return to our website frequently. If our revenue is reduced, our profitability, if any, would be negatively impacted.

If we are not successful in increasing the number of our members or having members actively participate in our programs, our business and financial results will suffer.

The success of our social media services depends upon our ability to increase our base of members thus increasing our traffic numbers and advertising revenue. Our ability to increase our base of members is dependent upon attracting users to our website. We may not be able to increase the level of new member registrations. Failure to increase or maintain our base of members would reduce our advertising revenue and our ability to implement our strategies.

We have not generated any material operating revenue and have incurred ongoing losses since our inception, which could limit our operations.

We have not generated any material revenue since our inception in August 2006 and have incurred aggregate losses of \$1,227,972 through July 31, 2008. If we are unable to generate revenue and earnings in the future, we may be required to limit our operations. We expect that our operating expenses will increase as we implement our strategies and incur expenses associated with being a public reporting company. If our revenue does not increase to offset these expected increases in costs and operating expenses, our operating results would be negatively affected. Accordingly, we may not be able to achieve or maintain profitability, and we may continue to incur significant losses.

Our auditors believe there is substantial doubt that we can continue as a going concern.

In their audit report dated October 30, 2008, our auditors indicated that there was substantial doubt that we could continue as a going concern. If we are unable to generate cash from earnings or from the sale of equity securities, we could be required to reduce or possibly cease our operations.

If our social networking members do not interact with each other or fail to post links to our website, our ability to attract new users and our financial results will suffer.

Part of our success is dependent upon our social networking members interacting with our website. The majority of our members do not visit our website frequently and spend a limited amount of time on our website when they visit. In addition, only a limited number of our social networking members post photographs and information about themselves, engage in message board discussions, view other members' profiles or participate in the other features on our website. If we are unable to encourage our members to interact more frequently with our social networking website and to increase the amount of user generated content they provide, our ability to attract new users to our website and our financial results will suffer.

We will be dependent upon pay per click advertising revenue. If we are unable to generate advertising revenue in the future, our operations will be limited.

We intend to generate revenue from pay per click advertising offered on our website. Our ability to increase advertising revenue from this source is largely dependent upon the number of members actively using our services. We must increase user engagement with our services in order to increase our advertising revenue. In addition if our technology and advertisement serving techniques do not evolve, we may be unable to generate future revenue, which would limit our operations.

We do not currently maintain redundant capabilities and a catastrophic event could result in a significant disruption of our services.

Our computer equipment and the telecommunications infrastructure of our third-party network provider are vulnerable to damage from fires, earthquakes, floods, power loss, telecommunications failures, terrorism and similar events. Our servers are also vulnerable to computer viruses, worms, physical and electronic break-ins, sabotage and similar disruptions from unauthorized tampering of our computer systems. We do not currently maintain redundant capabilities and a catastrophic event could result in a significant and extended disruption of our services. Currently, we do not have a disaster recovery plan to address these and other vulnerabilities. As a result, it would be difficult to operate our business in the event of a disaster. Any prolonged disruption of our services due to these, or other events, would severely impact or shut down our business. We do not carry earthquake or flood insurance, and the property, business interruption and other insurance we do carry may not be sufficient to cover, if at all, losses that may occur as a result of any events which cause interruptions in our services.

Our results of operations and key business metrics may fluctuate, which makes our results difficult to predict and could cause our results to fall short of expectations.

Our results of operations and key business metrics may fluctuate as a result of a variety of factors, many of which are outside of our control. As a development company in a rapidly evolving industry, it may be difficult for us and others to accurately predict future performance. If our results of operations or key business metrics fall below the expectations of investors, the trading price of our common stock, if any, could decline. Fluctuations in our results of operations and key business metrics may be due to a number of factors, including:

the number of members accessing our services and the extent of their engagement with our services;
variations in our advertising revenues and our ability to attract members to our social networking services; and
the timing and success of new service introductions by us or our competitors.

We believe that our results of operations and key business metrics may vary significantly in the future and that period-to-period comparisons of our results of operations and key business metrics may not be meaningful. You should not rely on the results of one period as an indication of our future performance. In addition, if our results of operations and key business metrics do not meet or exceed the expectations of securities analysts or investors, the price of our common stock could decline substantially.

If we are unable to develop new or enhanced features or fail to predict or respond to emerging trends, our revenue and any profitability will suffer.

Our future success will depend in part on our ability to modify or enhance our website features to meet users demands, add features and address technological advancements. If we are unable to predict preferences or industry changes, or if we are unable to modify our website features in a timely manner, we may lose members. New features may be dependent upon our obtaining needed technology or services from third parties, which we may not be able to obtain in a timely manner, upon terms acceptable to us, or at all. We spend significant resources developing and enhancing our features. However, new or enhanced features may have technological problems or may not be accepted by users. If we are unable to successfully develop, acquire or implement new features or enhance our existing features in a timely and cost-effective manner, our revenue and any profitability will suffer.

Assertions by any third party that we infringe its intellectual property could result in costly and time-consuming litigation, expensive licenses or the inability to operate as planned.

The software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition, the possibility of intellectual property rights claims against us may grow. Our services or technologies may not be able to withstand third-party claims or rights restricting their use. Companies, organizations or individuals, including our competitors, may hold or obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to provide our services or develop new services and features, which could make it more difficult for us to operate our business.

If we are determined to have infringed upon a third party's intellectual property rights, we may be required to pay substantial damages, stop using technologies or services found to be in violation of a third party's rights or seek to obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms, or at all, and may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. We may also be required to develop alternative non-infringing technologies or services, that could require significant effort and expense or may not be feasible. In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology or service, our business and results of operations could be harmed.

Our business will be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third-parties.

We rely on a combination of trademark, patent, trade secret and copyright law, license agreements and contractual restrictions, including confidentiality agreements and non-disclosure agreements with employees, contractors and suppliers, to protect our proprietary rights, all of which provide only limited protection.

We intend to pursue the registration of our trademarks and service marks in the United States and other countries. We have entered into licensing agreements with Inter123 Corporation which provide us with exclusive use of certain registered trademark rights pertaining to our SiteSearch brand. We cannot assure you that any future trademark registrations will be issued for pending or future applications or that any registered trademarks or service marks will be enforceable or provide adequate protection of our proprietary rights. The steps we have taken to limit access to, and disclosure of, our proprietary information may not prevent unauthorized use of our technology. Moreover, others may independently develop technologies and services that are competitive with ours or infringe our intellectual property. We cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property rights.

In addition, effective patent, trademark, copyright and trade secret protection may not be available in every country in which our technologies and services are available. Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries are uncertain and still evolving.

If we fail to implement and maintain proper and effective internal controls and disclosure controls and procedures, our ability to produce accurate and timely financial statements and public reports could be impaired, which could adversely affect our operating results, our ability to operate our business and investors' views of us.

We must ensure that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis. We will be required to spend considerable effort establishing and maintaining our internal controls, which will be costly and time-consuming and will need to be re-evaluated frequently. We are in the process of documenting, reviewing and, if appropriate, improving our internal controls and procedures in anticipation of being a reporting company and eventually being subject to Section 404 of the Sarbanes-Oxley Act of 2002, which will require annual management assessments of the effectiveness of our internal control over financial reporting. Both we and our independent auditors will be testing our internal controls in anticipation of being subject to these Section 404 requirements and, as part of that documentation and testing, may identify areas for further attention and improvement. We are in the process of developing disclosure controls and procedures designed to ensure that information required to be disclosed by us in our public reports and filings is recorded, processed, summarized and reported within the time periods specified by applicable SEC rules and forms.

Implementing any appropriate changes to our internal controls and disclosure controls and procedures may entail substantial costs to modify our existing financial and accounting systems and internal policies, take a significant period of time to complete, and distract our officers, directors and employees from the operation of our business. These changes may not, however, be effective in establishing or maintaining the adequacy of our internal controls or disclosure controls, and any failure to maintain that adequacy, or a consequent inability to produce accurate financial statements or public reports on a timely basis, could materially adversely affect our business. Further, investors perceptions that our internal controls or disclosure controls are inadequate or that we are unable to produce accurate financial statements may seriously affect the price of our common stock.

We may be required to seek additional funding, and such funding may not be available on acceptable terms or at all.

We may need to obtain additional funding due to a number of factors beyond our expectations or control, including a shortfall in revenue, increased expenses, increased investment in capital equipment or the acquisition of businesses, services or technologies. If we do need to obtain funding, it may not be available on acceptable terms or at all. If we are unable to obtain sufficient funding, our business would be harmed. Even if we were able to find outside funding sources, we might be required to issue securities in a transaction that could be highly dilutive to our investors or we may be required to issue securities with greater rights than the securities we have outstanding today. We may also be required to take other actions that could lessen the value of our common stock, including borrowing money on terms that are not favorable to us. If we are unable to generate or raise capital that is sufficient to fund our operations, we may be required to curtail operations, reduce our services, defer or cancel expansion or acquisition plans or cease operations in certain jurisdictions or completely.

Because our common stock may be classified as penny stock, trading may be limited, and the share price could decline.

Because our common stock may fall under the definition of penny stock, trading in the common stock, if any, may be limited because broker-dealers would be required to provide their customers with disclosure documents prior to allowing them to participate in transactions involving the common stock. These disclosure requirements are burdensome to broker-dealers and may discourage them from allowing their customers to participate in transactions involving the common stock.

Penny stocks are equity securities with a market price below \$5.00 per share other than a security that is registered on a national exchange, included for quotation on the NASDAQ system or whose issuer has net tangible assets of more than \$2,000,000 and has been in continuous operation for greater than three years. Issuers who have been in operation for less than three years must have net tangible assets of at least \$5,000,000.

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Rules promulgated by the Securities and Exchange Commission under Section 15(g) of the Exchange Act require broker-dealers engaging in transactions in penny stocks, to first provide to their customers a series of disclosures and documents including:

- A standardized risk disclosure document identifying the risks inherent in investment in penny stocks;
- All compensation received by the broker-dealer in connection with the transaction;
- Current quotation prices and other relevant market data; and
- Monthly account statements reflecting the fair market value of the securities.

These rules also require that a broker-dealer obtain financial and other information from a customer, determine that transactions in penny stocks are suitable for such customer and deliver a written statement to such customer setting forth the basis for this determination.

Our directors and executive officers will continue to exert significant control over our future direction, which could reduce the sale value of our company.

Members of our Board of Directors and our executive officers own 68.86% of our outstanding common stock. Accordingly, these stockholders, if they act together, will be able to control all matters requiring approval of our stockholders, including the election of directors and approval of significant corporate transactions. This concentration of ownership, which could result in a continued concentration of representation on our Board of Directors, may delay, prevent or deter a change in control and could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our assets.

Investors should not anticipate receiving cash dividends on our common stock.

We have never declared or paid any cash dividends or distributions on our common stock and intend to retain future earnings, if any, to support our operations and to finance expansion. Therefore, we do not anticipate paying any cash dividends on the common stock in the foreseeable future.

There is a reduced probability of a change of control or acquisition of us due to the possible issuance of additional preferred stock. This reduced probability could deprive our investors of the opportunity to otherwise sell our stock in an acquisition of us by others.

Our Articles of Incorporation authorize our Board of Directors to issue up to 5,000,000 shares of preferred stock, of which no shares have been issued. Our preferred stock is issuable in one or more series and our Board of Directors has the power to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series or designation of such series, without further vote or action by stockholders. As a result of the existence of this blank check preferred stock, potential acquirers of our company may find it more difficult to, or be discouraged from, attempting to effect an acquisition transaction with, or a change of control of, our company, thereby possibly depriving holders of our securities of certain opportunities to sell or otherwise dispose of such securities at above-market prices pursuant to such transactions.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements on our current expectations about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us which are discussed in the Risk Factors section above and throughout this prospectus. In light of these risks, uncertainties and assumptions, any forward-looking events discussed in this prospectus might not occur.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock being offered by the selling stockholders. Any proceeds from the exercise of warrants will be added to our working capital.

SELECTED FINANCIAL DATA

Statement of Operations Data

	Year Ended July 31, 2008	Year Ended July 31, 2007
Revenue	\$ 0	\$ 222
Loss from operations	\$ 863,069	\$ 374,841
Net loss	\$ 854,046	\$ 373,926
Net loss per share of common stock	\$ 0.13	\$ 0.09

Balance Sheet Data

	As of July 31, 2008
Total assets	\$ 1,103,409
Total liabilities	\$ 16,562
Working capital	\$ 1,035,542
Stockholders' equity	\$ 1,086,847

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

Cautionary Statement Regarding Forward-Looking Statements

We and our representatives may from time to time make written or oral forward-looking statements, including statements included in or incorporated by reference into this prospectus and other filings made with the Securities and Exchange Commission. These forward-looking statements are based on management's views and assumptions and involve risks, uncertainties and other important factors, some of which may be beyond our control, that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations, in this prospectus. Readers should carefully review the risks described in this and other documents that we may file from time to time with the Securities and Exchange Commission. The forward-looking statements speak only as of the date that they are made, however, we are obligated in certain circumstances to update or revise the disclosures in this prospectus in accordance with Federal securities laws.

Overview of the Business

Sitesearch Corporation was incorporated in the State of Nevada on August 21, 2006.

Since April 2007, we have operated an online community that combines various emerging Internet business models: Social bookmarking, social networking, original user generated content and other services, all under our Sitesearch brand. We continue to develop new services and technologies.

Results of Operations

Year ended July 31, 2008 compared to the period from August 21, 2006 (inception) through July 31, 2007

Our results of operations for the year ended July 31, 2008 were characterized by expenses that significantly exceeded revenues during the periods. We reported a net loss of \$854,046 for the year ended July 31, 2008, compared to a net loss of \$373,926 for the period August 21, 2006 through July 31, 2007.

During the year ended July 31, 2008, we focused on organizing our online community in conjunction with our Mexican subsidiary, Software de Sonora, S.A. de C.V., capital raising, and the development of our services and technologies. At July 31, 2008, we had 15 employees. During 2007 we were principally engaged in capital raising, developing our services and launching our online community.

Revenue

We did not generate any revenue during 2008 related to our online community. In order to generate revenue under our business model, we must continue to development and market our online community and begin to monetize our web traffic. Gross and net revenue were \$0 in 2008, and \$222, in 2007. During 2007, revenue was derived from pay per click advertising.

Operating Expenses

Selling, General and Administrative Expenses. Our selling, general and administrative expenses increased to \$853,904 in 2008 from \$371,976 in 2007. This increase is attributable to personnel expenses of \$476,488 (56% of SG&A) in 2008 vs. \$227,485 (61% of SG&A) in 2007, including executive and stock based compensation. Without executive and stock based compensation, personnel expenses were \$284,898 in 2008 compared to \$56,166 in 2007. Professional fee expenses, including legal and accounting, increased to \$110,311 in 2008 from \$54,017 in 2007, including stock based compensation. Legal and accounting fees in 2008 were \$59,110 compared to \$8,703 in 2007, excluding stock based compensation.

Liquidity and Capital Resources

As of July 31, 2008, we had working capital of \$1,035,542, comprised of current assets of \$1,052,104 and current liabilities of \$16,562. We expect our working capital balance to fluctuate significantly as we develop our business.

All of our capital resources to date have been provided exclusively through the sale of equity securities. From our inception through our fiscal year ended July 31, 2008, we received cash proceeds of \$1,877,749 from the sale of our common stock. From our inception through October 1, 2008, we received cash proceeds of \$2,107,749 from the sale of our common stock.

We expect to need additional funding to achieve our business development goals. Our ability to continue as a going concern is contingent upon our ability to obtain capital through the sale of equity or issuance of debt, and ultimately attaining profitable operations. There is no assurance that we will be able to successfully complete these activities.

The report of our registered independent public accountants on our financial statements at July 31, 2008 contains a qualification about our ability to continue as a going concern. This qualification is based on our lack of operating history and negative operating cash flows, among other things.

Development Stage Company

We are considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting by Development Stage Enterprises. We have devoted substantially all of our efforts to business planning and development. Additionally, we have allocated a substantial portion of our time and investment to bringing our product to the market, and to raising capital.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates have been used by management in conjunction with the measurement of the valuation allowance relating to deferred tax assets and future cash flows associated with long-lived assets. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement presentation purposes, we consider short-term, highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

We maintain cash and cash equivalent balances at financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$100,000. Deposits with banks in other countries are not insured. Deposits with these banks may exceed the amount of insurance provided on such deposits.

Contingencies

We are not currently a party to any pending or threatened legal proceedings. Based on information currently available, management is not aware of any matters that would have a material adverse effect on our financial condition, results of operations or cash flows.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, taxes receivable, accounts payable, and taxes payable approximate their fair values based on their short-term nature.

Foreign Currency Translation

Our Sonora, Mexico business unit subsidiary operates outside the United States with the Mexican Peso serving as its functional currency. The functional currency is translated into U.S. dollars for balance sheet accounts using the period end rates in effect as of the balance sheet date and the average exchange rate for revenue and expense accounts for each respective period. The translation adjustments are treated as a separate component of stockholders' equity, within other comprehensive loss, net of tax where applicable. Gains or losses resulting from transactions denominated in currencies other than our functional currency are included in selling, general and administrative expenses within the statements of operations.

Income Taxes

We have adopted the provisions of SFAS No. 109, *Accounting for Income Taxes* which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided for those deferred tax assets for which the related benefits will likely not be realized.

Stock Based Compensation

We follow the provisions of SFAS No. 123R, *Share-Based Payment*. SFAS 123R requires recognition in the financial statements of the cost of employee services received in exchange for an award of equity instruments over the period the employee is required to perform the services in exchange for the award (presumptively the vesting period). SFAS 123R also requires measurement of the cost of employee services received in exchange for an equity award based upon the grant-date fair value of the award. We account for non-employee share-based awards in accordance with EITF No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees for Acquisition, or in Conjunction with Selling Goods or Services*.

Loss per Common Share

Loss per common share has been computed using the weighted average number of common shares outstanding during each period. Except where the result would be anti-dilutive, diluted earnings per share has been computed on an as if converted basis assuming the exercise of any stock warrants or options.

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115 (SFAS 159), which permits entities to choose to measure many financial instruments and certain other items at fair value (the Fair Value Option). Election of the Fair Value Option is made on an instrument-by-instrument basis and is irrevocable. At the adoption date, unrealized gains and losses on financial assets and liabilities for which the Fair Value Option has been elected would be reported as a cumulative adjustment to beginning retained earnings. If the Company elects the Fair Value Option for certain financial assets and liabilities, the Company will report unrealized gains and losses due to changes in fair value in earnings at each subsequent reporting date. The provisions of SFAS 159 are effective January 1, 2008. We do not expect the adoption of this pronouncement to have an immediate impact our operating results, financial position or cash flows.

In September of 2006, the FASB issued SFAS No. 157 Fair Value Measurements (SFAS No. 157). SFAS No. 157 establishes a framework for measuring fair value under generally accepted accounting procedures and expands disclosures on fair value measurements. This statement applies under previously established valuation pronouncements and does not require the changing of any fair value measurements, though it may cause some valuation procedures to change. Under SFAS No. 157, fair value is established by the price that would be received to sell the item or the amount to be paid to transfer the liability of the asset as opposed to the price to be paid for the asset or received to transfer the liability. Further, it defines fair value as a market specific valuation as opposed to an entity specific valuation, though the statement does recognize that there may be instances when the low amount of market activity for a particular item or liability may challenge an entity's ability to establish a market amount. In the instances that the item is restricted, this pronouncement states that the owner of the asset or liability should take into consideration what affects the restriction would have if viewed from the perspective of the buyer or assumer of the liability. This statement is effective for all assets valued in financial statements for fiscal years beginning after November 15, 2007. We do not expect the adoption of SFAS No. 157 to have a significant impact on our financial position or results of operations.

In July 2006, the FASB issued FASB Interpretation No. 48 Accounting for Uncertain Tax Positions (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109 Accounting for Income Taxes. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of FIN 48 did not have a significant impact on our financial position or results of operations.

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In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (SFAS No. 141(R)) and No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51* (SFAS No. 160). SFAS No. 141(R) and SFAS No. 160 are products of a joint project between the FASB and the International Accounting Standards Board. The revised standards continue the movement toward the greater use of fair values in financial reporting. SFAS No. 141(R) will significantly change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. These changes include the expensing of acquisition related costs and restructuring costs when incurred, the recognition of all assets, liabilities and noncontrolling interests at fair value during a step-acquisition, and the recognition of contingent consideration as of the acquisition date if it is more likely than not to be incurred. SFAS No. 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS No. 141(R) and SFAS No. 160 are effective for both public and private companies for fiscal years beginning on or after December 15, 2008 (October 1, 2009 for the Company). SFAS No. 141(R) will be applied prospectively. SFAS No. 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of SFAS No. 160 shall be applied prospectively. Early adoption is prohibited for both standards. The Company does not believe this pronouncement will impact its financial statements.

BUSINESS

Introduction

We have launched and continue to develop a proprietary online community and virtual world that combines various emerging Internet business models: Social bookmarking, social networking, original user generated content, and other services, all under our Sitemesh brand. Sitemesh users organize, share, and rank web links, interact with each other through online social networking and are able to create, post, and collaboratively edit online data and documents. Since our users are able to discover, dynamically organize and rank content using non-standard methods and technologies, we offer an alternative to standard search engines for organizing online information.

Our Services

Social Bookmarking.

Social bookmarking is a method for Internet users to store, organize, search and manage bookmarks of web pages on the Internet with the help of metadata (data about data).

In our social bookmarking system, users save links to web pages that they want to remember and share. These bookmarks are usually public, and can be saved privately, so as to be shared only with specified people or groups or shared only inside the website. The allowed people or groups can usually view these bookmarks chronologically, by category or tags, or via a search engine.

We encourage users to organize their bookmarks with informal tags instead of the standard browser-based system of folders, although we feature categories/folders or a combination of folders and tags. They also enable viewing bookmarks associated with a chosen tag, and include information about the number of users who have bookmarked them.

We have added extra features such as ratings and comments on bookmarks, the ability to import and export bookmarks from browsers, emailing of bookmarks, web annotation, and groups or other social network features.

Recover vs. Discover

Standard search engines fall into the recover model. For example, if users want to find recipes for making bread, they know that a search engine will recover a list of results in an order determined by a proprietary algorithm. We may also recover a list of recipes but that list will have been created by its users. Further, users may discover other sites of interest. These sites may or may not even be related to the original area of interest. This is not unlike reading a newspaper article and noticing another article of interest nearby. Each posting can be voted on by other Sitemeshers and the more votes a post receives, the higher it is displayed. Thus the users decide which sites are relevant. Many users come to us simply to discover what others deem to be of interest.

Online Social Networking

Online social networking is rapidly growing and evolving to include a broad spectrum of websites and online services. From a category that attracted a relatively small number of users a few years ago, during September 2007, social networking websites attracted approximately 488.5 million unique visitors worldwide and an average of 165.6 million daily visitors according to comScore MediaMetrix, an Internet industry research company.

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People have a fundamental drive to connect with others, be part of a community, express themselves and maintain personal relationships. Core, life-long relationships are often based on enduring affiliations related to shared experiences such as family, school, workplace or military service. People seek to foster these relationships as well as other meaningful affiliations, such as those based on common interests, hobbies and trends.

As an online community, we seek to fulfill a number of different needs, allowing users of our social network to find and connect with individuals from their past and interact with new people based on shared interests, goals or other criteria. Many social networking services provide users with tools that enable individuals to identify, build and maintain personal networks from their relevant affiliations. Users of social networking services may interact and communicate through email as well as through a variety of other online forums, including instant messaging, blogging, the posting of pictures and videos, voice chat and discussion groups. Many advertisers, recognizing that consumers are spending an increasing amount of time online, view social networking websites as an attractive marketing medium for their products and services.

User Generated Content

The advent of user generated content marks a shift among some media organizations from creating on-line content to creating the facilities and framework for non-media professionals (i.e., ordinary people) to publish their own content in prominent places.

User generated content has also been characterized as Conversational Media , as opposed to Packaged Goods Media (that is, standard media). The former is a two-way process in contrast to the one-way distribution of the latter. Conversational or two-way media is a key characteristic of so-called Web 2.0 which encourages the publishing of one s own content and commenting on other people s content.

We offer a venue for original content articles. These articles may contain historical factual information, links to newspaper articles, radio programming, television shows and online sources. We give our community another venue for their own original content.

The notion of the passive audience therefore has shifted and an ever-growing number of participatory users are taking advantage of the interactive opportunities on the Internet to create collaborative original content. Grassroots experimentation has generated an innovation in sounds, artists, techniques and associations with audiences which then are being used in mainstream media. The active, participatory and creative audience is prevailing today with relatively accessible media, tools and applications, and its culture is in turn impacting mass media corporations and global audiences.

Other Services

We are actively developing new services, such as user generated reviews, comparison shopping, and a proprietary online directory, to compete in the fast changing online environment.

Monetization

We intend to seek providers of pay-per-click monetization solutions so that we will be able to generate revenue by virtue of clicks on paid links from our website. We expect to choose a new provider of monetization solutions in the first quarter of 2009. Rules, regulations, and program policies designed by providers of pay-per-click monetization solutions are often strict and subject to a significant approval process before we will be allowed to use such products and services. There can be no assurance we will meet the criteria of, or be accepted into any program offered by a provider of pay-per-click monetization solutions.

Our Business Strategy

Our objective is to continue to grow our online social media services and our users. Key elements of our business strategy include the following:

Enhance member experience and engagement on our website. We intend to increase and improve our various service offerings through further development of our proprietary social networking, social bookmarking and user generated content platforms.

Expand our user base. We intend to increase awareness of our brand and increase our traffic through online marketing.

Increase monetization of our website. We intend to increase advertising revenue by enhancing the value of our services to our users and growing our user traffic virally.

Pursue strategic acquisitions and expansion opportunities. We intend to actively identify and assess a variety of strategic businesses, services and technologies that we believe may provide us with the opportunity to leverage our assets and core competencies, and we plan to continue to evaluate opportunities to expand internationally.

Marketing and Distribution

Our primary method of deriving traffic is through viral growth. Viral growth refers to techniques that use preexisting social networks, blogs and message boards to produce increases in traffic, through self-replicating viral processes. It can be word-of-mouth delivered or enhanced by the network effects of the Internet. Viral growth is a phenomenon that facilitates and encourages people to pass along messages voluntarily. Viral promotions may take the form of video clips, interactive games, website links, images, email or text messages.

Competition

The market for our services is highly competitive, and we expect competition to significantly increase in the future. Our social networking services compete with a wide variety of social networking websites, including popular social networking websites such as MySpace and Facebook; a number of social bookmarking sites, including Digg, StumbleUpon, Technorati and del.icio.us. As a result of the growth of the social media market and minimal barriers to entry, a number of companies are attempting to enter our market, either directly or indirectly, some of which may become significant competitors in the future. In addition, many existing social media sites, as well as standard web portals and search engines are broadening their offerings to compete with social communities such as ours. As we broaden our services and evolve into a service used for meeting new people with similar interests or affiliations, we may compete with the increasing number of social networking websites for special niches and areas of interest.

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Some of our competitors have longer operating histories, greater name and brand recognition, larger user bases, significantly greater financial, technical, sales and marketing resources, and engage in more extensive research and development than we do. Some of our competitors also have lower customer acquisition costs than we do and offer a wider variety of services. If our competitors are more successful than we are in attracting users, our ability to maintain a large and growing user base will be adversely affected. Some of our social networking competitors have more compelling websites with more extensive user generated content that also offer their services free to their users. If our social media services are not as compelling and we do not stay current with evolving consumer trends, we may not succeed in maintaining or increasing our traffic.

Trademark License Agreements

In April 2007 and March 2008 we entered into trademark license agreements (the Agreements) with inter123 Corporation, a company owned and controlled by Jeffrey S. Peterson, one of our founders and currently the Chairman of our Board of Directors, pursuant to which it granted to us an exclusive, perpetual, non-royalty bearing, non-sublicensable and non-transferable license to use certain of the SiteSearch marks as registered with the U.S. Patent and Trademark Office. Mr. Peterson is the original registrant of the sitesearch.com internet domain name, which he has continuously owned or controlled since August of 1997.

inter123 has the right to terminate our use of the trademarks under certain conditions, including if we breach the Agreements, are involved in litigation concerning the trademarks, file for bankruptcy or become insolvent.

Employees

At September 30, 2008, we had 20 employees, 16 of which were located in Mexico. None of our employees are represented by a labor union or are party to a collective bargaining agreement, and we consider our relationships with our employees to be good.

Facilities

We lease approximately 1,400 square feet of office space in Phoenix, Arizona for our corporate headquarters. We lease an additional 3,000 square feet of office space for our software engineering and technical development operations subsidiary based in the Mexican State of Sonora. We believe that our existing facilities are adequate to meet our current requirements and that suitable additional or substitute space will be available as needed to accommodate any physical expansion of our corporate and operations facilities.

MANAGEMENT

Executive Officers and Directors

The names, ages and positions of our directors and executive officers are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Officer/Director Since</u>
Jeffrey S. Peterson	36	Chairman of the Board of Directors and co-founder	April 2008
James S. Dixon	53	Chief Executive Officer, President, Director, and co-founder	August 2006
Humberto Garcia Borbon	56	Chief Financial Officer	January 2008
Bambi Francisco	41	Director	April 2008
Cesar Sanvicente	28	Director	April 2008
Brian L. Lu	27	Director	April 2008

The principal occupations for at least the past five years of each of our directors and executive officers are as follows:

Jeffrey S. Peterson joined us as a co-founder in November 2006 and has been the Chairman of our Board of Directors since April of 2008. Mr. Peterson founded Quepasa Corporation, a NASDAQ listed bi-lingual Internet property widely regarded in history as the first online community focused specifically on U.S. Hispanic Internet users, and served as Chairman and Chief Executive Officer of Quepasa during two terms, from April 2002 to March 2006 and from May 1998 to June 1999. He also served as Chief Technology Officer of Quepasa during certain periods from March 2006 to November 2006 and from July 1997 until May 1998. Mr. Peterson is an experienced technology entrepreneur and software engineer, who has been involved in the programming and operations of computers and digital communications since the late 1970s. Mr. Peterson has received national and international recognition for his accomplishments in the technology sector and currently serves on the board of directors of several privately-held technology related companies in both the United States and Latin America. Mr. Peterson is the Chairman and CEO of inter123 Corporation, a Nevada Corporation focused on making venture capital investments in technology companies. Mr. Peterson is a director of Vator, Inc., a company controlled by Ms. Francisco, a member of our Board of Directors.

James S. Dixon co-founded our company in August 2006, served as our President since our inception, and served as our CEO from September 2006 to March of 2008 and October 2008 to Present. From September 2004 to September 2006, Mr. Dixon managed his personal investments. Mr. Dixon served as Vice President of Quepasa Corporation; a NASDAQ listed bi-lingual Internet property from August 2002 to September 2004. From August 1994 to August 2002 Mr. Dixon served as Vice President of a FINRA member brokerage firm. Mr. Dixon earned his B.S. degree from the University of New Mexico.

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Humberto Garcia Borbon was appointed as our Chief Financial Officer in January 2008. He has been the managing partner of Garcia, Gutiérrez Garagorri y Asociados, S.C. a Sonora, Mexico-based accounting firm since August 2001 where he serves as an internal and external auditor for foreign companies. From 1993 to August 2001, he was the managing partner of Garcia Borbon y Asociados, S.C. an affiliate member of accounting firm Deloitte Touche Tohmatsu. Mr. Garcia graduated from National Autonomous University of México (UNAM) in Mexico City.

Bambi Francisco is an award winning journalist covering national Internet and technology trends. From March 2007 to present she has served as the Chief Executive Officer of Vator, Inc. From 1999 to 2007, she served as a columnist and correspondent for CBS/Dow Jones MarketWatch where she followed Internet trends and investments. From 1995 to 1999, she was a producer at CNN's financial news network, CNNfn. Ms. Francisco received a BA in Economics from New York University.

Cesar R. Sanvicente graduated with a degree in Software Engineering from the Institute of Technology (ITH) in Sonora Mexico in 2001. From August 2002 to April 2007 he served as Chief Technology Officer of Quepasa.com de Mexico SA de CV, a wholly owned Mexican subsidiary of Quepasa Corporation. He joined Sitesearch Corporation as Chief Technology Officer in April of 2007.

Brian L. Lu is the chairman and co-founder of Interactive Imagination Incorporated, a Hong Kong-registered holding company with three subsidiaries that focus on telecom technologies: SiimTech Global Corporation, SlingShot Technologies and BraveSoldier Ventures (Asia) Limited, a Venture Capital firm. Mr. Lu serves on the Board of Directors of UGB Asia: the sister company of UGOBE Incorporated which acts as the representative for UGOBE in Asian region. From 2002 to 2005, Mr. Lu was a member of the Board of Directors of Quepasa Corporation. He is the eldest son of Hong Liang Lu, founder of UTStarcom, (Nasdaq: UTSI). Mr. Lu has a degree in International Studies from the University of California, Irvine.

All directors hold office until the next annual meeting of our stockholders and until their successors have been duly elected and qualified. Our officers are elected by and serve at the discretion of the Board of Directors. We do not have any committees of the Board of Directors. Our officers are elected by our Board of Directors.

Executive Compensation

We do not have employment agreements with any of our executive officers. We currently pay Messrs. Dixon and Garcia annual salaries of \$120,000 and \$36,000, respectively. No other executive officer receives an annual salary in excess of \$100,000. We do not have key person life insurance on the lives of any of our executive officers.

Director Compensation

Our non-employee directors do not currently receive compensation for their services as directors although they are provided reimbursement for out-of-pocket expenses incurred in attending Board meetings. We may pay cash and stock-based compensation to our directors in the future.

Summary Compensation

Since our inception in August 2006, no officer or director other than Mr. Dixon has received annual compensation in excess of \$100,000, and only Mr. Dixon currently receives annual compensation in excess of that amount annually.

Equity Incentive Plan

We intend to adopt an equity incentive plan, which we refer to as our Plan, which will provide for the grant of options intended to qualify as incentive stock options and non-statutory stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, together with the grant of bonus stock and stock appreciation rights, at the discretion of our Board of Directors. Incentive stock options are issuable only to our eligible officers, directors and key employees. Non-statutory stock options are issuable only to our non-employee directors and consultants. We have not determined the aggregate maximum number of shares of common stock or appreciation rights that may be issued under the Plan. The Plan will be administered by our full Board of Directors. Under the Plan, the Board will determine which individuals shall receive options, grants or stock appreciation rights, the time period during which the rights may be exercised, the number of shares of common stock that may be purchased under the rights and the option price.

With respect to stock options, the per share exercise price of the common stock may not be less than the fair market value of the common stock on the date the option is granted. No person who owns, directly or indirectly, at the time of the granting of an incentive stock option, more than 10% of the total combined voting power of all classes of our stock is eligible to receive incentive stock options under the Plan unless the option price is at least 110% of the fair market value of the common stock subject to the option on the date of grant. The option price for non-statutory options will be established by the Board and may not be less than 100% of the fair market value of the common stock subject to the option on the date of grant.

No options may be transferred by an optionee other than by will or the laws of descent and distribution, and during the lifetime of an optionee, the option may only be exercisable by the optionee. Options may be exercised only if the option holder remains continuously associated with us from the date of grant to the date of exercise, unless extended under the Plan grant. Options under the Plan must be granted within ten years from the effective date of the Plan and the exercise date of an option cannot be later than five years from the date of grant. Any options that expire unexercised or that terminate upon an optionee's ceasing to be employed by us become available once again for issuance. Shares issued upon exercise of an option rank equally with other shares then outstanding.

Liability and Indemnification of Officers and Directors

Our Articles of Incorporation provide that liability of directors to us for monetary damages is eliminated to the full extent provided by Nevada law. Under Nevada law, a director is not personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to us or our stockholders; (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) for authorizing the unlawful payment of a dividend or other distribution on our capital stock or the unlawful purchases of our capital stock; (iv) a violation of Nevada law with respect to conflicts of interest by directors; or (v) for any transaction from which the director derived any improper personal benefit.

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The effect of this provision in our Articles of Incorporation is to eliminate our rights and our stockholders' rights (through stockholders' derivative suits) to recover monetary damages from a director for breach of the fiduciary duty of care as a director (including any breach resulting from negligent or grossly negligent behavior) except in the situations described in clauses (i) through (v) above. This provision does not limit or eliminate our rights or the rights of our security holders to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's duty of care or any liability for violation of the federal securities laws.

Insofar as indemnification for liabilities arising under the Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

SECURITY OWNERSHIP OF EXECUTIVE OFFICERS, DIRECTORS AND BENEFICIAL OWNERS OF GREATER THAN 5% OF OUR COMMON STOCK

As of the date of this prospectus, there are 8,049,677 shares of common stock outstanding. The following table sets forth certain information regarding the beneficial ownership of the outstanding shares as of the date of this prospectus by (i) each person who is known by us to own beneficially more than 5% of our outstanding common stock; (ii) each of our executive officers and directors; and (iii) all of our executive officers and directors as a group. Except as otherwise indicated, each such person has investment and voting power with respect to such shares, subject to community property laws where applicable. The address of our executive officers and directors is in care of us at 2600 N. 44th Street, Suite 214, Phoenix, AZ 85008-1565.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage Beneficially Owned
inter123 Corporation (1)	3,120,000	38.76%
James Dixon	2,080,000	25.84%
Humberto Garcia Borbon, CFO (2)	120,000	1.47%
Cesar Sanvicente, CTO, Director	200,000	2.48%
Bambi Francisco, Director	25,000	0.31%
Brian Lu, Director	0	0%
All executive officers and directors as a group (6 persons)	5,545,000	68.86%

(1) Jeffrey Peterson is the Chief Executive Officer of inter123 Corporation.

(2) Comprised of currently exercisable stock options exercisable at \$1.00 per share.

SELLING STOCKHOLDERS AND PLAN OF DISTRIBUTION

We have outstanding 8,049,677 shares of common stock. We are registering by this prospectus an aggregate of 1,359,000 shares of common stock and 1,463,901 shares of common stock underlying warrants, which we issued to (i) 24 accredited investors between May and November 2007 for cash, (ii) 20 accredited investors between May and September 2008 for cash, and (iii) 15 individuals for consulting services or under employment agreements. The following table sets forth the names of the selling stockholders, the number of shares of our common stock and warrants held by each selling stockholder and certain other information. The selling stockholders listed below are offering for sale all shares listed following their names. None of the selling stockholders is required to sell any of their shares at any time.

The shares may be offered from time to time by the selling stockholders. Since the selling stockholders may sell all or part of the shares of common stock offered in this prospectus, we cannot estimate the number of shares of our common stock that will be held by the selling stockholders upon termination of this offering.

None of our selling stockholders except Mr. Sanvincente are officers, directors or 10% or greater stockholders. None of our selling stockholders are broker-dealers or affiliates of broker-dealers, and none of the selling stockholders has or had any material relationship with us.

<u>Name of Stockholder</u>	<u>Shares of Common Stock Owned</u>	<u>Percentage of Outstanding Common Stock Owned</u>	<u>Shares of Common Stock</u>		<u>Percentage of Common Stock Owned After Sale</u>
			<u>Offered for Sale</u>	<u>Underlying Warrants Offered for Sale</u>	
Norma Asis Arana Caro	50,000	*	0	50,000	*
Luis Carlos Ross Guerrero	25,000	*	0	0	*
Luis Ramirez	50,000	*	0	50,000	*
Cesar Sanvincente	200,000	2.48%	0	150,000	2.48%
Orlando Briceño Gómez	9,000	*	0	15,000	*
Emmanuel Horacio Gortáez Castro	10,000	*	0	150,000	*
Mitchell D. Pierce	190,000	2.36%	0	100,000	2.36%
Jerry L. Williams	14,000	*	0	10,000	*
Philip A. Robbins & Carolyn C. Robbins Trust	33,334	*	0	17,500	*
Gerald Alston IRA	75,000	*	0	40,000	*
Clinton Brown	50,000	*	0	25,000	*
Patricia Lee Refo & Donald W. Bivens	26,666	*	0	14,000	*
AMN Investments, Ltd., Gary Agron, General Partner	66,667	*	0	35,000	*
Jorge Rubio Gutiérrez	10,000	*	0	100,000	*
Julio César Cantú Félix	5,000	*	0	15,000	*
Lloyd & Judy Farber Trust	13,334	*	0	7,000	*
Mitchell E. Pullman Living Trust	133,334	1.66%	0	70,000	1.66%
Gregory S. Pullman	26,667	*	0	14,000	*
Leonard J. Weinberg & Jeanne M. Weinberg	13,334	*	0	7,000	*
Kelly Osterhout	50,000	*	0	25,000	*
Arnie Kuenn	25,000	*	0	0	*

<u>Name of Stockholder</u>	<u>Shares of Common Stock Owned</u>	<u>Percentage of Outstanding Common Stock Owned</u>	<u>Shares of Common Stock Offered for Sale</u>	<u>Shares of Common Stock</u>		<u>Percentage of Common Stock Owned After Sale</u>
				<u>Underlying Warrants Offered for Sale</u>	<u>Offered for Sale</u>	
Scott Case	13,334	*	0	7,000		*
Studio 301 LLC, Donald Pullman	66,667	*	0	35,000		*
Theofanis Filippopoulos & Vasilios Filippopoulos	66,001	*	0	34,651		*
Beatriz Murillo Palafox	5,000	*	0	15,000		*
Amy Wang	5,000	*	0	20,000		*
Alfred W. & Martha Maynard	13,334	*	0	7,000		*
Margarita Vega	5,000	*	0	15,000		*
Mayitza Cota Medellín	5,000	*	0	15,000		*
Jorge de los Santos	6,667	*	0	3,500		*
Dennis E. & Lambie A. Bullock	13,334	*	0	7,000		*
Theodore Ende	13,334	*	0	7,000		*
Mario E. Diaz	13,334	*	0	7,000		*
Jesus Manuel Tarango & Anita V. Tarango	6,667	*	0	3,500		*
Andrew Nava & Bettina Nava	13,334	*	0	7,000		*
Max Fose	13,334	*	0	7,000		*
David N. Colby	13,334	*	0	7,000		*
Gregory E. Torrez	6,667	*	0			*