

FINDEX COM INC  
Form 10-Q  
November 14, 2008

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2008

OR

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: 0-29963

FINDEX.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada 88-0379462  
(State or (I.R.S.  
other Employer  
jurisdiction of  
incorporation Identification  
or No.)  
organization)

620 North 68154  
129th Street,  
Omaha,  
Nebraska  
(Address of (Zip Code)

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principal  
executive  
offices)

(402) 333-1900

(Registrant's telephone number, including area code)

N/A

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(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

Large accelerated filer [ ]

Accelerated filer [ ]

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

Smaller reporting

company [X]

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

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

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

**APPLICABLE ONLY TO CORPORATE ISSUERS**

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

At November 14, 2008, the registrant had outstanding 54,072,725 shares of common stock, of which there is only a single class.

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FINDEX.COM, INC.

QUARTERLY REPORT ON FORM 10-Q  
FOR FISCAL QUARTER ENDED SEPTEMBER 30, 2008

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

Findex.com, Inc.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 432,768	\$ 1,134,547
Accounts receivable, trade, net	80,348	236,301
Inventories	72,066	93,852
Other current assets	63,875	135,626
Total current assets	649,057	1,600,326
Property and equipment, net	41,721	56,214
Intangible assets, net	930,419	979,011
Other assets	155,574	92,860
Total assets	\$ 1,776,771	\$ 2,728,411
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable, trade	\$ 599,038	\$ 627,720
Accounts payable, related party	104,111	75,302
Accrued royalties	662,137	587,692
Derivative liabilities	---	906,274
Other current liabilities	379,129	417,903
Total current liabilities	1,744,415	2,614,891
Long-term debt, net	22,329	11,877
Deferred income taxes, net	14,263	34,800
Commitments and contingencies (Note 10)		
Stockholders' equity (deficit):		
Preferred stock, \$.001 par value		
5,000,000 shares authorized		
-0- and -0- shares issued and outstanding,		
respectively	---	---
Common stock, \$.001 par value		
120,000,000 shares authorized,		
54,072,725 and 52,250,817 shares issued and		
outstanding, respectively	54,073	52,251
Paid-in capital	7,787,780	7,715,081
Retained (deficit)	(7,846,089)	(7,700,489)
Total stockholders' equity (deficit)	(4,236)	66,843
Total liabilities and stockholders' equity (deficit)	\$ 1,776,771	\$ 2,728,411

See accompanying notes.



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Findex.com, Inc.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Revenues, net of reserves and allowances	\$ 425,541	\$ 476,359	\$ 1,558,056	\$ 2,234,690
Cost of sales	161,290	192,726	651,505	969,601
Gross profit	264,251	283,633	906,551	1,265,089
Operating expenses:				
Sales and marketing	125,695	181,417	467,220	536,382
General and administrative	362,250	400,668	1,343,824	1,424,962
Total operating expenses	487,945	582,085	1,811,044	1,961,344
Loss from operations	(223,694)	(298,452)	(904,493)	(696,255)
Other income (expenses), net	(3,247)	(9,580)	2,619	(24,855)
Gain (loss) on fair value adjustment of derivatives	---	(139,809)	305,620	(86,064)
Gain on settlement of derivative liabilities	---	---	450,654	---
Loss before income taxes	(226,941)	(447,841)	(145,600)	(807,174)
Income tax benefit	---	140,899	---	150,999
Net loss	\$ (226,941)	\$ (306,942)	\$ (145,600)	\$ (656,175)
Net loss per share - Basic & Diluted:	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.01)
Weighted average shares used in computing basic and diluted loss per share:	54,072,725	51,632,339	53,553,381	50,411,806

See accompanying notes.

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Findex.com, Inc.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

Nine Months Ended September 30,	2008	2007
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,674,610	\$ 2,417,172
Cash paid to suppliers and employees	(1,832,408)	(2,085,968)
Other operating activities, net	11,149	(17,282)
Net cash (used) provided by operating activities	(146,649)	313,922
<b>Cash flows from investing activities:</b>		
Software development costs	(201,073)	(316,086)
FormTool purchase	(100,000)	---
Deposits refunded (paid)	2,700	(41,189)
Other investing activities, net	(80,035)	(13,182)
Net cash used by investing activities	(378,408)	(370,457)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock	---	32,500
Cash overdraft	---	22,988
Payment made for settlement of derivative liabilities	(150,000)	---
Payments made on long-term notes payable	(26,722)	(47,625)
Net cash (used) provided by financing activities	(176,722)	7,863
Net decrease in cash and cash equivalents	(701,779)	(48,672)
Cash and cash equivalents, beginning of year	1,134,547	48,672
Cash and cash equivalents, end of period	\$ 432,768	\$ ---
<b>Reconciliation of net loss to cash flows from operating activities:</b>		
Net loss	\$ (145,600)	\$ (656,175)
Adjustments to reconcile net loss to net cash (used) provided by operating activities		
Software development costs amortized	192,433	248,455
Depreciation & amortization	343,178	423,042
Bad debts provision	3,212	17,164
Noncash operating expenses	34,521	73,600
(Gain) loss on fair value adjustment of derivatives	(305,620)	86,064
(Gain) on settlement of derivative liabilities	(450,654)	---
(Gain) on sale of property and equipment	---	(1,361)
Change in assets and liabilities:		
Decrease in accounts receivable	152,741	166,796
Decrease in inventories	21,786	33,709
Decrease (increase) in other current assets	62,509	(45,775)
Increase in accrued royalties	74,445	19,006
Increase in accounts payable	127	118,595
(Decrease) in other liabilities	(129,727)	(169,198)
Net cash (used) provided by operating activities	\$ (146,649)	\$ 313,922
<b>Schedule of Noncash Investing and Financing Activities:</b>		
Long-term note payable issued for FormTool purchase	\$ 85,934	\$ ---

Equity issued for FormTool purchase	\$	40,000	\$	---
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See accompanying notes.

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Findex.com, Inc.  
Notes to Condensed Consolidated Financial Statements  
September 30, 2008  
(Unaudited)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by Generally Accepted Accounting Principles for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are considered necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented. The results of operations for such periods are not necessarily indicative of the results expected for the full fiscal year or for any future period. The December 31, 2007 condensed consolidated balance sheet was derived from our audited financial statements at that date. The accompanying financial statements should be read in conjunction with the audited consolidated financial statements of Findex.com, Inc. included in our Form 10-KSB for the fiscal year ended December 31, 2007.

USE OF ESTIMATES

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

INVENTORY

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

ACCOUNTING FOR LONG-LIVED ASSETS

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

INTANGIBLE ASSETS

In accordance with Statement of Financial Accounting Standards (“SFAS”) No. 142, Goodwill and Other Intangible Assets, intangible assets with an indefinite useful life are not amortized. Intangible assets with a finite useful life are

amortized on the straight-line method over the estimated useful lives, generally three to ten years.

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SOFTWARE DEVELOPMENT COSTS

In accordance with SFAS No. 86, Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established, generally with release of a beta version for customer testing. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. We amortize capitalized costs on a product-by-product basis. Amortization for each period is the greater of the amount computed using (i) the straight-line basis over the estimated product life (generally from 12 to 18 months), or (ii) the ratio of current revenues to total projected product revenues. Total cumulative capitalized software development costs were \$1,068,570, less accumulated amortization of \$625,560 at September 30, 2008.

Capitalized software development costs are stated at the lower of amortized costs or net realizable value. Recoverability of these capitalized costs is determined at each balance sheet date by comparing the forecasted future revenues from the related products, based on management's best estimates using appropriate assumptions and projections at the time, to the carrying amount of the capitalized software development costs. If the carrying value is determined not to be recoverable from future revenues, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the future revenues. To date, no capitalized costs have been written down to net realizable value.

SFAS No. 2, Accounting for Research and Development Costs, established accounting and reporting standards for research and development. In accordance with SFAS No. 2, costs we incur to enhance our existing products after general release to the public (bug fixes) are expensed in the period they are incurred and included in research and development costs. Research and development costs incurred prior to determination of technological feasibility and marketability and after general release to the public and charged to expense were \$143,147 and \$76,198 for the nine months ended September 30, 2008 and 2007, respectively, included in general and administrative expenses.

We capitalize costs related to the development of computer software developed or obtained for internal use in accordance with the American Institute of Certified Public Accountants Statement of Position ("SOP") 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Software obtained for internal use has generally been enterprise level business and finance software that we customize to meet our specific operational needs. We have not sold, leased, or licensed software developed for internal use to our customers and have no intention of doing so in the future.

We capitalize costs related to the development and maintenance of our website in accordance with Financial Accounting Standard Board's ("FASB's") Emerging Issues Task Force ("EITF") Issue No. 00-2, Accounting for Website Development Costs. Under EITF Issue No. 00-2, costs expensed as incurred are as follows:

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

Capitalized costs include those incurred to:

- obtain and register an Internet domain name,

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

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We amortize website development costs on a straight-line basis over the estimated life of the site, generally 36 months. Total cumulative website development costs, included in “Other assets” on our condensed consolidated balance sheets, were \$109,500, less accumulated amortization of \$6,368 at September 30, 2008.

### RESTRICTED CASH

Restricted cash represents cash held in reserve by our merchant banker to allow for a potential increase in credit card charge backs from increased consumer purchases. Total restricted cash at September 30, 2008 included in “Other assets” on the condensed consolidated balance sheets was \$40,000.

### REVENUE RECOGNITION

We derive revenues from the sale of packaged software products, product support and multiple element arrangements that may include any combination of these items. We recognize software revenue for software products and related services in accordance with SOP 97-2, Software Revenue Recognition, as modified by SOP 98-9, Modification of SOP 97-2, With Respect to Certain Transactions. We recognize revenue when persuasive evidence of an arrangement exists (generally a purchase order), we have delivered the product, the fee is fixed or determinable and collectibility is probable.

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

In accordance with EITF Issue No. 01-9, Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor’s Product, we generally account for cash considerations (such as sales incentives – rebates and coupons) that we give to our customers as a reduction of revenue rather than as an operating expense.

#### Product Revenue

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

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

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

We reduce product revenue for estimated returns and price protections that are based on historical experience and other factors such as the volume and price mix of products in the retail channel, trends in retailer inventory and economic trends that might impact customer demand for our products. We also reduce product revenue for the estimated redemption of end-user rebates on certain current product sales. Our rebate reserves are estimated based on the terms and conditions of the specific promotional rebate program, actual sales during the promotion, the amount of redemptions received and historical redemption trends by product and by type of promotional program. We did not offer any rebate programs to our customers during the three and nine months ended September 30, 2008 and 2007 and maintain a reserve for rebate claims remaining unpaid from 2000 and 2001.

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### Service Revenue

We offer several technical support plans and recognize support revenue over the life of the plans, generally one year.

### Multiple Element Arrangements

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

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

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

### Shipping and Handling Costs

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

### Customer Service and Technical Support

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

### INCOME TAXES

We utilize SFAS No. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of our assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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EARNINGS PER SHARE

We follow SFAS No. 128, Earnings Per Share, to calculate and report basic and diluted earnings per share (“EPS”). Basic EPS is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is computed by giving effect to all dilutive potential shares of common stock that were outstanding during the period. For us, dilutive potential shares of common stock consist of the incremental shares of common stock issuable upon the exercise of stock options and warrants for all periods, convertible notes payable and the incremental shares of common stock issuable upon the conversion of convertible preferred stock.

When discontinued operations, extraordinary items, and/or the cumulative effect of an accounting change are present, income before any of such items on a per share basis represents the “control number” in determining whether potential shares of common stock are dilutive or anti-dilutive. Thus, the same number of potential shares of common stock used in computing diluted EPS for income from continuing operations is used in calculating all other reported diluted EPS amounts. In the case of a net loss, it is assumed that no incremental shares would be issued because they would be anti-dilutive. In addition, certain options and warrants are considered anti-dilutive because the exercise prices were above the average market price during the period. Anti-dilutive shares are not included in the computation of diluted EPS, in accordance with SFAS No. 128.

RECENT ACCOUNTING PRONOUNCEMENTS

Financial Guarantee Insurance Contracts

In May 2008, the FASB issued SFAS No. 163, Accounting for Financial Guarantee Insurance Contract-and Interpretation of FASB Statement No. 60 to clarify how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities. SFAS No. 163 also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. Management is currently evaluating the potential impact, if any, of the provisions of SFAS No. 163 on our consolidated financial statements.

GAAP Hierarchy

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles, to identify the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP. SFAS No. 162 directs the GAAP hierarchy to the entity, not the independent auditors, as the entity is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. SFAS no. 162 is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to remove the GAAP hierarchy from the auditing standards. We do not expect SFAS No. 162 to have a material impact on our consolidated financial statements.

Derivative Instruments

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, to improve financial reporting about derivative instruments and hedging activities. The standard requires enhanced disclosures to enable investors to better understand their effects on an entity’s financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. Management is currently evaluating the potential impact, if any, of the provisions of SFAS No. 161 on our

consolidated financial statements.

#### Noncontrolling Interests

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51. SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. Management is currently evaluating the potential impact, if any, of the adoption of SFAS No. 160 on our consolidated financial statements.

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## Business Combinations

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations. SFAS No. 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS No. 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. Management is currently evaluating the potential impact, if any, of the adoption of SFAS No. 141(R) on our consolidated financial statements.

## Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, to provide enhanced guidance for using fair value to measure assets and liabilities. The standard also expands disclosure requirements for assets and liabilities measured at fair value, how fair value is determined, and the effect of fair value measurements on earnings. The standard applies whenever other authoritative literature requires, or permits, certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. In February 2008, the FASB issued Staff Positions 157-1 and 157-2 which partially defer the effective date of SFAS No. 157 for one year for certain nonfinancial assets and liabilities and remove certain leasing transactions from its scope. Our adoption of SFAS No. 157 for financial assets and liabilities did not have a material impact on our consolidated financial statements. We are currently evaluating the potential impact, if any, of the provisions of SFAS No. 157 on our consolidated financial statements when adopted for nonfinancial assets and liabilities.

## RECLASSIFICATIONS

Certain accounts in our 2007 financial statements have been reclassified for comparative purposes to conform with the presentation in our 2008 financial statements.

## NOTE 2 – GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States applicable to a going concern. As of September 30, 2008, we had a year-to-date net loss of \$145,600, and negative working capital of \$1,095,358 and \$1,014,565, and an accumulated deficit of \$7,846,089 and \$7,700,489 as of September 30, 2008 and December 31, 2007, respectively. Although these factors raise substantial doubt as to our ability to continue as a going concern through December 31, 2008, we have taken several actions to mitigate against this risk. These actions include relying on the approximately \$433,000 cash reserve from the sale of our Membership Plus product line and pursuing mergers and acquisitions that will provide profitable operations and positive operating cash flow.

## NOTE 3 – INVENTORIES

At September 30, 2008, inventories consisted of the following:

Raw materials	\$ 53,337
Finished goods	32,029
Less reserve for obsolete inventory	(13,300)
Inventories	\$ 72,066



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## NOTE 4 – PRODUCT LINE ACQUISITION

On February 25, 2008, we acquired the FormTool software product line from ORG Professional, LLC. The purchase price of approximately \$226,000 was comprised as follows:

Description	Amount
Fair value of common stock	\$ 40,000
Cash	100,000
Promissory note	85,934
Total	\$ 225,934

The fair value of our common stock was determined based on 1,000,000 restricted shares of our common stock issued and priced at the closing price as of February 22, 2008 (\$0.04). See Note 8.

The allocation of the purchase price to the assets acquired based on their estimated fair values was as follows:

Description	Amount
Trademark/Trade name	\$ 67,780
Internet domain names	33,890
Customer list	22,594
Copyrights	67,780
Computer software code	22,594
Distribution agreements	11,296
Total	\$ 225,934

The assets will be amortized over a period of years as follows:

Description	Estimated Remaining Life (years)
Trademark/Trade name/Copyrights	10
Internet domain names	5
Customer list/Computer software code	3
Distribution agreements (remaining contract term)	.33

One of our outside directors currently owns a 5% equity interest in ORG Professional, LLC, and agreed to forego any direct personal economic benefit to which he would otherwise be entitled, including the restricted shares of our common stock issuable as part of the consideration.

During the three and nine months ended September 30, 2008, sales from the FormTool software product line were approximately 5% and 2%, respectively, of our gross sales.

## NOTE 5 – RESERVES AND ALLOWANCES

At September 30, 2008, the allowance for doubtful accounts included in Accounts receivable, trade, net, consisted of the following:

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Balance December 31, 2007	\$ 2,000
Bad debts provision (included in Other operating expenses)	3,212
Accounts written off	(2,845)
Collection of accounts previously written off	633
Balance September 30, 2008	\$ 3,000

At September 30, 2008, the reserve for obsolete inventory included in Inventories consisted of the following:

Balance December 31, 2007	\$ 14,400
Provision for obsolete inventory	12,700
Obsolete inventory written off	(13,800)
Balance September 30, 2008	\$ 13,300

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At September 30, 2008, the reserve for sales returns included in Other current liabilities consisted of the following:

Balance December 31, 2007	\$ 95,009
Return provision – sales	160,400
Return provision – cost of sales	(24,060)
Returns processed	(149,823)
Balance September 30, 2008	\$ 81,526

## NOTE 6 – DERIVATIVE LIABILITIES

In November 2004, we issued two five-year warrants to purchase up to an aggregate of 21,875,000 shares of our common stock in connection with a certain Stock Purchase Agreement completed with a New York-based private investment partnership on July 19, 2004. The first warrant entitled the holder to purchase up to 10,937,500 shares of our common stock at a price of \$0.18 per share, and the second warrant entitled the holder to purchase up to 10,937,500 additional shares of our common stock at a price of \$0.60 per share. Each warrant was subject to standard adjustment provisions and each provided for settlement in registered shares of our common stock and may have been, at the option of the holder, settled in a cashless, net-share settlement. These warrants were accounted for as a liability according to the guidance of EITF 00-19 and the fair value of each warrant was determined using the Black-Scholes valuation method.

The warrants were revalued at each measurement date by using parameters existing thereon, reducing the expected term to reflect the passing of time, and using the stock price at the measurement date. Net fair value adjustments included on the condensed consolidated statements of operations were income adjustments of \$305,620 and (\$86,064) for the nine months ended September 30, 2008 and 2007, respectively. Income adjustments generally reflect a decrease in the market price of our common stock between measurement dates whereas expense adjustments would generally reflect an increase in the market price of our common stock between measurement dates. The income adjustment recorded for the nine months ended September 30, 2008 reflects the difference between measurement parameters that existed on March 5, 2008 and December 31, 2007.

On March 6, 2008, we entered into and consummated an agreement with the holder pursuant to which the outstanding common stock purchase warrants held by them, which were subject to derivative treatment, were immediately canceled in exchange for a single cash payment in the amount of \$150,000. As a result of this transaction, these warrants are now null and void for all purposes (See Note 8). Pursuant to this cancellation, we recorded a gain on the settlement of derivative liabilities in the amount of \$450,654, which represents the difference between the cash payment and the Black-Scholes calculated liability as of March 5, 2008. The warrant cancellation has eliminated 21,875,000 potentially dilutive shares and eliminated the future non-cash effects associated with the volatility of our stock price.

## NOTE 7 – DEBT

At September 30, 2008, long-term debt consisted of the following:

Capital lease obligation payable to a corporation due November 2009 in monthly installments of \$1,144, including interest at 11.7%.	
Secured by telephone equipment.	\$ 15,891
	56,000

Unsecured term note payable to a shareholder due March 2008 in monthly installments of \$10,000, plus interest at 8%, through April 2007, and monthly installments of \$20,000, plus interest at 8%, beginning May 2007.

Unsecured term note payable to a limited liability company due February 2010 in monthly installments of \$4,167, including simple interest at 15%. See Note 4.	66,790
Total Long-term debt	138,681
Less: Current maturities	(116,352)
Long-term debt, net	\$ 22,329



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At September 30, 2008, we were current on the capital lease obligation and the unsecured term note payable to a limited liability company. We remain in arrears for the final three payments of the unsecured term note payable to a shareholder.

## NOTE 8 – STOCKHOLDERS' EQUITY

## COMMON STOCK

In February 2008, we issued a total of 1,000,000 restricted shares of common stock to a third party, at the closing price as of February 25, 2008 (\$0.04), as part of the acquisition of the FormTool software product line. This issuance was valued at \$40,000.

In April 2008, we committed to issue a total of 143,337 restricted shares of common stock to three members of our management team, at the closing price as of April 14, 2008 (\$0.042), in lieu of cash payment, net of appropriate tax withholdings, of the amounts accrued for their 2007 bonus. This issuance was valued at \$6,020.

In April 2008, we committed to issue a total of 678,571 restricted shares of common stock to our outside directors, at the closing price as of April 14, 2008 (\$0.042) in lieu of cash payments of amounts accrued for service as members of our board from the period of July 1, 2007 through March 31, 2008. This issuance was valued at \$28,500.

## COMMON STOCK WARRANTS

In February 2008, warrants to purchase up to 125,000 restricted shares of our common stock with an exercise price of \$0.148 per share expired unexercised.

In March 2008, a warrant to purchase up to 10,937,500 shares of our common stock with an exercise price of \$0.18 per share and a warrant to purchase up to 10,937,500 shares of our common stock with an exercise price of \$0.60 per share were canceled in exchanged for a single cash payment of \$150,000. These warrants are now null and void for all purposes as a result of this transaction. See Note 6.

## NOTE 9 – EARNINGS PER COMMON SHARE

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

For the Three Months Ended September 30,	2008	2007
Net loss	\$ (226,941)	\$ (306,942)
Preferred stock dividends	---	---
Net loss available to common shareholders	\$ (226,941)	\$ (306,942)
Basic weighted average shares outstanding	54,072,725	51,632,339
Dilutive effect of:		
Stock options	---	---
Warrants	---	---

Diluted weighted average shares outstanding	54,072,725	51,632,339
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For the Nine Months Ended September 30,	2008	2007
Net loss	\$ (145,600)	\$ (656,175)
Preferred stock dividends	---	---
Net loss available to common shareholders	\$ (145,600)	\$ (656,175)
Basic weighted average shares outstanding	53,553,381	50,411,806
Dilutive effect of:		
Stock options	---	---
Warrants	---	---
Diluted weighted average shares outstanding	53,553,381	50,411,806

## NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

We entered into a license agreement in June 1999 with Parsons Technology, Inc., a subsidiary of TLC, a copy of which has since been assigned to Riverdeep, Inc., the latest licensor-assignee in a succession of assignments that have occurred since the original agreement. The license, as we acquired it in 1999, provided us with the right, for a term of ten years, to publish, use, distribute, sublicense and sell, exclusively worldwide in non-secular channels and non-exclusively in secular channels, a collection of top-selling Christian-related software titles and content owned by Parsons Technology. In October 2003, we reached settlement in a dispute with The Zondervan Corporation and TLC which extended indefinitely the term of the software license agreement.

Our employment agreements with our management team each contain a provision for an annual bonus equal to 1% of our income from operations adjusted for other income and interest expense (4% total). We accrue this bonus on a quarterly basis. Our management team consists of the following:

	Chief Executive Officer	Chief Financial Officer	Chief Technology Officer	Vice President of Sales
Base Annual Salary	\$ 150,000	\$ 110,000	\$ 150,000	\$ 110,000

In addition to the bonus provisions and annual base salary, each employment agreement provides for payment of the following for termination by reason of disability.

	Accrued Base Salary	Accrued Management Bonus	Vested Deferred Vacation
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		Compensation	
Included in Other			
current liabilities at			
September 30, 2008	\$ 25,115	\$ ---	\$ 30,240

The agreements also provide for severance compensation equal to the then base salary until the later of (i) the expiration of the term of the agreement as set forth therein or (ii) one year, when the termination is other than for cause (including termination by reason of disability). There is no severance compensation in the event of voluntary termination or termination for cause.

In 2003 and 2004, we reduced our reserve for rebates payable based, in part, on our ability to meet the financial obligation of claims carried forward from our last rebate program in 2001. As such, we may have a legal obligation to pay rebates in excess of the liability recorded.

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

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

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

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

NOTE 11 – RISKS AND UNCERTAINTIES

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

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements made in this Quarterly Report on Form 10-Q are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Findex.com, Inc. ("we", "us", "our" or the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions involving the continued expansion of business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

This information should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in Item 1 of Part I of this quarterly report, and our audited financial statements and the notes thereto and our Management's Discussion and Analysis or Plan of Operation contained in our annual report on Form 10-KSB for the fiscal year ended December 31, 2007.

Description of Business

We develop, publish, market, distribute and directly sell off-the-shelf consumer and organizational software products for PC, Macintosh® and PDA platforms. We develop our software products through in-house initiatives supplemented by outside developers. We market and distribute our software products principally through direct marketing and Internet sales programs, but also through secular and non-secular wholesale retailers.

We are in the early stages of a defining transformative period in our development. In recent years, we have come to be recognized as a consumer desktop software company that serves a demographic defined largely by an interest in Christianity and faith-based "inspirational" values. The nature of our products historically, and the fact that our product lines have not extended materially beyond the boundaries of this affinity group, have fostered this perception. Indeed, as the publisher of one of the industry-leading Bible study desktop software products, QuickVerse®, we are known to many users of that product only as "QuickVerse", not Findex. While we believe that the QuickVerse® brand is among our most valuable assets, and we greatly value the goodwill that our reputation in this regard has engendered, we also believe that working to expand that reputation into one which is more closely associated with providing high quality branded software and content products generally – and ones that extend across both consumer and business segments – will afford us significantly greater opportunities in both the near and long term to steadily increase revenues and earnings, and, ultimately, to enhance shareholder value. We believe, moreover, that coupling this strategic diversification with a commitment to an increasing reliance on a sales and distribution model through which our products are sold on a subscription basis and can be purchased and downloaded directly from us online will be instrumental in furthering these financial objectives. Consequently, while we expect to continue for the indefinite future to invest substantially in the growth and development of our existing primary software titles and content, we also expect as we go forward to invest substantially in not only building a significantly more diverse line of product

titles, but also in building our technology platform and infrastructure so as to enable our evolution over time into a principally Webcentric provider of software solutions, content, and online products.

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As part of that objective, we acquired FormTool.com and the FormTool® line of products in February of this year. In September 2008, we re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® line of form creation and form filler products, and also a one-stop shop for finding, purchasing and downloading customizable forms for a wide range of business and consumer needs. Our website includes the ability to purchase forms on an individual basis or in bulk packs. In the future, our website will also offer forms to be purchased on a subscription basis. Further, and in partnership with a third party, through FormTool.com, we plan to offer secure data storage for all types of documents, forms and other media on a subscription basis. This service will allow for data backup and security as well as remote access to critical data from anywhere via the Internet. This service will be targeted to both the business and consumer markets.

## Management Overview

During the third quarter of 2008, we focused on our two product lines, QuickVerse® and FormTool®, and their individual technological features in order to meet our development schedule and our annual upgrade release for both product lines. The annual upgrade release of FormTool®, FormTool® 7.0, was released in September 2008 and the annual upgrade release of QuickVerse®, QuickVerse® 2009, was released in October 2008. Furthermore, we concentrated on building our technology platform and infrastructure in order to become a more Webcentric provider of online products.

## QuickVerse®

During the third quarter of 2008, our development team worked on a number of projects which resulted in five new content collections for our QuickVerse® product line. These collections include:

- H. A. Ironside Collection with a retail price of \$199.95,
- Timothy Dwight Collection with a retail price of \$49.95,
- John Calvin Collection with a retail price of \$49.95,
- Arthur W. Pink Collection with a retail price of \$49.95; and
- John Bunyan Collection with a retail price of \$49.95.

In addition, we launched a new feature on our website, [www.quickverse.com](http://www.quickverse.com), called the Books page which enables our QuickVerse® customers to purchase additional content and immediately download that content for use within their QuickVerse® software. Our Books page currently features over 180 individual books and/or collections with a range in retail price from \$4.95 to \$249.95. In June 2008, we released a free downloadable version of QuickVerse® 2008, which allows new customers to get a look and feel of our QuickVerse® product line at no charge. Furthermore, in September 2008 we released an online tutorial for our QuickVerse® product line, which guides customers through a movie presentation on how to navigate and use QuickVerse® to its fullest potential.

Over time, we anticipate the number of downloadable options to grow substantially as we continue to expand and build upon our website technology. Along with the annual upgrade release of QuickVerse® in October 2008, we also offered the upgrade to QuickVerse® 2009 as a download for the first time; and therefore, providing instantaneous delivery to the customer.

## FormTool®

During February 2008, we acquired FormTool.com and the FormTool® line of products. The FormTool® product line offers quality, professionally designed forms for business, accounting, construction, sales, real estate, human resources and personal organization needs. In September 2008, we re-launched the FormTool.com website as an online marketplace for purchasing the FormTool® product line, as well as a “one-stop” shop for finding, purchasing and



downloading customizable forms for a wide range of business and consumer needs. In addition, FormTool® 7.0, the annual upgrade release of the FormTool® product line, was released in September 2008. FormTool.com now offers the FormTool® product line in four downloadable editions that range in retail price from \$24.99 to \$199.99 as well as downloadable forms on an individual basis or in bulk groups.

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## Results of Operations for Nine Months Ending September 30, 2008 and September 30, 2007

Statements of Operations for Nine Months Ending September 30			
	2008	2007	Change
Net revenues	\$ 1,558,056	\$ 2,234,690	\$ (676,634)
Cost of sales	(651,505)	(969,601)	318,096
Gross profit	\$ 906,551	\$ 1,265,089	\$ (358,538)
Sales, marketing and general and administrative expenses	(1,811,044)	(1,961,344)	150,300
Loss from operations	\$ (904,493)	\$ (696,255)	\$ (208,238)
Other income (expenses)	2,619	(24,855)	27,474
Gain (loss) on fair value adjustment of derivatives	305,620	(86,064)	391,684
Gain on settlement of derivative liabilities	450,654	---	450,654
Loss before income taxes	\$ (145,600)	\$ (807,174)	\$ 661,574
Income tax benefit	---	150,999	(150,999)
Net loss	\$ (145,600)	\$ (656,175)	\$ 510,575

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

- a decrease in net revenues for the nine months ended September 30, 2008 partly attributable to the following:
  - an overall net decrease in unit sales of our QuickVerse® product line due to a reduction in the perceived value on the part of customers of certain upgrades based on the relative frequency thereof;
  - the sale of our Membership Plus® product line during October 2007; and
  - the decreased number of product releases;
- a decrease in cost of sales for the nine months ended September 30, 2008 due primarily to decreased direct and royalty costs; and
- most notably for the nine months ended September 30, 2008:
  - the recognition of a gain related to the fair value adjustment of derivatives up to the settlement date of March 6, 2008 due to the fluctuation of our stock price; and
  - the recognition of a gain on settlement of derivative liabilities in relation to warrants issued in November 2004 and which were canceled on March 6, 2008 in exchange for a single cash payment (\$150,000) that was less than the calculated fair value of the derivatives on such date.

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

## Revenues

The following table presents our revenues for the nine months ended September 30, 2008 and September 30, 2007 and dollar and percentage changes from the prior year.

	Change					
Revenues for Nine Months Ending September 30	2008	% to Sales	2007	% to Sales	\$	%
Gross revenues	\$ 1,716,965	100%	\$ 2,614,382	100%	\$(897,417)	34%
Less estimated sales returns and allowances	(158,909)	9%	(379,692)	15%	220,783	58%
Net revenues	\$ 1,558,056	91%	\$ 2,234,690	85%	\$(676,634)	30%

During each of the nine months ended September 30, 2008 and 2007, our sales efforts were focused on directly targeting end-users through telemarketing and Internet sales. Our decrease in gross revenues for the nine months ended September 30, 2008 was primarily attributed to the sale of our Membership Plus® product line in October 2007. By way of comparison, Membership Plus® product revenue was approximately \$638,000 from January through September 2007. In addition, during the nine months ended September 30, 2007 we released an upgrade to our QuickVerse® Macintosh product line and had liquidation sales of our QuickVerse® 2006 product line (Windows and Macintosh editions). In comparison, during the nine months ended September 30, 2008 we released four new content collections for our QuickVerse® customers but had no new upgrade releases on our current QuickVerse® platforms. Finally, due to increased frequency and consistency in our development schedule, and the annual releases of our flagship product, QuickVerse®, upgrade sales have not been increasing at as rapid a rate as they have in previous years. Although there can be no assurance, we anticipate that our revenues related to the QuickVerse® product line will increase in the future at rates generally consistent with our industry sector as we continue to expand the content available for our QuickVerse® products, develop new products for multiple platforms, offer our products at a range of price points intended to appeal to various market sub-segments and offer new venues to gain access to the expanded content available for our QuickVerse® customers.

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During the nine months ended September 30, 2008, we did recognize approximately \$42,000 in revenue from the FormTool® product line, which we acquired in February 2008. We do anticipate our revenues in relation to the FormTool® product line to increase in the near-term based on our launch of the new and enhanced FormTool.com website and our annual upgrade release of the FormTool® desktop product line in September 2008.

Due to the sale of our Membership Plus® product line, we anticipate that our reported revenues will continue to experience a substantial decline in the near term. However, and although there can be no assurance, we are currently pursuing opportunities for strategic product line acquisitions, as we did with FormTool®, which we are hopeful will enable us to achieve more favorable results of operations than we have historically achieved throughout the period in which we owned the Membership Plus® product line. Our divestiture of the Membership Plus® product line was driven by a combination of our need to raise cash and a strategic determination to begin a long-term shift in our product lines away from those within the faith-based vertical market and more towards those that extend across business-to-business and consumer segments more generally.

As a percentage of gross revenues, our sales returns and allowances decreased for the nine months ended September 30, 2008 compared to September 30, 2007 due to the increased stability of our products. Further, for the nine months ended September 30, 2007, we experienced a significant increase in actual returns due to the return of liquidated product sold during the first and second quarter of 2007. Typically, product returns trend upward after a new version is released as distributors and retail stores return old product in exchange for the new version release. Due to our annual release of QuickVerse® in October 2008, we do anticipate our sales returns and allowances to follow this upward trend within the fourth quarter of 2008. It is our objective to release enhanced versions of our biggest-selling products on an annual basis generally going forward, and as a percentage of gross revenues we anticipate sales returns and allowances to decrease over time as a result of increased stability in the functionality of our products, decreasing reliance on retail sales and increasing reliance on direct sales, which have historically resulted in fewer returns, and improved planning in the timing of new product version releases.

## Cost of Sales

The following table presents our cost of sales for the nine months ended September 30, 2008 and September 30, 2007 and dollar and percentage changes from the prior year.

				Change			
Cost of Sales							
for Nine							
Months							
Ending							
September 30	2008	%	2007	%	\$	%	
		to		to			
		Sales	Sales	Sales			
Direct costs	\$ 220,125	13%	\$ 339,813	13%	\$ (119,688)	35%	
Less							
estimated cost							
of sales							
returns and							
allowances	(24,060)	1%	(57,255)	2%	33,195	58%	
Amortization							
of software							
development							
costs	192,433	11%	248,455	10%	(56,022)	23%	
Royalties	142,522	8%	261,100	10%	(118,578)	45%	
Freight-out	72,001	4%	113,470	4%	(41,469)	37%	

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Fulfillment	48,484	3%	64,018	2%	(15,534)	24%
Cost of sales	\$ 651,505	38%	\$ 969,601	37%	\$ (318,096)	33%

The decrease in direct costs for the nine months ended September 30, 2008 is predominately attributable to the sale of Membership Plus®. As a percentage of gross revenues, direct costs remained steady and we anticipate relatively the same for the future as we continue to review our hard costs and seek out those vendors that provide the most competitive prices.

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Royalties decreased significantly in real terms and as a percentage of gross revenues for the nine months ended September 30, 2008 due to the following:

decreased royalty rates on our higher end QuickVerse® editions (i.e. Deluxe and Platinum) through a realignment of our content mix in the QuickVerse® 2008 versions and a change in our sales mix for the nine months ended September 30, 2008 which resulted in more sales of our lower end QuickVerse® edition, QuickVerse® 2008 Bible Suite, compared to those sales of our top of the line QuickVerse® edition, QuickVerse® 2008 Platinum.

However, our royalty accruals are expected to increase in the future in real terms as sales to new customers increase, more development projects are implemented for new and/or enhanced products, and as we continue to expand the content available for our QuickVerse® line of products. Upgrade sales will remain only subject to royalties on their content additions.

Freight and fulfillment costs decreased in real terms as a result of our decreased sales volume. We do anticipate freight costs to increase in the future as a percentage of gross revenues as retail sales tend to increase in the fourth quarter, which carry higher shipping costs for us than direct and/or upgrade sales. Furthermore, due in large part to the establishment of our own fulfillment center in June 2007, fulfillment costs should remain relatively stable in the future as a percentage of gross revenues.

The amortization recognized during the nine months ended September 30, 2008 resulted mainly from the following software releases:

QuickVerse® 2007 Mobile (released December 2006),  
QuickVerse® 2007 Macintosh (released March 2007),  
QuickVerse® 2008 (released November 2007),  
Multiple new content additions for QuickVerse® products (released April 2007 through September 2008)  
and  
FormTool® 7.0 (released September 2008).

Comparatively, during the nine months ended September 30, 2007, the amortization recognized resulted mainly from the following software releases:

QuickVerse 2006 Macintosh (released June 2005),  
QuickVerse 2006 (released September 2005),  
QuickVerse® 2007 (released August 2006),  
Membership Plus® 2007 (released October 2006),  
QuickVerse® 2007 Mobile (released December 2006) and  
QuickVerse® 2007 Macintosh (released March 2007).

The shorter timeframes between our product upgrades along with the increased amount of product releases during the fiscal year 2007 led to the increased amount of amortization as a percentage of gross revenues for the nine months ended September 30, 2008.

In the future, our objective is to realize overall increases in revenues due to aggressive product development and release schedules as well as the acquisitions of new product lines. We expect an increase in real terms, therefore, despite the sale of our Membership Plus® product line. Furthermore, as we implement our strategy to become a principally Webcentric provider of online products we anticipate to experience a decrease in cost of sales, specifically direct costs, freight and fulfillment, as more of our products will become available for download.



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Software Development Costs For	Three Months Ending September 30,		Nine Months Ending September 30,	
	2008	2007	2008	2007
Beginning balance	\$ 402,332	\$ 522,712	\$ 392,173	\$ 491,695
Capitalized	75,983	124,636	243,270	316,086
Amortized (Cost of sales)	(35,305)	(88,022)	(192,433)	(248,455)
Ending Balance	\$ 443,010	\$ 559,326	\$ 443,010	\$ 559,326
Research and development expense (General and administrative)	\$ 39,192	\$ 15,630	\$ 143,147	\$ 76,198

The overall decrease in capitalized costs for the nine months ended September 30, 2008 is a result of the sale of our Membership Plus® product line and our development staff having been faced with greater maintenance challenges than anticipated, primarily in the first quarter of 2008, in connection with the new layout and engine design within the QuickVerse® 2008 product line. The maintenance challenges also led to the relative increase in research and development expense. Despite these challenges, during the three months ended September 30, 2008 our development team focused their efforts on our annual upgrade releases of QuickVerse® and FormTool®, several new content additions for our QuickVerse® products, as well as the enhanced technology and infrastructure on our websites www.quickverse.com and www.formtool.com, and we have experienced increased efficiency in our development output (both internal and external). The increase in research and development expense for the three months ended September 30, 2008 is the result of two development projects no longer being pursued and therefore, all capitalized costs were expensed.

## Sales, General and Administrative

	Change						
Sales, General and Administrative Costs for Nine Months Ending September 30	2008	% to Sales	2007	% to Sales	\$	%	
Selected expenses:							
Commissions	\$ 66,959	4%	\$ 146,930	6%	\$ (79,971)	54%	
Advertising and direct marketing	131,638	8%	144,175	6%	(12,537)	9%	
Sales and marketing wages - reclassified	265,411	15%	228,113	9%	37,298	16%	
Other sales and marketing costs	3,212	0%	17,164	1%	(13,952)	81%	
Total sales and marketing	\$ 467,220	27%	\$ 536,382	22%	\$ (69,162)	13%	
Personnel costs	\$ 370,268	22%	\$ 463,213	18%	\$ (92,945)	20%	



Amortization and depreciation	343,178	20%	423,042	16%	(79,864)	19%
Research and development	143,147	8%	76,198	3%	66,949	88%
Corporate services	74,280	4%	54,400	2%	19,880	37%
Other general and administrative costs	412,951	24%	408,109	16%	4,842	1%
Total general and administrative	\$ 1,343,824	78%	\$ 1,424,962	55%	\$ (81,138)	6%
Total sales, marketing, general and administrative	\$ 1,811,044	105%	\$ 1,961,344	75%	\$ (150,300)	8%

For the nine months ended September 30, 2008, total sales and marketing costs decreased but increased as a percentage of gross revenues due to the overall decrease in gross revenues. Commissions decreased for this period as we have discontinued our contract with a third party for telemarketing services. Although there can be no assurance, we do not anticipate relying on a third party for telemarketing services in the future, and therefore, we anticipate third party commissions to further decrease in the future. Advertising and direct marketing costs decreased; although we anticipate advertising and direct marketing costs to increase in future periods as we continue to enhance our product visibility online, increase and focus more on our direct marketing efforts, and increase the scope and frequency of our print advertising campaigns in order to maximize sales associated with new products, product enhancements and potential new product lines. During the nine months ended September 30, 2008, sales and marketing wages - reclassified, increased as we began to transform our customer service department and its representatives into our in-house direct telemarketing sales team in late 2007. As we expand our in-house direct telemarketing sales team, we anticipate our sales and marketing wages to increase in future periods.

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In addition to the decrease in total net personnel costs, gross direct salaries and wages, before adjustments of capitalized wages and reclassifications, decreased approximately \$89,000, from approximately \$969,000 for the nine months ended September 30, 2007 to approximately \$880,000 for the nine months ended September 30, 2008. The decrease in direct salaries and wages was a result of the departure of our marketing manager, a customer service representative and the further reduction in our technical support staff in relation to the sale of our Membership Plus® product line. We do anticipate direct salaries and wages to increase nonetheless in the future given our continued focus on expanding our direct telemarketing sales team, marketing staff and product development staff.

The decrease in the amortization and depreciation expense is mainly attributable to the decrease in amortization. The software license we acquired in 1999, from which we derive our base intellectual property rights associated with the products that are responsible for generating the overwhelming majority of our revenues (the “1999 license”), is being amortized over a 10 year useful life and will have been fully amortized by the close of the year ending December 31, 2009. Amortization expense for the nine months ended September 30, 2008 and 2007 reflect the continual amortization of the 1999 license as well as the amortization of the FormTool® assets we acquired in February 2008. The FormTool® assets are amortized over a period of years that range from less than one year to ten years and approximate \$3,000 of amortization expense each month. Due to the sale of the Membership Plus® product line, we no longer carry on our books the net value associated with the Membership Plus® product in relation to the 1999 license and, as a result, we no longer had the corresponding amortization expense as of mid-October 2007. Finally, the amortization expense for 2007 reflects the amortization of our website, www.quickverse.com, the most recent version of which we launched during the second quarter of 2004. However, the decrease in the amortization expense for the nine months ended September 30, 2008 reflects the discontinuation of this amortization item following full recognition.

Research and development costs include direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, travel expenses, material and supplies, and other direct costs). The increase in software development costs related to third-party developers and direct labor expensed as research and development reflects less capitalization of research and development costs for the nine months ended September 30, 2008. During the first quarter of 2008, our development staff was faced with greater maintenance issues than anticipated due to a new layout and engine design within the QuickVerse® 2008 product line which ultimately resulted in an increase in research and development costs expensed. During the third quarter of 2008, we determined that two of our development projects were no longer viable and therefore, approximately \$10,000 of capitalized costs were expensed. In future periods, we anticipate research and development expenses to increase as we expand our internal development team and add new products and product versions, platforms and product lines.

Corporate service fees increased for the nine months ended September 30, 2008 from engaging the services of a consultant for business development related advisory services in March 2007. The consultant’s contract expired in June 2008, at which time we extended the contract on a month by month basis. We anticipate continuing to renew the consultant’s contract on a month by month basis for another period of six to twelve months as well as engaging additional business development consultants in the future.

## Gain on Fair Value Adjustment of Derivatives

In connection with the warrants issued in November 2004, a non-cash fair value adjustment of approximately \$306,000 and (\$86,000) has been included in other income (expenses) for the nine months ended September 30, 2008 and 2007, respectively. These warrants were accounted for as a liability according to the guidance of EITF 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock and the guidance of EITF 00-19-2, Accounting for Registration Payment Arrangements. As described more fully below,

these warrants were canceled on March 6, 2008 and there is no recognition, therefore, of a derivative liability on our September 30, 2008 balance sheet. Furthermore, there will not be a non-cash fair value adjustment related to these warrants included in other income or other expenses beyond the date of March 6, 2008.

#### Gain on Settlement of Derivative Liabilities

On March 6, 2008, we entered into and consummated an agreement with Barron Partners, LP in which warrants issued to that entity in November 2004 were immediately canceled in exchange for a single cash payment to Barron Partners, LP in the amount of \$150,000. As a result of this transaction, these warrants are now null and void for all purposes. We recorded a one time gain during the nine months ended September 30, 2008 due to the agreement calling for a cash payment that was less than the Black-Scholes calculated fair value of the derivatives on such date.

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## Income Tax Benefit

We did not record an income tax provision or benefit for the nine months ended September 30, 2008. Based upon available evidence, there is uncertainty regarding our ability to realize our deferred tax assets and we have therefore recorded a full valuation allowance against the net deferred tax assets in our condensed consolidated financial statements. Based on our estimates for 2009 and beyond, we believe the uncertainty regarding the ability to realize our deferred tax assets may diminish to the point where the recognition of our deferred tax assets may be warranted in the future. If we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be recorded in the period when such determination is made.

For the nine months ended September 30, 2007, we recorded an income tax benefit based upon our estimate of realization of deferred tax assets arising primarily from net operating loss carryforwards for federal income tax purposes. We based our estimate of realization upon a number of factors, including cumulative taxable income from two of the prior four years and the expectation of significant taxable income before net operating loss carryforwards for 2007.

## Liquidity And Capital Resources

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

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

	September	December
	30, 2008	31, 2007
Working Capital		
Current assets	\$ 649,057	\$ 1,600,326
Current liabilities	\$ 1,744,415	\$ 2,614,891
Retained deficit	\$ 7,846,089	\$ 7,700,489

While liquidity for our day-to-day continued operations remains an ongoing concern for us, and while there can be no continuing assurance, given the fact that a substantial portion of our net sales – 54% of which we collected during our

last fiscal year through credit card processing transactions – are able to be collected in a much shorter timeframe (several days) than that in which we must generally pay our trade payables (30 days) and our accrued royalties (quarterly, semi-annually, or annually), the situation suggested by our consistently and significantly negative ratio of current assets to current liabilities has historically been manageable.

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Cash Flows for Nine Months Ending September 30	2008	2007	Change	%
Cash flows (used) provided by operating activities	\$ (146,649)	\$ 313,922	\$ (460,571)	147%
Cash flows (used) by investing activities	\$ (378,408)	\$ (370,457)	\$ (7,951)	2%
Cash flows (used) provided by financing activities	\$ (176,722)	\$ 7,863	\$ (184,585)	2,348%

Net cash used by operating activities increased for the nine months ended September 30, 2008 primarily due to a reduction in cash collections, from reduced net revenues, and continued payments made to employees, content providers and vendors.

The increase in net cash used by investing activities for the nine months ended September 30, 2008 was primarily a result of the purchase of FormTool® in February 2008. Specifically, and in connection with FormTool®, we increased our cash investment for the development and re-launch of the FormTool.com website. Offsetting this to some extent, however, was the fact that, during the nine months ended September 30, 2008 we capitalized fewer costs associated with software development as compared to the nine months ended September 30, 2007 due to maintenance issues (as previously described) as well as the curtailment of development work associated with the now-divested Membership Plus® product line.

The increase in net cash used by financing activities for the nine months ended September 30, 2008 was the result of our settlement payment to Barron Partners, LP in the amount of \$150,000 in exchange for the cancellation of the warrants issued in November 2004 along with continued payments made on long-term notes payable.

#### Financing

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

#### Contractual Liabilities

In May 2007, we secured a new operating lease with a third-party for our corporate office facility in Omaha, Nebraska with terms extending through May 2012. We also secured a new operating lease with a third-party for a warehouse facility in Omaha, Nebraska with terms extending through June 2010. In accordance with the terms of these leasehold agreements, we are responsible for all associated taxes, insurance and utility expenses.

We lease office space in Naperville, Illinois under an operating lease with a third-party with terms extending through March 2009. We are responsible for all insurance expenses associated with this lease.

At September 30, 2008, the total future minimum rental payments required under these leases is approximately \$243,000 through the year 2012.

We lease telephone equipment under a capital lease due to expire in November 2009. The asset and liability under the capital lease are recorded at the present value of the minimum lease payments. The asset is depreciated over a 5 year life. Total minimum future lease payments under capital leases as of September 30, 2008 is approximately \$16,000 through the year 2009.

#### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

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Contractual Obligations

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our principal executive and principal financial officers are responsible for assessing the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(f) under the Exchange Act). Accordingly, we maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q, September 30, 2008, and have determined that such disclosure controls and procedures are effective.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the fiscal quarter covered by this report that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

As of the date of this quarterly report on Form 10-Q for the period ended September 30, 2008, and to the best knowledge of our officers and directors, there were no pending material legal proceedings to which we were a party and we were not aware that any were contemplated. There can be no assurance, however, that we will not be made a party to litigation in the future. Although we currently maintain liability insurance coverage in an amount equal to \$5,000,000, there can be no assurance that such coverage will prove adequate to cover all liabilities arising out of any claims that may be initiated against us in the future. Any finding of liability imposed against us coupled with a lack of corresponding insurance coverage is likely to have an adverse effect on our business, our financial condition, and including liquidity and profitability, and our results of operations.

ITEM 1A. RISK FACTORS.

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

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

There were no reportable events under this Item 3 during the quarterly period ended September 30, 2008.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

There were no reportable events under this Item 3 during the quarterly period ended September 30, 2008.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of our stockholders during the quarterly period ended September 30, 2008.

ITEM 5. OTHER INFORMATION.

There were no reportable events under this Item 5 during the quarterly period ended September 30, 2008.

ITEM 6. EXHIBITS.

Exhibits required by Item 601 of Regulation S-K.

No. Description of Exhibit

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

3(i)(1) Restated Articles of Incorporation of Findex.com, Inc. dated June 1999 incorporated by reference to Exhibit 3.1 on Form 8-K filed March 15, 2000.

3(i)(2) Amendment to Articles of Incorporation of Findex.com, Inc. dated November 10, 2004 incorporated by reference to Exhibit 3.1(ii) on Form 10-QSB filed November 10, 2004.

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- 3(ii) Restated By-Laws of Findex.com, Inc., incorporated by reference to Exhibit 3.3 on Form 8-K filed March 15, 2000.
- 10.1 Stock Incentive Plan of Findex.com, Inc. dated May 7, 1999, incorporated by reference to Exhibit 10.1 on Form 10-KSB/A filed May 13, 2004.
- 10.2 Share Exchange Agreement between Findex.com, Inc. and the stockholders of Reagan Holdings Inc., dated March 7, 2000, incorporated by reference to Exhibit 2.1 on Form 8-K filed March 15, 2000.

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- 10.3 License Agreement between Findex.com, Inc. and Parsons Technology, Inc. dated June 30, 1999, incorporated by reference to Exhibit 10.3 on Form 10-KSB/A filed May 13, 2004.
- 10.4 Employment Agreement between Findex.com, Inc. and Steven Malone dated July 25, 2003, incorporated by reference to Exhibit 10.4 on Form 10-KSB/A filed May 13, 2004.
- 10.5 Employment Agreement between Findex.com, Inc. and Kirk Rowland dated July 25, 2003, incorporated by reference to Exhibit 10.5 on Form 10-KSB/A filed May 13, 2004.
- 10.6 Employment Agreement between Findex.com, Inc. and William Terrill dated June 7, 2002, incorporated by reference to Exhibit 10.6 on Form 10-KSB/A filed May 13, 2004.
- 10.7 Restricted Stock Compensation Agreement between Findex.com, Inc. and John A. Kuehne dated July 25, 2003, incorporated by reference to Exhibit 10.7 on Form 10-KSB/A filed May 13, 2004.
- 10.8 Restricted Stock Compensation Agreement between Findex.com, Inc. and Henry M. Washington dated July 25, 2003, incorporated by reference to Exhibit 10.8 on Form 10-KSB/A filed May 13, 2004.
- 10.9 Restricted Stock Compensation Agreement between Findex.com, Inc. and William Terrill dated July 25, 2003, incorporated by reference to Exhibit 10.9 on Form 10-KSB/A filed May 13, 2004.
- 10.10 Stock Purchase Agreement, including the form of warrant agreement, between Findex.com, Inc. and Barron Partners, LP dated July 19, 2004, incorporated by reference to Exhibit 10.1 on Form 8-K filed July 28, 2004.
- 10.11 Amendment No. 1 to Stock Purchase Agreement between Findex.com, Inc. and Barron Partners, LP dated September 30, 2004, incorporated by reference to Exhibit 10.3 on Form 8-K filed October 6, 2004.
- 10.12 Registration Rights Agreement between Findex.com, Inc. and Barron Partners, LP dated July 26, 2004, incorporated by reference to Exhibit 10.2 on Form 8-K filed July 28, 2004.
- 10.13 Waiver Certificate between Findex.com, Inc. and Barron Partners, LP dated September 16, 2004, incorporated by reference to Exhibit 10.4 on Form 8-K filed October 6, 2004.
- 10.14 Settlement Agreement between Findex.com, Inc., The Zondervan Corporation, Mattel, Inc., TLC Multimedia, Inc., and Riverdeep, Inc. dated October 20, 2003, incorporated by reference to Exhibit 10.14 on Form 10-KSB/A filed December 14, 2005.
- 10.15 Employment Agreement Extension between Findex.com, Inc and Steven Malone dated March 31, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 6, 2006.
- 10.16 Employment Agreement Extension between Findex.com, Inc and William Terrill dated March 31, 2006, incorporated by reference to Exhibit 10.2 on Form 8-K filed April 6, 2006.
- 10.17 Employment Agreement Extension between Findex.com, Inc and Kirk R. Rowland dated March 31, 2006, incorporated by reference to Exhibit 10.3 on Form 8-K filed April 6, 2006.
- 10.18 Promissory Note to Barron Partners, LP dated April 7, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed April 13, 2006.

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

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

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- 10.21 Security Agreement between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.2 on Form 8-K filed July 26, 2006.
- 10.22 Common Stock Purchase Warrant between FindEx.com, Inc. and W. Sam Chandoha, dated July 20, 2006 incorporated by reference to Exhibit 10.3 on Form 8-K filed July 26, 2006.
- 10.23 Modification and Extension Agreement Between FindEx.com, Inc. and W. Sam Chandoha, dated September 20, 2006, incorporated by reference to Exhibit 10.1 on Form 8-K filed September 25, 2006.
- 10.24 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 13, 2007, incorporated by reference to Exhibit 10.24 on Form 10-KSB filed April 17, 2007.
- 10.25 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 13, 2007, incorporated by reference to Exhibit 10.25 on Form 10-KSB filed April 17, 2007.
- 10.26 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 13, 2007, incorporated by reference to Exhibit 10.26 on Form 10-KSB filed April 17, 2007.
- 10.27 Asset Purchase Agreement between Findex.com, Inc. and ACS Technologies Group, Inc. dated October 18, 2007, incorporated by reference to Exhibit 10.27 on Form 8-K filed October 24, 2007.
- 10.28 Partial Assignment of License Agreement Among Findex.com, Inc., Riverdeep, Inc., LLC and ACS Technologies Group, Inc. dated October 11, 2007, incorporated by reference to Exhibit 10.28 on Form 8-K filed October 24, 2007.
- 10.29 Asset Purchase Agreement between Findex.com, Inc. and ORG Professional, LLC dated February 25, 2008, incorporated by reference to Exhibit 10.29 on Form 8-K filed on February 28, 2008.
- 10.30 Warrant Cancellation Agreement between Findex.com, Inc. and Barron Partners, L.P. dated March 6, 2008, incorporated by reference to Exhibit 10.30 on Form 8-K filed on March 10, 2008.
- 10.31 Employment Agreement Extension Amendment between Findex.com, Inc. and Steven Malone dated April 14, 2008, incorporated by reference to Exhibit 10.31 on Form 10-KSB filed on April 15, 2008.
- 10.32 Employment Agreement Extension Amendment between Findex.com, Inc. and William Terrill dated April 14, 2008, incorporated by reference to Exhibit 10.32 on Form 10-KSB filed on April 15, 2008.
- 10.33 Employment Agreement Extension Amendment between Findex.com, Inc. and Kirk R. Rowland dated April 14, 2008, incorporated by reference to Exhibit 10.33 on Form 10-KSB filed on April 15, 2008.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and dated November 14, 2008. FILED HEREWITH.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and dated November 14, 2008. FILED HEREWITH.
- 32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and dated November 14, 2008. FILED HEREWITH.



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Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FINDEX.COM,  
INC.

Date: By/s/ Steven  
November Malone  
14, 2008  
  
Steven Malone  
President and  
Chief  
Executive  
Officer

Date: By/s/ Kirk R.  
November Rowland  
14, 2008  
  
Kirk R.  
Rowland,  
CPA  
Chief  
Financial  
Officer  
(Principal  
Financial &  
Accounting  
Officer)

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