Charmed Homes Inc.
Form S-4/A
July 10, 2009

As filed with the Securities and Exchange Commission on July 10, 2009
Registration No. 333-159272

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Amendment No. 1
FORM S-4

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CHARMED HOMES INC.
(Exact name of Registrant as specified in its charter)

Nevada	1531
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)

60 Mt. Kidd Point SE
Calgary, Alberta T2Z 3C5
Canada
(403) 831-2202
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

The Corporation Trust Company of Nevada
6100 Neil Road, Suite 500
Reno, NV 89511
(___) ___-____
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies to:
Stephen R. Boatwright, Esq.
Alicia M. Corbett, Esq.
Keller Rohrback, PLC
3101 North Central Avenue, Suite 1400
Phoenix, Arizona 85012
(602) 248-0088

Approximate date of commencement of proposed sale to public: Upon completion of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o Accelerated filer o Non-accelerated filer

Smaller reporting company x

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer o

CALCULATION OF REGISTRATION FEE

Title Of Each Class of Securities To Be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value $0.00001 per share	9,009,304	$ 1.00	$ 9,009,304	$ 502.72
Stock Options	1,196,604	$ 1.00	$ 1,196,604	$ 66.77
Warrants	559,278	$ 1.00	$ 559,278	$ 31.21
Common Stock issuable upon exercise of stock options and warrants	1,755,882	$ 1.00	$ 1,755,882	$ 97.98
Total				$ 698.68

(1) Based upon the maximum number of shares of common stock, par value $0.00001 per share, of Charmed Homes Inc., a Nevada corporation, that may be issued in connection with the merger described herein, and the value of the target corporation's stock (see (2) below).

(2)

Estimated solely for purposes of calculating the registration fee required by the Securities Act of 1933, as amended, and computed pursuant to Rule 457(f)(2) under the Securities Act. There is no market for the corporation's stock, and the target corporation has an accumulated capital deficit. The fee was calculated using the maximum number of shares of IntelaSight, Inc. common stock to be canceled in connection with the merger described herein, and the current fee rate of $55.80 per $1,000,000 of securities registered.

(3) $594.23 of the registration fee was paid at the time of the initial filing of the Company's Registration Statement on Form S-4, filed with the Commission on May 15, 2009.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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Subject to completion, dated July 10, 2009.

THIS INFORMATION STATEMENT/PROSPECTUS IS BEING PROVIDED
TO YOU BY THE BOARDS OF DIRECTORS OF
CHARMED HOMES INC. AND INTELASIGHT, INC.

We are not asking you for a proxy and you are requested not to send us a proxy.

Dear Charmed Homes Inc. and IntelaSight, Inc. Shareholders:

On behalf of the Board of Directors and management teams of both Charmed and Iveda, we are pleased to deliver this joint information statement/prospectus for the merger involving Charmed Homes Inc. ("Charmed") and IntelaSight, Inc., dba Iveda Solutions ("Iveda"). Upon completion of the merger, holders of Iveda common stock will be entitled to receive 1 share of Charmed common stock for each share of Iveda common stock they hold at that time. Charmed common stock trades on the OTC Bulletin Board under the trading symbol "CHDH.OB." A total of 9,009,304 shares of common stock, options to purchase 1,196,604 shares of common stock, warrants to purchase 559,278 shares of common stock, and the 1,755,882 shares of common stock underlying the options and warrants are being offered by Charmed in the merger.

The boards of directors of Charmed and Iveda have each strongly recommended and approved the merger — recommendations based upon months of analysis, investigation and deliberation designed to reach a result to enhance shareholder value. Shareholders holding a majority of the voting stock of Iveda have already executed a written consent in lieu of special meeting to approve the merger, shareholders holding a majority of the voting stock of Charmed have already executed a written consent in lieu of special meeting to approve the name change and reverse split required as conditions to the merger, and the purpose of this joint information statement/prospectus is simply to provide you with information about the merger before it takes effect. Unless you are an Iveda shareholder that wishes to dissent from the merger, no action is needed on your part. The fiscal year end of Charmed after the merger will be changed to December 31.

With the downturn in the real estate market, the business of Charmed has been unable to obtain financing to continue its real estate activities in the Calgary area and Charmed cannot continue to pay the ongoing expenses of a public company. On the other hand, the security related product of Iveda is an industry we believe has potential for financing particularly if it is through a public entity.

You are encouraged to read this joint information statement/prospectus, which includes important information about the merger. In addition, the section entitled "Risk Factors" beginning on page 20 of this joint information statement/prospectus contains a description of risks that you should consider in evaluating the merger.

Thank you for your support.

Sincerely,

Ian Quinn	David Ly
President and CEO of Charmed Homes Inc.	President and CEO of IntelaSight, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Charmed securities to be issued in connection with the merger or determined whether this joint information statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This joint information statement/prospectus is dated ___________, 2009, and is first being mailed to shareholders of each of Charmed and Iveda on or about ___________, 2009.

The information in this joint information statement/prospectus is not complete and may be changed. Charmed may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission is effective. This joint information statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

ADDITIONAL INFORMATION

Charmed has filed a registration statement on Form S-4 to register with the Securities and Exchange Commission up to 9,009,304 shares of its common stock, options to purchase up to 1,196,604 shares of its common stock, warrants to purchase up to 559,278 shares of its common stock, and up to 1,755,882 shares of its common stock issuable upon exercise of options and warrants. This document is a part of that registration statement. As permitted by Securities and Exchange Commission rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy these documents at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. Statements contained in this document as to the contents of any contract or other document referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This information is also available at the Internet site the SEC maintains at http://www.sec.gov. See "Where You Can Find More Information."

Charmed will provide you with copies of these documents, without charge, upon written or oral request to:

Charmed Homes Inc.
60 Mt. Kidd Point SE
Calgary, Alberta T2Z 3C5
Canada
Attention: Ian Quinn, CEO
(403) 831-2202

In order for you to receive timely delivery of the documents in advance of the closing of the merger, Charmed should receive your request no later than ___________, 2009.

IntelaSight, Inc. is a private company and is not subject to the reporting requirements of the Securities Exchange Act of 1934. Accordingly, there are no filings of Iveda available through the SEC.

Charmed has supplied all information contained in this joint information statement/prospectus relating to Charmed, and Iveda has supplied all information contained in this joint information statement/prospectus relating to Iveda.

Charmed Homes Inc.
60 Mt. Kidd Point SE
Calgary, Alberta T2Z 3C5
Canada

NOTICE OF CONSENT IN LIEU OF A SPECIAL MEETING OF SHAREHOLDERS

Actions Taken:	Holders of a majority of Charmed Homes Inc. common stock have approved the following two actions by written consent in lieu of a special meeting of the shareholders dated November 21, 2008: 1. an Amendment to the Charmed Homes Inc. Articles of Incorporation to change the company's name to "Iveda Corporation;" and 2. a reverse split of the Charmed Homes Inc. common stock whereby each two shares of issued and outstanding common stock as of December 5, 2008 shall be exchanged for one share of common stock.
Record Date:	The record date for the consent in lieu of special meeting and for determining shareholders eligible to receive this Notice was the close of business on November 21, 2008.
Dissenters' Rights:	No dissenters' rights are available for Charmed Homes Inc. shareholders under Nevada law for the merger (which does not require shareholder approval), the name change or the reverse split.

By Order of the Board of Directors,

________________, 2009
Calgary, Alberta

Ian Quinn, President

IntelaSight, Inc.
dba Iveda Solutions
1201 South Alma School Road, Suite 4450
Mesa, Arizona 85201

NOTICE OF CONSENT IN LIEU OF A SPECIAL MEETING OF SHAREHOLDERS

Action Taken:	Holders of a majority of the outstanding Iveda common stock have approved and adopted the Merger Agreement among Charmed Homes Inc., Charmed Homes Subsidiary, Inc., certain shareholders of Charmed Homes Inc., and IntelaSight, Inc., and have approved the merger contemplated by the Merger Agreement by written consent in lieu of a special meeting of the shareholders. The written consent was dated January 8, 2009.
Record Date:	The record date for the consent in lieu of special meeting and for determining shareholders eligible to receive this Notice was the close of business on January 8, 2009.
Dissenters' Rights	Each holder of Iveda shares has the right to dissent from the proposed merger and to demand payment of the fair value of his or her shares in the event the merger is completed. To preserve the right to exercise these dissenters' rights, a holder of Iveda shares must not have voted his or her shares in favor of the merger agreement and the merger through the written consent, and also must deliver to Iveda, before ________, 2009, a written notice to demand payment for his or her shares in the manner provided under the Washington Business Corporation Act (a copy of the relevant portions of which is attached as Annex B to the accompanying joint information statement/prospectus). To preserve the right to exercise dissenters' rights, a holder of Iveda shares must also otherwise comply with all requirements of Washington law. These dissenter's rights are more fully explained under "The Merger – Dissenters' Rights" in the accompanying joint information statement/prospectus. If 1% or more of the outstanding shares of Iveda common stock dissent, then the merger may not be consummated in the discretion of the Iveda Board of Directors.

By Order of the Board of Directors,

_________, 2009
Mesa, Arizona

David Ly, CEO

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QUESTIONS AND ANSWERS ABOUT THE MERGER, NAME CHANGE AND REVERSE SPLIT

General Questions and Answers

Q: Why am I receiving this joint information statement/prospectus?

A: IntelaSight, Inc., doing business as Iveda Solutions ("Iveda") and Charmed Homes Inc. ("Charmed") have agreed to combine their companies under the terms of a merger agreement (the "Merger Agreement") that is described in this information statement/prospectus (the "information statement/prospectus"). A copy of the Merger Agreement is attached to this information statement/prospectus as Annex A. The most material terms of the proposed merger (the "Merger") are as follows:

- Iveda provides remote video monitoring services and currently has clients in Arizona, California, and Minnesota. Charmed previously developed a single residential property in Calgary, Alberta, Canada, which was sold in the summer of 2008. See "Summary of the Terms of the Merger - Parties to the Merger" on page 5 and "Information About Iveda" on page 54 below.
- Charmed Homes Subsidiary, Inc. (the "Merger Sub"), a wholly-owned subsidiary of Charmed formed specifically to engage in the Merger, will merge with and into Iveda, resulting in Iveda becoming a wholly-owned subsidiary of the Company. See "The Merger – General Terms of the Transaction" on page 30 below.
- The former shareholders of Iveda will receive a number of shares of Charmed's common stock such that they will own not less than 90% of Charmed's common stock post-Merger. The former option and warrant holders of Iveda will also receive replacement options and warrants to purchase 1,755,882 shares of Charmed's common stock with substantially equivalent value to Iveda's outstanding options and warrants. See "The Merger – General Terms of the Transaction" on page 30 below.
- The consummation of the Merger is subject to: (i) Iveda shareholder approval of the transactions contemplated by the Merger Agreement (already obtained by written consent), with the number of dissenting shares not exceeding 1% of Iveda's outstanding stock; (ii) Charmed shareholder approval of a reverse split and an amendment to the Company's articles of incorporation to change the Company's name to "Iveda Corporation" (already obtained by written consent); (iii) the sale by Ian Quinn and Kevin Liggins of 5 million pre-reverse split shares of Charmed's common stock to Iveda for cash consideration of $200,000; (iv) the adoption by Charmed's Board of a stock option plan substantially similar to Iveda's existing stock option plan and the authorization by Charmed's Board of warrants to purchase Charmed stock with substantially similar terms as the Iveda warrants. See "The Merger – Summary of Principal Conditions to Completing the Merger" on page 34 below.
- The Merger Agreement contains representations and warranties made by Iveda, Charmed, the Merger Sub, and Ian Quinn and Kevin Liggins, Charmed's principal shareholders. Iveda, Charmed and the Merger Sub also made certain covenants relating to the conduct of their respective businesses between the time the Merger Agreement was signed and the closing of the Merger, including providing the other parties with access to their records. See "The Merger – Representations and Warranties" on page 32, "The Merger – Conduct of Iveda's Business Before Completion of the Merger" on page 34, and "The Merger – Conduct of Charmed's Business Before Completion of the Merger" on page 34 below.
- The Board of Directors of Charmed following the Merger will consist of four directors selected by Iveda. The officers of Charmed following the Merger will also be selected by Iveda. See "The Merger – Directors and Executive Officers of Charmed Following the Merger" on page 36 below.

Q: Why are Charmed and Iveda proposing the Merger? (see page 30)

A: Iveda's management believes that the liquidity offered by a public company such as Charmed will provide an attractive opportunity for investors who would not be willing to invest in Iveda if it were to remain a private company. Given Iveda's projected capital needs in the near future as it commences full-scale marketing of its products and services, it is critical that Iveda be made as attractive to potential investors as possible, and Iveda's management believes the proposed Merger will accomplish this.

Charmed's management believes that the Merger can provide Charmed's shareholders with a possible way to recover a portion of their equity investment in Charmed now that Charmed has discontinued its homebuilding operations in Canada. Charmed presently has no operations.

Q: What benefits will principal shareholders, directors and officers, and affiliates receive as a result of the Merger?

A: Iveda's principal shareholders, directors, and officers, and their affiliates, will generally not receive any special benefits as a result of the Merger. These individuals will receive shares in Charmed to the extent they hold securities that are subject to conversion upon completion of the Merger at the same conversion rate as other security holders. David Ly, Iveda's CEO, Bob Brilon, Iveda's CFO, and Luz Berg, Iveda's Senior VP of Operations & Marketing, will enter into new employment agreements with Charmed upon the closing of the Merger, but these new agreements will contain substantially similar terms to Mr. Ly, Mr. Brilon and Ms. Berg's current employment agreements with the Company.

Charmed's principal shareholders, directors and officers – Ian Quinn and Kevin Liggins – will sell 5 million pre-reverse split Charmed common shares to Iveda for consideration of $200,000 in cash payable in part before the Merger and in part following the closing of the Merger. This sale will result in Ian Quinn and Kevin Liggins not owning any shares of Charmed stock following the Merger.

Q: When do Iveda and Charmed expect to complete the Merger?

A: Iveda and Charmed expect to complete the Merger after the 20 day waiting period required under Washington law has elapsed. This waiting period will begin on the date on which this information statement/prospectus is mailed to all Iveda shareholders to notify them of the execution of the written consent to approve the Merger. The name change and reverse split, which must occur prior to or concurrent with the Merger closing, cannot take effect until at least 20 days have elapsed from the date on which this information statement/prospectus has been mailed to all Charmed shareholders.

Q: Has the Board of Directors of Iveda recommended approval of the Merger? (see page 47)

A: The Iveda Board of Directors has unanimously recommended that Iveda shareholders vote "FOR" the proposal to approve and adopt the Merger Agreement and approve the Merger.

Q: Has the Board of Directors of Charmed recommended approval of the name change and reverse split and approved the Merger? (see page 46)

A: The Charmed Board of Directors has unanimously approved the Merger and recommended that Charmed shareholders vote "FOR" the proposal to approve the name change and approve the reverse split.

Q: What should I do now?

A: Please review this information statement/prospectus carefully. No further action is required on your part unless you are an Iveda shareholder who elects to dissent from the Merger.

Questions and Answers for Charmed Shareholders

Q: How was approval of the Merger, name change and reverse split obtained? (see page 39)

A: The Charmed Board of Directors approved the Merger on behalf of Charmed and Charmed's wholly-owned subsidiary, the Merger Sub. The Charmed Board of Directors decided to solicit consents in lieu of a special meeting of Charmed shareholders to approve the name change and reverse split, and on November 21, 2008, holders of 74.74% of the outstanding voting stock of Charmed signed a written consent to approve the name change and reverse split.

Q: What was the record date for the written consent? (see page 46)

A: The record date for the written consent was November 21, 2008, and each Charmed shareholder or joint holder as of the close of business on November 21, 2008 is entitled to receive a copy of this information statement/prospectus.

Q: What was the vote of Charmed shareholders required to approve the name change and reverse split, and what approvals were required to approve the Merger? (see page 46)

A: Approval and adoption of the name change and reverse split required the affirmative vote of the holders of a majority of the shares of Charmed common stock outstanding as of the record date for the written consent. No approval of the Charmed shareholders was required for the Merger and the Merger Agreement – the Charmed Board of Directors approved the Merger and approved and adopted the Merger Agreement for Charmed and the Merger Sub.

Q: As a Charmed shareholder, what happens if I dissent from the transaction? (see page 37)

A: Nevada law does not provide dissenters' rights to Charmed shareholders with respect to approval of the Merger, the name change or the reverse split.

Q: As a Charmed shareholder, who can help answer my questions?

A: If you have any questions about the Merger, you should contact:

Ian Quinn, CEO
c/o Charmed Homes Inc.
60 Mt. Kidd Point SE
Calgary, Alberta T2Z 3C5
Telephone: (403) 831-2202

If you need additional copies of this information statement/prospectus, you should contact Ian Quinn as described above.

Questions and Answers for Iveda Shareholders

Q: How was approval of the Merger obtained? (see page 47)

A: The Iveda Board of Directors decided to solicit consents in lieu of a special meeting of Iveda shareholders, and on January 8, 2009, holders of 64.87% of the outstanding voting stock of Iveda signed a written consent to approve the

Merger.

Q: What was the record date for the written consent? (see page 47)

A: The record date for the written consent was January 8, 2009, and each Iveda shareholder or joint holder as of the close of business on January 8, 2009 is entitled to receive a copy of this information statement/prospectus.

Q: What was the vote of Iveda shareholders required to approve and adopt the Merger Agreement and approve the Merger? (see page 47)

A: Approval and adoption of the Merger Agreement required the affirmative vote of the holders of a majority of the shares of Iveda common stock outstanding as of the record date for the written consent.

Q: As an Iveda shareholder, what happens if I dissent from the transaction? (see page 37)

A: If you dissent, you will be paid fair market value for your shares under Washington law, but only if you follow the procedures outlined on page 37.

Q: As an Iveda shareholder, what will I receive upon completion of the Merger? (see page 30)

A: Upon completion of the Merger, holders of Iveda common stock will be entitled to receive one share of Charmed common stock for each share of Iveda common stock owned at the effective time of the Merger. Instead of a fractional share of Charmed common stock, you will be entitled to receive an amount of cash equal to the value of the fractional share remaining after aggregating all of your shares of Iveda common stock held in a single account, based on $1.00 per share of Charmed common stock, which the Board of Directors of Charmed has determined is the fair market value of these shares. Upon completion of the Merger, holders of options and warrants to purchase Iveda common stock will receive an option or warrant to purchase Charmed common stock in exchange for cancellation of their Iveda options/warrants at the same exchange ratio as the common shareholders.

Q: What are the material federal income tax consequences of the Merger to me? (see page 37)

A: The Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this information statement/prospectus as the Code. For U.S. federal income tax purposes, shareholders of Iveda whose shares of Iveda stock are exchanged in the Merger for shares of Charmed stock will not recognize gain or loss, except to the extent of the cash, if any, received in lieu of a fractional share of stock of the combined company. See the section entitled "The Merger—Federal Income Tax Considerations" beginning on page 37.

Q: As an Iveda shareholder, will I be able to trade the Charmed common stock that I receive in connection with the Merger?

A: The shares of Charmed common stock issued in connection with the Merger will be freely tradable. Generally, persons who are deemed to be affiliates of Iveda must comply with Rule 144 under the Securities Act of 1933 if they wish to sell or otherwise transfer any of the shares of Charmed common stock received in connection with the Merger. You will be notified if you are an affiliate of Iveda.

Q: Should I send in my share certificates at this time?

A: Do not send in your certificates at this time. Promptly following completion of the Merger, Securities Transfer Corporation, Charmed's transfer agent and the exchange agent for the Merger, will send you written instructions for exchanging your Iveda share certificates for Charmed stock certificates.

Q: As an Iveda shareholder, who can help answer my questions?

A: If you have any questions about the Merger, you should contact:

Bob Brilon, Chief Financial Officer
c/o IntelaSight, Inc.
1201 South Alma School Road, Suite 4450
Mesa, AZ 85201
Telephone: (480) 307-8700
Email: bbrilon@ivedasolutions.com

If you need additional copies of this information statement/prospectus, you should contact Luz Berg at (480) 307-8700 or send an e-mail to lberg@ivedasolutions.com.

SUMMARY

The following is a summary of the information contained in this information statement/prospectus. This summary may not contain all of the information about the Merger that is important to you. For a more complete description of the Merger, we encourage you to read carefully this entire information statement/prospectus, including the attached annexes. See also "Where You Can Find More Information" beginning on page 92 of this information statement/prospectus.

The Merger and the Merger Agreement (see page 30)

Iveda and Charmed have agreed to combine their companies under the terms of a Merger Agreement between the companies. A copy of the Merger Agreement is attached to this information statement/prospectus as Annex A. Under the terms of the Merger Agreement, the Merger Sub, a wholly-owned subsidiary of Charmed, will merge with and into Iveda, and Iveda will be the surviving entity and a wholly-owned subsidiary of Charmed. Upon completion of the Merger, holders of Iveda common stock will be entitled to receive one share of Charmed common stock for each share of Iveda common stock they hold at that time. Holders of options or warrants to purchase Iveda common stock will be issued an option or warrant to purchase one share of Charmed common stock in exchange for the cancellation of each option or warrant to purchase one share of Iveda common stock owned by the option and warrant holders.

Charmed shareholders will continue to own their existing shares of Charmed common stock after the Merger. It is a condition to the Merger that (i) Ian Quinn and Kevin Liggins, Charmed's major shareholders, officers and directors, sell 5,000,000 shares of their pre-reverse split Charmed common stock to Iveda, resulting in approximately 1,690,000 shares of common stock remaining outstanding; and (ii) Charmed complete a reverse stock split, which will result in every two shares of common stock being combined into one share of common stock, resulting in Charmed's shareholders owning approximately 845,000 shares of common stock of the post-Merger company. Charmed's common stock is listed solely on the Over-the-Counter Bulletin Board as of the date of this information statement/prospectus, a market with very limited liquidity and minimal listing standards. Charmed and its counsel have advised Iveda and its counsel that no vote of the Charmed shareholders is required to approve the Merger, but Charmed has already obtained the approval of its shareholders for the reverse stock split and name change (to “Iveda Corporation”) as described below beginning on page 39.

Parties to the Merger

IntelaSight, Inc. (see page 54)

IntelaSight, Inc. was incorporated in Washington in January 2005, and began operations at that time. It conducts business under the name Iveda Solutions. Its principal office is located at 1201 South Alma School Road, Suite 4450, Mesa, Arizona 85201 and its phone number is (480) 308-8700.

Iveda provides remote video surveillance services and currently has clients in Arizona, California and Minnesota. Iveda offers a proactive security solution using network cameras, a real-time Internet-based surveillance system, and a remote surveillance facility with trained intervention specialists. Based in Mesa, Arizona, Iveda's core monitoring service offers private and public entities what management believes to be a more affordable, reliable, and effective security solution than either security guards or closed circuit television ("CCTV") on-site monitoring. Iveda has provided security solutions to 42 customers, with over 263 cameras installed, 76 of which are being monitored and 8 hosted by Iveda in 18 properties, as of the date of this information statement/prospectus.

Iveda has recently opened its reseller distribution channel. Without active solicitation, Iveda signed eight active resellers and six independent agents in 2008. To date, Iveda has signed a total of fifteen resellers. These resellers and agents will assist Iveda in its marketing and customer service activities.

Management projects a 3-year window of opportunity to get a first mover's advantage in the real-time video surveillance market. Management believes that Iveda remains the only company providing real-time video surveillance in the United States as of the date of this information statement/prospectus. Integrators and central monitoring companies, Iveda's closest competitors, provide monitoring services based on electronic alarm triggers which generate a response time of often 6-10 minutes or more. Iveda's real-time monitoring provides immediate response capabilities. Iveda has already received local publicity for stopping crimes in progress. Since January 2005, Iveda has raised approximately $3.2 million, which has been used to initiate and fund operations. As Iveda has high fixed capital and operating costs that can be moderated only through increases in its customer monitoring services, Iveda needs to continue to raise capital to increase its marketing budget and obtain significant additional customers to offset its fixed costs.

Charmed Homes Inc. (see page 48)

Charmed previously engaged in the construction and marketing of custom homes in the Calgary area in Alberta, Canada. During 2008, Charmed completed construction of its first such home and sold this home. Due to downturns in the housing market in Calgary and a lack of available funding, Charmed decided to cease operations following the sale of this single home.

Charmed was organized under Nevada law in 2006, its executive offices are located at 60 Mt. Kidd Point SE, Calgary, Alberta, Canada T2Z 3C5 and its telephone number is (403) 831-2202. Charmed has no operations as of the date of this information statement/prospectus.

Charmed Homes Subsidiary, Inc.

Charmed Homes Subsidiary, Inc. is a newly-formed, wholly-owned subsidiary of Charmed. Charmed formed Charmed Homes Subsidiary, Inc. solely to effect the Merger, and Charmed Homes Subsidiary, Inc. has not conducted and will not conduct any business during any period of its existence. Its executive offices are located at 60 Mt. Kidd Point SE, Calgary, Alberta, Canada T2Z 3C5 and its telephone number is (403) 831-2202.

Risk Factors (see page 20)

The "Risk Factors" beginning on page 20 of this information statement/prospectus should be considered carefully by Iveda and Charmed shareholders. These risk factors should be considered along with any additional risk factors contained in the periodic reports of Charmed and filed with the Securities and Exchange Commission and the other information included in this information statement/prospectus.

Recommendation of the Iveda Board of Directors (see page 47)

After careful consideration, the Iveda Board of Directors unanimously determined that the Merger is advisable, and is fair to and in the best interests of Iveda and its shareholders, and unanimously approved the Merger Agreement. The Iveda Board of Directors recommended that Iveda shareholders vote "FOR" the proposal to approve and adopt the Merger Agreement and approve the Merger.

Recommendation of the Charmed Board of Directors (see page 46)

After careful consideration, the Charmed Board of Directors unanimously determined that the Merger is advisable, and is fair to and in the best interests of Charmed and its shareholders, and unanimously approved the Merger Agreement. The Charmed Board of Directors also recommended that Charmed shareholders vote "FOR" the name change and reverse split.

Share Ownership of Directors and Executive Officers of Charmed (see page 53)

At the close of business on the record date for the Charmed written consent, directors and executive officers of Charmed and their affiliates beneficially owned and were entitled to vote 74.74% of the 6,690,000 shares of Charmed common stock outstanding on that date.

Share Ownership of Directors and Executive Officers of Iveda (see page 80)

At the close of business on the record date for the Iveda written consent, directors and executive officers of Iveda and their affiliates beneficially owned and were entitled to vote 5,667,857 shares, or 63.9%, of the 8,869,304 shares of Iveda common stock outstanding on that date.

Directors and Executive Officers of Charmed Following the Merger (see page 36)

Following the Merger, the directors of Charmed will be David Ly (Chairman), Greg Omi, Jody Bisson and one additional director that will be appointed by Mr. Ly, Mr. Omi and Ms. Bisson. The executive officers will be David Ly, President and Chief Executive Officer, Bob Brilon, Treasurer and Chief Financial Officer, and Luz Berg, Secretary and Senior VP of Operations & Marketing.

What is Needed to Complete the Merger? (see page 34)

Several conditions must be satisfied or waived before we complete the Merger, including those summarized below:

- the sale of 5 million pre-reverse split Charmed shares to Iveda by Ian Quinn and Kevin Liggins;
- completion of a 1:2 reverse stock split by Charmed;
- filing of all required tax returns by Charmed;
- Charmed must have no liabilities and no assets;
- adoption of a stock option plan by Charmed that is substantially similar to the existing Iveda option plan and authorization of warrants by Charmed with substantially similar terms to the existing Iveda warrants; and
- Charmed and its officers and directors must be current on all required filings with the SEC.

Charmed and Iveda are Prohibited from Soliciting Other Offers

The Merger Agreement contains provisions that prohibit Iveda from taking any action to solicit, initiate or encourage any other person to acquire a controlling interest in Iveda or substantially all of its assets.

Charmed and Iveda May Terminate the Merger Agreement Under Specified Circumstances (see page 35)

Under circumstances specified in the Merger Agreement, either Iveda or Charmed may terminate the Merger Agreement if:

- the Merger is not completed by July 31, 2009;
- the required approval of the Iveda shareholders is not obtained or the number of dissenting shares exceeds 1% of Iveda's total outstanding shares;
- the other party breaches any material representations, warranties or covenants in the Merger Agreement, and breach is not cured in 30 days after notice; or such that its conditions to completion of the Merger regarding representations, warranties or covenants can not be satisfied; or

- both the Board of Iveda and the Board of Charmed consent to termination.

The Merger is Intended to Qualify as a Reorganization for United States Federal Income Tax Purposes (see page 37)

The Merger of Charmed Homes Subsidiary, Inc. with and into Iveda pursuant to which the shareholders of Iveda will exchange their shares for shares of Charmed will, under current law, constitute a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). As a tax-free reorganization under Section 368(a) of the Code, no gain or loss will be recognized by holders of Iveda shares as a result of the exchange of such shares for Charmed shares pursuant to the Merger, except that gain or loss will be recognized on the receipt of cash, if any, received in lieu of fractional shares. Neither Iveda nor Charmed will recognize gain or loss as a result of the Merger.

Accounting Treatment of the Merger (see page 37)

The Merger transaction is a reverse recapitalization, equivalent to the issuance of stock by the private company for the net monetary assets of the shell corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets should be recorded.

SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF CHARMED

The following table sets forth selected financial data of Charmed for the years ended January 31, 2009 and 2008 and for the three months ended April 30, 2009 . The data for the January fiscal years has been derived from the financial statements of Charmed, which have been audited by Manning Elliott LLP, independent auditors, and which are included in this information statement/prospectus. The following selected financial data of Charmed should be read in conjunction with Charmed's financial statements and the notes thereto included herein.

	For the three months ended April 30, 2009	For the year ended January 31, 2009	For the year ended January 31, 2008	Inception (June 27, 2006) through January 31, 2009
Income Statement Data:				
Total revenue	$ 0	$ 505,665	$ 0	$ 505,665
Cost of goods sold	$ 0	$ 490,598		$ 490,598
Total expenses	$ 200,000	$ 51,568	$ 50,569	$ 121,023
Net loss	$ (200,000)	$ (36,501)	$ (50,569)	$ (105,956)
Per Share Data:				
Basic and diluted net loss per share	$ (.08)	$ (.01)	$ (.01)	
Basic and diluted weighted average shares outstanding	6,690,000	6,690,000	$ 5,972,000	
Balance Sheet Data:				
Current assets	$ 83,531	$ 86,957	$ 512,592	
Total assets	$ 83,531	$ 86,957	$ 512,592	
Current liabilities	$ 13,843	$ 3,413	$ 398,547	
Total liabilities	$ 13,843	$ 3,413	$ 398,547	
Stockholders' equity	$ 69,688	$ 83,544	$ 114,045	

SUMMARY SELECTED HISTORICAL
FINANCIAL DATA OF IVEDA

The following table sets forth selected financial data of Iveda for the years ended December 31, 2008 and 2007and for the three months ended March 31, 2009 and 2008. The data for the December fiscal years has been derived from the financial statements of Iveda, which have been audited by Eide Bailly LLP, independent certified public auditors, and which are included in this information statement/prospectus. The following selected financial data of Iveda should be read in conjunction with Iveda's financial statements and the notes thereto included herein.

	For the three months ended March 31, 2009	For the three months ended March 31, 2008	For the year ended December 31, 2008	For the year ended December 31, 2007
Income Statement Data:				
Total revenue	$ 223,824	$ 177,057	$ 506,285	$ 544,259
Operating expenses	$ 568,966	$ 215,437	$ 1,661,718	$ 701,135
Net loss	$ (517,121)	$ (65,487)	$ (2,100,797)	$ (282,319)
Per Share Data:				
Basic and diluted net loss per share	$ (0.06)	$ (0.01)	$ (0.30)	$ (0.04)
Basic and diluted weighted average shares outstanding	8,819,304	6,305,423	7,004,583	6,589,121
Balance Sheet Data:				
Current assets	$ 78,237	$ 120,511	$ 387,222	$ 66,608
Total assets	$ 427,887	$ 874,387	$ 748,997	$ 696,361
Current liabilities	$ 322,469	$ 384,064	$ 206,630	$ 207,319
Total liabilities	$ 424,803	$ 431,055	$ 323,792	$ 210,044
Stockholders' equity	$ 3,084	$ 332	$ 425,205	$ 486,317

PRO FORMA FINANCIAL DATA

The Merger combines the historical balance sheets and statements of earnings of Iveda with those of Charmed after giving effect to the Merger. The Merger of Iveda into Charmed will result in the owners and management of Iveda having operating control of the combined company after the transaction, with shareholders of Charmed continuing only as passive investors. A transaction of this nature is considered to be a capital transaction in substance, rather than a business combination. Accordingly, the business combination will be accounted for as an additional capitalization of Charmed (a reverse acquisition with Iveda as the acquirer). That is, the transaction is equivalent to the issuance of stock by Iveda for the net assets of Charmed accompanied by a recapitalization. Therefore, no goodwill or other intangibles will be recorded as part of the transaction. For financial accounting purposes, Iveda is considered the surviving entity.

The unaudited Pro Forma Condensed Consolidated Balance Sheet as of April 30, 2009 is presented as if the merger and related financing had occurred on that date. The unaudited pro forma condensed consolidated income statements for the year ended January 31, 2008 and for the three months ended April 30, 2009 were prepared assuming that the merger occurred on February 1, 2008 with respect to the year ended January 31, 2009 and February 1, 2009 for the interim three month period. The pro forma adjustments are based upon the assumptions set forth in the notes thereto.

The following pro forma financial data was prepared from, and should be read in conjunction with, the historical financial statements and related notes of Charmed and Iveda, all of which are included elsewhere herein. See "Index to Financial Statements." The following information is not necessarily indicative of the financial position or operating results that would have occurred had the Merger been consummated on the date, or at the beginning of the periods, for which the Merger is being given effect, nor is it necessarily indicative of future operating results or financial position.

UNAUDITED PRO FORMA CONDENSED BALANCE SHEET AND STATEMENT OF OPERATIONS - DECEMBER 31, 2008 AND JANUARY 31, 2009

Unaudited Pro Forma Condensed Balance Sheets	Iveda Solutions December 31, 2008	Charmed Homes January 31, 2009	Pro Forma Adjustments	Notes	Pro Forma Combined
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 335,189	$ 86,957	(86,957)	(a)	$ 335,189
Accounts Receivable	26,971				26,971
Prepaid Expenses	11,532				11,532
Inventory	13,530				13,530
Total Current Assets	387,222	86,957	(86,957)		387,222
PROPERTY AND EQUIPMENT					
Office Equipment	87,050				87,050
Furniture and Fixtures	22,712				22,712
Software	36,634				36,634
Leased Equipment	213,460				213,460
Leasehold Improvements	34,495				34,495
Total Property and Equipment	394,351				394,351
Less: Accumulated Depreciation	99,099				99,099
Property and Equipment, Net	295,252				295,252
OTHER ASSETS					
Deferred Income Taxes	-				
Escrow Deposits	50,000		(50,000)	(b)	-
Deposits	16,523				16,523
Total Assets	$ 748,997	$ 86,957	$ (136,957)		698,997
	2008				-
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current Portion of Capital Lease Obligations	$ 65,916				65,916
Notes Payable	-				-
Accounts Payable	48,465	3,413	(3,413)	(a)	48,465
Deferred Revenue	21,964				21,964
Billings in Excess of Costs and Estimated Earnings on					-
Uncompleted Contracts	-				-
Accrued Expenses	70,285		150,000	(c)	220,285
Total Current Liabilities	206,630	3,413	146,587		356,630
LONG-TERM LIABILITIES					

Capital Lease Obligations, Net of Current Portion		117,162						117,162
Total Liabilities		323,792		3,413		146,587		473,792
STOCKHOLDERS' EQUITY								
Common Stock, $0.001 par value; 40,000,000 shares		8,774				845	(f)	9,619
				67		(67)	(e)	-
issued and outstanding, as of December 31, 2008 and								
Preferred Stock, $0.001 par value; 10,000,000 shares		-						
Additional Paid-In Capital		3,385,251		173,933		(173,933)	(e)	3,385,251
						(845)	(f)	
Donated Capital				15,500		(15,500)	(e)	-
Accumulated Deficit		(2,968,820)		(105,956)		(94,044)	(d)	(3,168,820)
Total Stockholders' Equity		425,205		83,544		(283,544)		225,205
Total Liabilities and Stockholders' Equity	$	748,997	$	86,957	$	(136,957)		698,997

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Unaudited Pro Forma Condensed Statement of Operations	Iveda Solutions 12 Months ended December 31, 2008	Charmed Homes 12 Months ended January 31, 2009	Pro Forma Adjustments		Pro Forma Combined January 31, 2009
REVENUE	$ 506,285	505,665			1,011,950
COST OF REVENUE	357,184	490,598			847,782
GROSS PROFIT	149,101	15,067			164,168
OPERATING EXPENSES	1,661,718	51,568	200,000	(g)	1,913,286
LOSS FROM OPERATIONS	(1,512,617)	(36,501)			(1,549,118)
OTHER INCOME (EXPENSE)					
Interest Income	5,994				5,994
Interest Expense	(35,804)				(35,804)
Total Other Income (Expense)	(29,810)				(29,810)
LOSS BEFORE INCOME TAXES	(1,542,427)				(1,542,427)
BENEFIT (PROVISION) FOR INCOME TAXES	(558,370)				(558,370)
NET LOSS	$ (2,100,797)	(36,501)			$ (2,137,298)
BASIC LOSS PER SHARE	$ (0.30)	$ (0.01)			$ (0.31)
DILUTED LOSS PER SHARE	$ (0.30)	$ (0.01)			$ (0.31)
Weighted Average Shares Outstanding	7,004,583	6,690,000			7,004,583

Notes to the Unaudited Pro Forma Condensed Consolidated

Note 1—Pro Forma Adjustments

(a) To eliminate all assets and liabilities of Charmed per merger agreement

(b) To recognize the $50,000 escrow deposit to certain Charmed shareholders as a transaction cost

(c) To record the $150,000 commitment at closing to certain Charmed shareholders

(d) Eliminate $105,956 of Accumulated deficit and reflect $200,000 of transaction costs to certain Charmed shareholders

(e) Adjustment to eliminate Charmed Common Shares, Additional Paid-in Capital and Donated Capital

(f) Adjust Common Stock to reflect the par value of 845,000 shares that remain with Charmed shareholders after merger

(g) Reflect the $200,000 transaction costs on Operating Statement

UNAUDITED PRO FORMA CONDENSED BALANCE SHEET AND STATEMENT OF OPERATIONS - MARCH 31, 2009 AND APRIL 30, 2009

Unaudited Pro Forma Condensed Balance Sheets		Iveda Solutions March 31, 2009		Charmed Homes April 30, 2009		Pro Forma Adjustments	Notes		Pro Forma Combined
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	$	24,900	$	83,531		(83,531)	(a)	$	24,900
Accounts Receivable		48,839							48,839
Prepaid Expenses		4,498							4,498
Inventory		0							-
Total Current Assets		78,237		83,531		(83,531)			78,237
PROPERTY AND EQUIPMENT									
Office Equipment		87,589							87,589
Furniture and Fixtures		27,416							27,416
Software		36,800							36,800
Leased Equipment		213,460							213,460
Leasehold Improvements		36,280							36,280
Total Property and Equipment		401,545							401,545
Less: Accumulated Depreciation		118,418							118,418
Property and Equipment, Net		283,127							283,127
OTHER ASSETS									
Deferred Income Taxes		-							
Escrow Deposits		50,000				(50,000)	(b)		-
Deposits		16,523							16,523
Total Assets	$	427,887	$	83,531	$	(133,531)			377,887
		2008							-
LIABILITIES AND STOCKHOLDERS' EQUITY									
CURRENT LIABILITIES									
Current Portion of Capital Lease Obligations	$	65,916							65,916
Notes Payable		50,000							50,000
Accounts Payable		118,515		13,843		(13,843)	(a)		118,515
Deferred Revenue		-							-
Billings in Excess of Costs and Estimated Earnings on									-
Uncompleted Contracts		-							-
Accrued Expenses		85,428				150,000	(c)		235,428
Total Current Liabilities		319,859		13,843		136,157			469,859

LONG-TERM LIABILITIES							
Capital Lease Obligations, Net of Current Portion		104,944					104,944
Total Liabilities		424,803		13,843		136,157		574,803
STOCKHOLDERS' EQUITY							
Common Stock, $0.001 par value; 40,000,000 shares		8,859			845	(f)	9,704
				67	(67)	(e)	-
issued and outstanding, as of December 31, 2008 and							
Preferred Stock, $0.001 par value; 10,000,000 shares		-					
Additional Paid-In Capital		3,480,166		173,933	(173,933)	(e)	3,480,166
					(845)	(f)	
Donated Capital				17,000	(17,000)	(e)	-
Accumulated Deficit		(3,485,941)		(121,312)	(78,688)	(d)	(3,685,941)
Total Stockholders' Equity		3,084		69,688	(269,688)		(196,916)
Total Liabilities and Stockholders' Equity	$	427,887	$	83,531	$ (133,531)		377,887

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Unaudited Pro Forma Condensed Statement of Operations		Iveda Solutions 3 Months ended March 31, 2009		Charmed Homes 3 Months ended April 30, 2009	Pro Forma Adjustments			Pro Forma Combined April 30, 2009
REVENUE	$	223,824		-				223,824
COST OF REVENUE		165,232		-				165,232
GROSS PROFIT		58,592		-				58,592
OPERATING EXPENSES		568,966		15,356	200,000	(g)		784,322
LOSS FROM OPERATIONS		(510,374)		(15,356)				(525,730)
OTHER INCOME (EXPENSE)								
Interest Income		1,184						1,184
Interest Expense		(7,931)						(7,931)
Total Other Income (Expense)		(6,747)						(6,747)
LOSS BEFORE INCOME TAXES		(517,121)						(517,121)
BENEFIT (PROVISION) FOR INCOME TAXES		-						-
NET LOSS	$	(517,121)		(15,356)	(200,000)		$	(732,477)
BASIC LOSS PER SHARE	$	(0.06)	$	-			$	(0.08)
DILUTED LOSS PER SHARE	$	(0.06)	$	-			$	(0.08)
Weighted Average Shares Outstanding		8,819,304		6,690,000				8,819,304

Notes to the Unaudited Pro Forma Condensed Consolidated		Book Value
	$	(0.02)

Note 1—Pro Forma Adjustments

(a) To eliminate all assets and liabilities of Charmed per merger agreement

(b) To recognize the $50,000 escrow deposit to certain Charmed shareholders as a transaction cost

(c) To record the $150,000 commitment at closing to certain Charmed shareholders

(d) Eliminate $121,312 of Accumulated deficit and reflect $200,000 of transaction costs to certain Charmed shareholders

(e) Adjustment to eliminate Charmed Common Shares, Additional Paid-in Capital and Donated Capital

(f) Adjust Common Stock to reflect the par value of 845,000 shares that remain with Charmed shareholders after merger

(g) Reflect the $200,000 transaction costs on Operating Statement

COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The following table presents selected comparative per share data for Iveda on a historical basis. As the Exchange Ratio for the Merger is 1 to 1 for the Iveda Common Stock, the pro forma equivalent per share amounts are identical to the historical amounts presented below for the indicated periods. The comparative per share data presented herein is based on and derived from, and should be read in conjunction with, the historical consolidated financial statements and related notes thereto of Iveda, incorporated by reference herein, and unaudited pro forma financial information included elsewhere herein. See "Unaudited Pro Forma Condensed Financial Statements." Pro forma amounts are not necessarily indicative of results of operations or the combined financial position that would have resulted had the Merger been consummated at the beginning of the periods presented.

CHARMED	FOR THE THREE MONTHS ENDED APRIL 30, 2009	FOR YEAR ENDED JANUARY 31, 2009
Historical Per Common Share Data:		
Basic net loss per share	$ .00	$ (.01)
Diluted net loss per share	$ .00	$ (.01)
Book value per share	$ .01	$ .01

IVEDA	FOR THE THREE MONTHS ENDED MARCH 31, 2009	FOR YEAR ENDED DECEMBER 31, 2008
Historical Per Common Share Data:		
Basic net loss per share	$ (.06)	$ (.30)
Diluted net loss per share	$ (.06)	$ (.30)
Book value per share	$ .00	$ .05

CHARMED & IVEDA	FOR THE THREE MONTHS ENDED APRIL 30, 2009	FOR YEAR ENDED JANUARY 31, 2009
Historical Per Common Share Data:		
Basic net loss per share	$ (.08)	$ (.31)
Diluted net loss per share	$ (.08)	$ (.31)
Book value per share	$ (.02)	$ .03

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SECURITIES OWNERSHIP PRE- AND POST-MERGER

The following table sets forth the security ownership of Iveda and Charmed prior to the Merger (as of June 30, 2009) and the security ownership of Charmed immediately following the Merger:

	Ownership as of June 30, 2009 (1)	Ownership of Charmed Post-Merger
Iveda (2)	10,765,186(3)	10,765,186(92.7%)(3)
Charmed (4)	6,690,000(5)	845,000(7.3%)(6)

(1) Reflects the total number of securities (common stock, options and warrants) outstanding for each of the companies on a fully diluted basis.

(2) Reflects shareholdings of the Iveda shareholders in Iveda prior to the Merger and in Charmed after the merger.

(3) Includes 9,009,304 shares of common stock and options and warrants to purchase 1,755,882 shares of common stock.

(4) Reflects shareholdings of the Charmed shareholders prior to and after the Merger in Charmed.

(5) Includes shares of common stock only (pre 1:2 reverse stock split).

(6) Includes shares of common stock only (post 1:2 reverse stock split and assuming the cancellation of the 5 million pre-reverse split shares sold by Ian Quinn and Kevin Liggins to Iveda before the Merger)

STOCK PRICE AND DIVIDEND INFORMATION

Charmed shares began trading on the OTC Bulletin Board operated by the Financial Industry Regulatory Authority under the symbol "CHDH" on November 15, 2007. The following table sets forth, for the calendar periods indicated, the range of the high and low last reported bid prices of Charmed common stock, as reported by the OTC Bulletin Board, since Charmed stock began trading on the OTC Bulletin Board. The quotations represent inter-dealer prices without retail mark-ups, mark-downs or commissions, and may not necessarily represent actual transactions. The quotations may be rounded for presentation. There is an absence of an established trading market for Charmed's common stock, as the market is limited, sporadic and highly volatile, which may affect the prices listed below.

2009		High Bid		Low Bid
Second Quarter 4-1-09 to 6-30-09	$	N/A	$	N/A
First Quarter 1-1-09 to 3-31-09	$	2.00	$	2.00
2008		**High Bid**		**Low Bid**
Fourth Quarter 10-1-08 to 12-31-08	$	N/A	$	N/A
Third Quarter 7-1-08 to 9-30-08	$	N/A	$	N/A
Second Quarter 4-1-08 to 6-30-08	$	N/A	$	N/A
First Quarter 1-1-08 to 3-31-08	$	N/A	$	N/A
2007		**High Bid**		**Low Bid**
Fourth Quarter 10-1-07 to 12-31-07	$	N/A	$	N/A

* N/A indicates no recorded trading activity during the period presented.

There is limited trading activity in Charmed's securities, and there can be no assurance a regular trading market for our common stock will be sustained. On February 4, 2009, the closing price per share of Charmed common stock on the OTC Bulletin Board was $2.00, and there has been no trading activity since that date.

The last trading day before the Merger was announced was November 14, 2008. On that date the closing price for Charmed shares on the OTC Bulletin Board was N/A as the stock had not been traded. Charmed has never paid cash dividends on its capital stock. Charmed currently intends to retain all earnings, if any, to finance the growth and development of its business. Charmed does not anticipate paying any cash dividends in the foreseeable future. As of June 30, 2009, Charmed had approximately 56 shareholders of record, exclusive of shares held in street name.

Iveda is a privately held company and there is no established public trading market for its stock. Iveda has never paid, and does not anticipate paying, cash dividends on its common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

All statements contained in this information statement/prospectus and the documents annexed to or incorporated by reference into this information statement/prospectus, other than statements of historical facts, that address future activities, events or developments are forward-looking statements, including, but not limited to, statements containing the words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

These statements are based on certain assumptions and analyses made by Iveda and Charmed in light of their experience and their assessment of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate under the circumstances. However, whether actual results will conform to the expectations and predictions of management is subject to a number of risks and uncertainties described under "Risk Factors" beginning on the next page and in the "Risk Factors" sections of Charmed's Form 10-K and Form 10-Q filings with the SEC that may cause actual results to differ materially.

The principal risks and uncertainties include the fact that Iveda has limited operating history and that Iveda may need to raise capital to stay in business or expand its scope of operations and other risks that are described in the section entitled "Risk Factors," which follows on the next page.

Consequently, all of the forward-looking statements made in this information statement/prospectus are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations. Readers are cautioned not to place undue reliance on such forward-looking statements as they speak only of Iveda or Charmed's views as of the date the statement was made. Iveda and Charmed undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

RISK FACTORS

Charmed and Iveda will operate as a combined company in a market environment that cannot be predicted and that involves significant risks, many of which will be beyond the combined company's control. In addition to the other information contained in this information statement/prospectus, you should carefully consider the risks described below.

Risk Factors Involving Iveda

The Audit Report On Iveda's Financial Statements Contains A Going Concern Opinion.

Iveda's financial statements for the years ended December 31, 2008 and 2007 were prepared on a "going concern basis" and the audit report contains a "going concern qualification" (see Iveda's audit report on the financial statements in this information statement/prospectus, and note 1 to those financial statements). Iveda's financial statements assume Iveda will continue as a going concern, but its ability to do so will require additional capital to fund operations until positive operating cash flow is achieved.

Iveda Is An Emerging Growth Company.

Iveda began operations in 2005. While Iveda has monthly revenues, there is limited historical, operating or financial information about Iveda to evaluate Iveda's performance. As of the date of this information statement/prospectus, Iveda had approximately $45,000 cash on hand. At Iveda's current estimated burn rate of $60,000 per month, Iveda needs to continue to raise capital to continue its operations. Iveda intends to continue to seek to raise capital following the Merger predominantly to expand its sales and marketing capabilities and hire additional employees to meet the demand for its services. If Iveda does not raise sufficient capital, of which there can be no assurance, it will have a significant impact on the ability of Iveda to expand operations. There can be no assurance that Iveda can be operated profitably or, if profitability is achieved, that it can be sustained.

Iveda's Ability To Grow Is Dependent Upon The Success Of Iveda's Current And Future Operations And Iveda's Ability To Obtain Additional Financing.

Iveda is close to generating sufficient revenue to fund its ongoing operations, but needs additional funding to implement its growth plan. Iveda currently has and will continue to have significant capital requirements to fund its growth. Iveda anticipates, based on its currently proposed intentions and assumptions relating to its operations, that substantial additional capital will be needed to satisfy Iveda's cash requirements to implement its growth plan. While Iveda expects to continue raising capital, Iveda has no committed sources of additional financing and Iveda's officers, directors and shareholders are not required to provide any portion of Iveda's future financing requirements. Iveda cannot assure investors that additional financing will be available on commercially reasonable terms, or at all. Any inability to obtain additional financing when needed could require Iveda to significantly curtail its growth plans.

If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of Iveda's existing shareholders will be reduced, and these newly issued securities may have rights, preferences or privileges senior to those of existing shareholders. Iveda cannot assure investors that additional financing will be available on terms favorable to Iveda, or at all.

Iveda Depends On Certain Key Personnel.

Iveda's future success will be dependent on the efforts of key management personnel, particularly David Ly, Iveda's President and CEO, Luz Berg, Iveda's Senior VP of Operations & Marketing, Bob Brilon, Iveda's Chief Financial

Officer, Ray Palomaa, Iveda's Director of Sales, and Michael Religioso, Iveda's Director of Systems Development, each of whom is employed at will by Iveda. Mr. Ly's relationships within Iveda's industry are vital to Iveda's continued operations and if Mr. Ly was no longer actively involved with Iveda, Iveda would likely be unable to continue its operations. Iveda does not have any key man insurance on Mr. Ly. The loss of one or more of Iveda's other key employees could also have a material adverse effect on Iveda's business, results of operations and financial condition. Iveda also believes that Iveda's future success will be largely dependent on Iveda's ability to attract and retain highly qualified management, sales and marketing personnel. Iveda cannot assure investors that Iveda will be able to attract and retain such personnel. Iveda's inability to retain such personnel or to train them rapidly enough to meet Iveda's expanding needs could cause a decrease in the overall quality and efficiency of Iveda's staff, which could have a material adverse effect on Iveda's business, results of operations and financial condition.

Rapid Growth May Strain Iveda's Resources.

As Iveda continues the commercialization of Iveda's security and surveillance products and services, Iveda expects to experience significant and rapid growth in the scope and complexity of its business, which may place a significant strain on Iveda's senior management team and Iveda's financial and other resources. The proposed acceleration will expose us to greater overhead, marketing and support costs and other risks associated with growth and expansion. Iveda will need to add staff to monitor additional cameras, market its products and services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. Iveda will be required to hire a broad range of additional personnel in order to successfully advance its operations.

Management has implemented strategies to handle projected growth, including acquiring an option on additional leased space within Iveda's existing building. Iveda's existing leased space can accommodate up to 15 monitoring stations, with four employees required to monitor each station around the clock. Iveda may also seek to relocate its existing data center, located in Scottsdale, Arizona, to a less expensive part of the United States. Iveda's ability to manage its rapid growth effectively will require Iveda to continue to improve its operations, to improve its financial and management information systems and to train, motivate and manage its employees.

This growth may place a strain on Iveda's management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage Iveda's business, or the failure to manage growth effectively, could have a materially adverse effect on Iveda's business and financial condition. In addition, difficulties in effectively managing the budgeting, forecasting and other process control issues presented by such a rapid expansion could harm Iveda's business, prospects, results of operations and financial condition.

Demand For Iveda's Security And Surveillance Products And Services May Be Lower Than Iveda Anticipates.

Iveda has commenced a public relations and marketing campaign. Iveda has limited resources to undertake extensive marketing activities, although Luz Berg, Iveda's Senior VP of Operations & Marketing, has significant marketing experience from her past positions at mid-cap public companies, and she will manage Iveda's future marketing efforts. In 2008, Iveda hired Ray Palomaa, who has significant past experience in the high-technology security industry, as Iveda's Director of Sales. Mr. Palomaa is managing a small sales team to develop Iveda's reseller distribution channel. Management anticipates that his addition to Iveda's team will allow Iveda to tap into the industry contacts he was able to build over his years of experience. Iveda cannot predict with certainty the potential consumer demand for its security and surveillance products or services or the degree to which Iveda will meet that demand. If demand for its security and surveillance products and services does not develop to the extent or as quickly as expected, Iveda might not be able to generate revenue to become profitable.

Iveda plans to target the sale of its security and surveillance products and services to the following primary customer groups: commercial users of other products seeking cost savings or remote monitoring capabilities, remote monitoring of day care and educational facilities, golf course monitoring, monitoring of residential communities, automotive lot monitoring, warehouse access point monitoring, small unattended business monitoring, nursing home monitoring, recording and broadcasting of school or entertainment events, monitoring of construction sites and auto dealerships, and government-related monitoring. Iveda has based its strategy to target these consumers on a number of assumptions, some or all of which could prove to be incorrect.

Even if markets for its products and services develop, Iveda could achieve a smaller share of these markets than Iveda currently anticipates. Achieving market share will require substantial marketing efforts and expenditure of significant funds to inform customers of the distinctive characteristics and benefits of using Iveda's products and services. Iveda cannot assure investors that its marketing efforts will result in the attainment of sufficient market share to become profitable.

Iveda Believes Industry Trends Support Its Open Source Systems, But If Trends Reverse, Iveda May Experience Decreased Demand.

The security and surveillance industry is characterized by rapid changes in technology and customer demands. Management believes that the existing market preference for open source systems (systems capable of integrating a wide range of products and services through community and private based cooperation, such as the Internet, Linux, and certain cameras used in Iveda's business) is strong and will continue for the foreseeable future. However, should the market shift toward closed source, proprietary systems (private, closed systems built to only support a specific manufacturer or developer's product or service, such as CCTV cameras), demand for Iveda's services may decline as Iveda is unable to monitor cameras that are part of a closed source system. Management believes that such a shift is unlikely. While Iveda is able to convert CCTV and analog systems for use with Iveda's monitoring services, certain systems may not be convertible in the future, and to the extent that customers prefer to install these systems, it would be more difficult to sell Iveda's services since customers would be required to spend additional funds to acquire new cameras that Iveda would be able to monitor.

Future Loan Agreements With Lenders May Hinder Iveda's Ability To Operate The Business By Imposing Restrictive Loan Covenants.

Iveda will likely need to incur debt to implement its business plan, and has and plans to continue to obtain lease financing for certain equipment acquisitions. Any debt load necessary to implement Iveda's business plan could result in substantial debt service requirements. These future debt load and service requirements could have important consequences which could hinder Iveda's ability to operate, including Iveda's ability to:

· Incur additional indebtedness;

· Make capital expenditures or enter into lease arrangements in excess of prescribed thresholds;

· Make distributions to shareholders, or redeem or repurchase Iveda's shares;

· Make certain types of investments;

· Create liens on Iveda's assets;

· Utilize the proceeds of asset sales; and

· Merge or consolidate or dispose of all, or substantially all, of Iveda's assets.

In the event that Iveda is unable to pay its debt service obligations, Iveda's creditors could force it to (1) reduce or eliminate distributions to shareholders; or (2) reduce or eliminate needed capital expenditures. It is possible that Iveda could be forced to sell assets, seek to obtain additional equity capital or refinance or restructure all or a portion of Iveda's debt. In the event that Iveda would be unable to refinance Iveda's indebtedness or raise funds through asset sales, sales of equity or otherwise, Iveda's ability to operate would be greatly affected.

Risks Associated with the Surveillance and Remote Security Industry

As a result of providing its products and services, Iveda is exposed to risks associated with participation in the security and surveillance industry. These risks are summarized below.

Iveda Depends On Third Party Manufacturers And Suppliers For The Products It Sells.

Iveda has relationships with a number of third party manufacturers and suppliers, including Axis Communications, Milestone, Scansource, Anixter, Dotworkz and Ingram Micro for cameras and Dell for network computer equipment, for the supply of all of the hardware components of Iveda's products. Iveda has a signed reseller and development partner agreements with Axis Communications and Milestone. Risks associated with Iveda's dependence upon third party manufacturing relationships include: (i) reduced control over delivery schedules; (ii) lack of control over quality assurance; (iii) poor manufacturing yields and high costs; (iv) potential lack of adequate capacity during periods of excess demand; and (v) potential misappropriation of Iveda's intellectual property. Although Iveda depends on third party manufacturers and suppliers for products it sells, risks are minimized because it does not depend on one manufacturer and supplier. It utilizes an open platform, which means that in order to deliver its services, it does not discriminate based on camera brand or manufacturer and its services can be used with a wide array of products.

Iveda does not know if Iveda will be able to maintain third party manufacturing and supply contracts on favorable terms, if at all, or that its current or future third party manufacturers and suppliers will meet its requirements for quality, quantity or timeliness. Iveda's success depends in part on whether its manufacturers are able to fill the orders it places with them in a timely manner. If Iveda's manufacturers fail to satisfactorily perform their contractual obligations or fill purchase orders Iveda places with them, Iveda may be required to pursue replacement manufacturer relationships. If Iveda is unable to find replacements on a timely basis, or at all, Iveda may be forced to either temporarily or permanently discontinue the sale of certain products and associated services, which could expose it to legal liability, loss of reputation and risk of loss or reduced profit. Management believes that Iveda's present suppliers offer products that are superior to comparable products available from other suppliers. Iveda's business, results of operation and reputation would be adversely impacted if Iveda is unable to provide quality products to its customers in a timely manner.

In addition, Iveda has development partner relationships with many of its present suppliers, which provides it with greater control over future enhancements to the off-the-shelf products Iveda sells.

Iveda could also be adversely affected by an increase in its manufacturers' prices for its product components or a significant decline in Iveda's manufacturers' financial condition. If Iveda's relationship with any one of its manufacturers is terminated and Iveda is not successful in establishing a relationship with an alternative manufacturer who offers similar services at similar prices, Iveda's costs could increase, adversely affecting its operations.

Iveda Operates In A Highly-Competitive Industry And its Failure To Compete Effectively May Adversely Affect Its Ability To Generate Revenue.

Although management believes that there is, at this time, no competitor that offers a similar package of services to the package offered by Iveda, management is aware of similar products and services which compete indirectly with Iveda's products and services. In management's opinion, companies providing indirect competition include Westec Interactive, Smart Interactive Systems, Inc., and Monitoring Partners. Some companies may also be developing similar products and services, including companies that may have significantly greater financial, technical and marketing resources, larger distribution networks, and generate greater revenue and have greater name recognition than Iveda. These companies may develop security products and services that are superior to those offered by Iveda. Such competition may potentially affect Iveda's chances of achieving profitability.

Some of Iveda's current and future competitors may conduct more extensive promotional activities and may offer lower prices to customers than Iveda does, which could allow them to gain greater market share or prevent Iveda from increasing its market share. In the future, Iveda may need to decrease its prices if Iveda's competitors lower their prices. Iveda's competitors may be able to respond more quickly to new or changing opportunities, technologies and customer requirements. To be successful, Iveda must carry out its business plan, establish and strengthen its brand awareness through marketing, effectively differentiate its services from those of its competitors and build its reseller network, while maintaining superior levels of service, which management believes is what will ultimately differentiate Iveda's services from any similar services its competitors may develop in the future. To achieve this Iveda may have to substantially increase marketing and development activities in order to compete effectively. Such competition will potentially affect Iveda's chances of achieving profitability.

Future Legislation Or Governmental Regulations Or Policies Could Have A Significant Impact On Iveda's Operations.

While Iveda is presently subject only to licensing requirements related to its contracting activities, for which Iveda holds low voltage contractors' licenses in California and Arizona, the security and surveillance industry as a whole is subject to regulation. As Iveda continues operations, Iveda may be subject to additional regulation in the future. Future changes in laws or regulations could require Iveda to change the way Iveda operates, which could increase costs or otherwise disrupt operations. In addition, failure to comply with any applicable laws or regulations could result in substantial fines or revocation of any required operating permits and licenses. If laws and regulations change or Iveda fails to comply in the future, Iveda's financial condition, results of operations and cash flows could be materially and adversely affected.

Regulation Of The Telecommunications Industry And The Internet May Impact Iveda's Operations

Aspects of Iveda's operations may be, or become, subject to regulations governing the Internet. There can be no assurance that government agencies will not increasingly regulate Internet-related services. Increased regulation may slow Iveda's growth, and legislation could be enacted that would prohibit certain forms of telecommunication critical to Iveda's operations. Such regulation may also negatively impact the cost of doing business and materially adversely affect Iveda's business, financial condition and results of operations.

The Failure Of Iveda's Systems Could Result In A Material Adverse Effect.

Iveda utilizes a third party, fourth-tier data center in Scottsdale, Arizona. Tier 4 data centers meet the most stringent requirements established by the Telecommunications Industry Association's Telecommunications Infrastructure Standards for Data Centers, or TIA-942. This data center transmits data to Iveda's monitoring system via a dedicated fiber connection, and offers the greatest reliability provided by the industry, 99.995% availability, due to a number of back-up measures. Iveda's operations are dependent upon its ability to support a complex network infrastructure and avoid damage to both its monitoring center and the data center from fires, earthquakes, floods, hurricanes, power losses, war, terrorist acts, telecommunications failures and similar natural or manmade events. The occurrence of a natural disaster, intentional or unintentional human error or actions, or other unanticipated problem could cause interruptions in the services provided by Iveda, and resulting losses by Iveda's customers. Any damage or failure that causes interruptions in the service provided by Iveda could have a material adverse effect on its business, operating results and financial condition.

Iveda has experienced individual camera failures or outages in the past, and will likely experience future individual camera failures or outages that disrupt the monitoring of those cameras. Iveda's revenue depends in large part on maintaining the operability of its monitoring systems. Accordingly, the performance, reliability and availability of Iveda's network, servers for Iveda's corporate operations and infrastructure are critical to Iveda's reputation and Iveda's ability to attract and retain customers.

Iveda is continually expanding and enhancing its technology and network infrastructure and other technologies to accommodate substantial increases in the volume of traffic on its network and the overall size of its customer base. Iveda may be unsuccessful in these efforts or Iveda may be unable to project accurately the rate or timing of these increases. The data center that Iveda currently uses has significant additional bandwidth available should Iveda need it for expanding its operations. Approximately three to four weeks elapses between signing a new customer and commencing monitoring of that customer's cameras, which provides Iveda with what management believes to be sufficient time to acquire additional bandwidth if needed. However, Iveda's failure, or Iveda's suppliers' failure, to achieve or maintain high data transmission capacity could significantly reduce consumer demand for Iveda's services.

Iveda's computer hardware operations, data processing, storage and backup systems are located in a single, third party, fourth-tier data center in Scottsdale, Arizona. If this location experienced a significant system failure or interruption, Iveda's business would be harmed. Iveda's systems can be vulnerable to damage from fire, power loss, telecommunications failures, computer viruses, physical and electronic break-ins and similar events. The property and business interruption insurance Iveda carries may not have coverage adequate to compensate it fully for losses that may occur.

If Iveda's Security Measures Are Breached And Unauthorized Access Is Obtained, Existing And Potential Customers Might Not Perceive Iveda's Services As Being Secure And Might Terminate Or Fail To Purchase Iveda's Services.

Iveda's business involves the monitoring of cameras that may be recording sensitive areas of its customers' facilities, and as a result, Iveda utilizes security measures that are comparable to those used by banks in providing online banking services. No security measures are completely secure, however, and, for example, hackers or individuals who attempt to breach its network security could, if successful, cause interruptions in Iveda's services. If Iveda experiences any breaches of its network security or sabotage, Iveda might be required to expend significant capital and resources to protect against or alleviate these problems. Iveda may not be able to remedy any problems caused by hackers or saboteurs in a timely manner, or at all. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, Iveda may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of Iveda's security occurs, the perception of the effectiveness of Iveda's security measures and Iveda's reputation could be harmed and Iveda could lose current and potential customers.

The Timing Of Iveda's Revenues Can Vary Depending On How Long Customers Take To Evaluate Iveda's Services.

It is difficult to forecast the timing of revenues in the security industry because the development period for a customized system or solution may be lengthy, larger customers may need a significant amount of time to evaluate products before purchasing them and, in the case of governmental customers, sales are dependent on budgetary and other bureaucratic processes. The period between initial customer contact and a purchase by a customer varies greatly depending on the customer, and historically has ranged from days to weeks. During the evaluation period, customers may defer or scale down proposed orders of products or systems for various reasons, including: (i) changes in budgets and purchasing priorities; (ii) a reduced need to upgrade existing systems; (iii) deferrals in anticipation of enhancements or new products; (iv) introduction of products by competitors; and (v) lower prices offered by competitors.

Iveda Will Rely On Both Iveda's Internal Sales Force And Resellers To Distribute Iveda's Security Products And Services To Customers.

Iveda relies on both Iveda's internal sales force and resellers to distribute its security products and services to its customers. As of the date of this information statement/prospectus, Iveda has signed fifteen resellers and six independent agents, and anticipates adding more as Iveda implements its business plan. However, Iveda plans to continue its internal sales activity for the foreseeable future to market its products and services until its resellers are completely trained and mobilized. Iveda could be adversely affected by any significant decline in the service provided by its resellers as any customers dissatisfied with its resellers may cause damage to its reputation. If Iveda's relationship with any of its larger resellers is terminated and Iveda is not successful in establishing a relationship with an alternative reseller who offers similar services at similar prices, Iveda's business could decline depending on the level of revenue generated by that reseller.

Government Contracts Generally Contain Rights And Remedies Which Could Reduce The Value Of Such Contracts, Or Result In Losses.

Iveda presently provides its products and services for certain state and local government customers, and has recently obtained certification of SAFETY Act Designation by the Department of Homeland Security under the Support Anti-terrorism by Fostering Effective Technologies Act, or SAFETY Act. Although not significant sources of revenue at this time, government contracts often contain provisions that give the governments that are party to those contracts certain rights and remedies not typically found in private commercial contracts, including provisions enabling the governments to: (i) terminate or cancel existing contracts for convenience; (ii) in the case of the U.S. government, suspend the contracting company from doing business with a foreign government or prevent the company from selling its products in certain countries; (iii) audit and object to the company's contract-related costs and expenses, including allocated indirect costs; and (iv) change specific terms and conditions in the company's contracts, including changes that would reduce the value of its contracts. In addition, many jurisdictions have laws and regulations that deem government contracts in those jurisdictions to include these types of provisions, even if the contract itself does not contain them. If a government terminates a contract with Iveda for convenience, Iveda may not be able to recover its incurred or committed costs, any settlement expenses or profit on work completed prior to the termination. If a government terminates a contract for default, Iveda may not recover those amounts and, in addition, Iveda may be liable for any costs incurred by a government in procuring undelivered items and services from another source. Further, an agency within a government may share information regarding Iveda's termination with other government agencies. As a result, Iveda's on-going or prospective relationships with such other government agencies could be impaired.

There Is A Shortage Of Qualified Electricians. Since The Majority Of Iveda's Work Is Performed By Electricians, This Shortage May Negatively Impact Iveda's Business, Including Its Ability To Grow.

There is a shortage of qualified electricians in the United States. In order to conduct Iveda's business, it is necessary for Iveda or Iveda's resellers to employ electricians and have those electricians qualified in the states where they do business. Iveda's ability to increase productivity and profitability may be limited by its and its resellers' ability to employ, train and retain skilled electricians required to meet Iveda's customers' needs. Accordingly there can be no assurance, among other things, that:

• Iveda or Iveda's resellers will be able to maintain the skilled labor force necessary to operate efficiently;

• Iveda's or Iveda's resellers' labor expenses will not increase as a result of a shortage in the skilled labor supply; and

• Iveda or Iveda's resellers will be able to maintain the skilled labor force necessary to implement Iveda's planned growth.

The Estimates Iveda Uses In Placing Bids Could Be Materially Incorrect, Resulting In Possible Losses.

Iveda currently generates, and expect to continue to generate, a significant portion of its revenues for product sales and installation under fixed price contracts. The cost of gasoline, labor and materials, however, may vary significantly from the costs Iveda originally estimates. Variations from estimated contract costs along with other risks inherent in performing fixed price contracts may result in actual revenue and gross profits for a project differing from those Iveda originally estimated and could result in losses on projects. Depending upon the size of a particular project, variations from estimated contract costs can have a significant impact on Iveda's operating results.

Risks Related to Iveda's Intellectual Property

Iveda Depends On its Intellectual Property.

Iveda's success and ability to compete depends in part on Iveda's proprietary database, Cerebro, the security information and reporting web service developed and used by Iveda internally, and on the process by which Iveda integrates existing third party products into a monitoring solution. If any of Iveda's competitors copy or otherwise gain access to Iveda's proprietary technology or develop similar technologies independently, Iveda may not be able to compete as effectively. Iveda considers its proprietary software invaluable to its ability to continue to develop and maintain the goodwill and recognition associated with its brand. The measures Iveda takes to protect its technologies, and other intellectual property rights, which presently are based upon trade secrets, may not be adequate to prevent their unauthorized use.

If Iveda is unable to protect its intellectual property, Iveda's competitors could use Iveda's intellectual property to market products, services and technologies similar to Iveda's, which could reduce demand for Iveda's products, services and technologies. Iveda may be unable to prevent unauthorized parties from attempting to copy or otherwise obtain and use its products or technology. Policing unauthorized use of Iveda's technology is difficult, and Iveda may not be able to prevent misappropriation of its technology, particularly in foreign countries where the laws may not protect its intellectual property as fully as those in the United States. Others may circumvent the trade secrets, trademarks and copyrights that Iveda currently or in the future owns. Iveda does not have patent protection with respect to its software or systems, although management is considering seeking such protection.

Iveda seeks to protect its proprietary intellectual property, which includes intellectual property that may only be protectable as a trade secret, in part by confidentiality agreements with its employees, consultants and business partners. These agreements afford only limited protection and may not provide us with adequate remedies for any breach or prevent other persons or institutions from asserting rights to intellectual property arising out of these relationships. See "Information About Iveda – Other Information – Proprietary Rights."

Iveda Could Incur Substantial Costs Defending its Intellectual Property From Infringement By Others.

Unauthorized parties may attempt to copy aspects of Iveda's proprietary software product or to obtain and use its other proprietary information. Litigation may be necessary to enforce Iveda's intellectual property rights, to protect its trade secrets and to determine the validity and scope of the proprietary rights of others. Iveda may not have the financial resources to prosecute any infringement claims that it may have. Any litigation could result in substantial costs and diversion of resources with no assurance of success.

Iveda Could Incur Substantial Costs Defending Against Claims That Its Products Infringe On The Proprietary Rights Of Others.

The scope of any intellectual property rights that Iveda has is uncertain and may not be sufficient to prevent infringement claims against Iveda or claims that Iveda has violated the intellectual property rights of third parties. While Iveda knows of no basis for any claims of this type, the existence of and ownership of intellectual property can be difficult to verify and Iveda has not made an exhaustive search of all patent filings. Competitors may have filed applications for or may have been issued patents and may obtain additional patents and proprietary rights relating to products or processes that compete with or are related to Iveda's products and services. The scope and viability of these patents, the extent to which Iveda may be required to obtain licenses under these patents or under other proprietary rights and the cost and availability of licenses are unknown, but these factors may limit Iveda's ability to market its products and services.

Third parties could claim infringement by us with respect to any patents or other proprietary rights that they hold, and Iveda cannot assure investors that Iveda would prevail in any such proceeding as the intellectual property status of its current and future competitors' products and services is uncertain. Any infringement claim against Iveda, whether meritorious or not, could be time-consuming, result in costly litigation or arbitration and diversion of technical and management personnel, or require Iveda to develop non-infringing technology or to enter into royalty or licensing agreements.

Iveda might not be successful in developing or otherwise acquiring rights to non-infringing technologies. Royalty or licensing agreements, if required, may not be available on terms acceptable to Iveda, or at all, and could significantly harm Iveda's business and operating results. A successful claim of infringement against Iveda or Iveda's failure or inability to license the infringed or similar technology could require it to pay substantial damages and could harm its business because Iveda would not be able to continue operating its surveillance products without incurring significant additional expense. In addition, to the extent Iveda agrees to indemnify customers or other third parties against infringement of the intellectual property rights of others, a claim of infringement could require Iveda to incur substantial time, effort and expense to indemnify these customers and third parties and could disrupt or terminate their ability to use, market or sell Iveda's products. Furthermore, Iveda's suppliers may not provide it with indemnification in the event that their products are found to infringe upon the intellectual property rights of any third parties, and if they do not, Iveda would be forced to bear any resulting expense.

Risk Factors Involving Charmed Stock and the Merger

Charmed Shares Are "Penny Stock".

In general, "penny stock" includes securities of companies which are not listed on the principal stock exchanges and have a bid price in the market of less than $5.00; and companies with net tangible assets of less than $2 million ($5 million if the issuer has been in continuous operation for less than three years), or which has recorded revenues of less than $6 million in the last three years. As "penny stock," Charmed's stock therefore is subject to Rule 15g-9, which imposes additional sales practice requirements on broker-dealers which sell such securities to persons other than established customers and "accredited investors" (generally, individuals with net worth in excess of $1 million or annual incomes exceeding $200,000, or $300,000 together with their spouses, or individuals who are the officers or directors of the issuer of the securities). For transactions covered by Rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. Consequently, this rule may adversely affect the ability of broker-dealers to sell Charmed's stock, and therefore may adversely affect Iveda and Charmed stockholders' ability to sell the stock in the public market following the Merger.

Iveda Shareholders Will Experience Dilution As Part Of The Merger.

As part of the Merger, Iveda's shareholders will experience dilution as the existing shareholders of Charmed will continue to own their shares after the Merger and, as a result, will own approximately ten percent of the common stock of the post-Merger company. Charmed has no significant assets and no ongoing business.

There Will Be A Limited Market For Charmed Common Stock Following The Merger.

Only a very limited trading market currently exists for Charmed's common stock. As a result, any broker/dealer that makes a market in its stock or other person that buys or sells its stock following Iveda's Merger with Charmed could have a significant influence over its price at any given time. The post-Merger company cannot assure its shareholders that a market for Charmed's stock will be sustained. There is no assurance that Charmed's shares will have any greater liquidity than shares which do not trade on a public market.

Post-Merger Reporting Obligations as a Public Company Will Be Costly.

Operating a public company involves substantial costs to comply with reporting obligations under federal securities laws. These reporting obligations will increase Iveda's operating costs significantly should it complete the Merger with Charmed. The post-Merger company may not reach sufficient size to justify its public reporting status. If it were forced to become a private company, then its shareholders may lose their ability to sell their shares and there would be substantial costs associated with becoming a private company.

Once The Merger Closes, Iveda Will Have Limited Ability to Unwind the Merger.

Following the closing of the Merger, Iveda will have very limited ability to unwind the transaction. Thus, the post-Merger company will be a public, reporting company and subject to the reporting obligations of the Securities Exchange Act of 1934, as amended, and the requirements of the exchange or other market listing its common stock.

THE MERGER

The following is a description of the material aspects of the Merger, including the Merger Agreement. While we believe that the following description covers the material terms of the Merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire information statement/prospectus, including the Merger Agreement attached to this information statement/prospectus as Annex A and incorporated herein by this reference, for a more complete understanding of the Merger.

General Terms of the Transaction; The Merger Agreement

On January 8, 2009, IntelaSight, Inc., Charmed Homes Inc., Charmed Homes Subsidiary, Inc. (the "Merging Companies"), and certain major shareholders of Charmed Homes Inc. signed the Merger Agreement. In general, the Merger Agreement will result in Iveda shareholders becoming shareholders of Charmed (holding approximately ninety-one percent (91%) of the total of approximately 11.5 million Charmed shares of common stock outstanding after completion of the Merger, not including the 2.5 million post-reverse split Charmed shares that will be owned by Iveda following the sale by Quinn and Liggins). The Merger Agreement will also result in the holders of options and warrants to purchase Iveda common stock becoming holders of options and warrants to purchase Charmed common stock. The Merger exchange ratio for all Iveda securities will be 1 for 1. The continuing Charmed shareholders will hold 845,000 shares of Charmed common stock or approximately 9% of the Charmed common stock outstanding after the Merger. Following the Merger, holders of all Iveda securities combined, on a fully diluted basis, will own approximately 93% of the outstanding securities of Charmed. All of the share numbers in this paragraph may change if Iveda sells or issues securities after the date of the Merger Agreement, which has occurred and may occur subsequent to the filing of this information statement/prospectus.

When the Merger is completed, Iveda will become a wholly-owned subsidiary of Charmed, and will continue its operations as a Washington corporation. Charmed will change its name to Iveda Corporation, a Nevada corporation, and will act as a holding corporation for Iveda.

Background and Reasons for the Offer and Subsequent Merger

Charmed has recently discontinued its homebuilding operations in Canada, and the Board of Directors and major shareholders of Charmed decided to begin looking for a company to merge with Charmed as a way to provide shareholders with a possible way to recover a portion of their equity investment in Charmed. At the same time, the Iveda Board of Directors began investigating ways to obtain additional financing for Iveda's operations and additional liquidity for existing Iveda investors. The two companies were introduced through T.R. Winston, a registered broker-dealer, with a view to a possible Merger between them.

After considering the possible Merger with Iveda, the Charmed Board of Directors has determined that the Merger is advisable, and is fair to and in the best interests of Charmed and its shareholders, and unanimously approved the Merger Agreement. In reaching its decision, the Charmed Board of Directors identified several reasons for, and potential benefits to Charmed and its shareholders of, the Merger. Charmed believes there are a number of potential benefits of the proposed Merger, including, among others:

- Gaining an operating subsidiary; and
- Pursuing a business opportunity with the potential for increasing revenues in a recessionary environment and leaving a rapidly declining real estate market.

After considering the possible Merger with Charmed, the Iveda Board of Directors has determined that the Merger is advisable, and is fair to and in the best interests of Iveda and its shareholders, and unanimously approved the Merger Agreement. In reaching its decision, the Iveda Board of Directors identified several reasons for, and potential benefits to Iveda and its shareholders of, the Merger. Iveda believes there are a number of potential benefits of the proposed Merger, including, among others:

- Retention of control of Iveda by current management and shareholders, who have developed a marketing strategy they believe is vital to Iveda's future products and services and roll-out of existing products and services;
- Anticipated broker support of the surviving corporation;
- Iveda becoming a wholly-owned subsidiary of a publicly traded corporation should make it easier for Iveda to raise needed capital as investors are more likely to invest in companies with more liquid securities;
- Greater credibility in the market with potential purchasers of Iveda's products and services; and
- Potential for more favorable long term debt financing.

The consideration given to Iveda securityholders was determined by the Board of Directors to be in accord with the market for companies which have elected shell status in their filings. As the registrant was current on its filings and had filed a Form SB-2 registration statement soon after its formation, it offered a more attractive opportunity than alternative public shells at similar prices.

In reaching their decisions to approve the Merger Agreement, the Iveda and Charmed Boards of Directors consulted with Iveda and Charmed's management, Keller Rohrback, PLC and Conrad Lysiak, Esq., outside legal counsel, regarding the legal terms of the Merger, and Source Capital Group, Inc., financial advisors, regarding the financial aspects of the Merger. The factors that the Iveda and Charmed Boards of Directors considered in reaching their determination included, but were not limited to, the following:

- the strategic benefits of the Merger which in this case solely relate to providing Iveda the opportunity to raise additional working capital with a viable exit strategy;
- information concerning Iveda's and Charmed's respective businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including, with respect to Charmed, public reports filed with the Securities and Exchange Commission which disclosed that Charmed was current on its filings and had a registration statement still in effect;
- management's view of the financial condition, results of operations and businesses of Iveda and Charmed before and after giving effect to the Merger which showed nominal outstanding liabilities or contingent liabilities;
- current financial market conditions and historical market prices, volatility and trading information with respect to the common stock of Charmed which evidenced minimal trading and limited volatility;
- their belief that the terms of the Merger Agreement are reasonable;
- a comparison of management's view of the prospects of Iveda and Charmed with and without the Merger with Charmed's management realizing that there were no further prospects except dissolution and Iveda needing better financing alternatives than those offered to private companies;
- other strategic alternatives for Iveda and Charmed, including the potential to enter into strategic relationships and alliances with third parties meaning that many large publicly traded companies would consider entry into a long term contract for services with another publicly traded company perceived to be better able able to service the contract long term;
- an assessment of market demands and future customer requirements, and the associated development resources needed to satisfy these requirements with management concluding that it is highly likely that this business will

mandate a national scope and that economies of scale will likely result in significant consolidation of competing technologies focused on the service provided and not the specific technology itself;

- the effect of the Merger on Iveda's customers, suppliers and employees which management believes will increase its credibility in the purchase decision (customers are purchasing long term services not a one time product), better credit terms should be available from suppliers, and better benefits can be offered to employees;
- the expenses associated with operating a public, reporting company which may total $100,000 per year;
- the limited experience of Iveda's management with operating a public, reporting company;
- the results of the due diligence investigations of Charmed and Iveda; and
- unavailability of private equity and venture capital financing which means Iveda will be more dependent on the brokers to support a market conducive for longer term financing.

The primary negative factor considered by the Boards was the ability to raise capital and operate the public company in the future. As the market has slowed, it has become harder for Iveda to meet sales objectives. If the price of the shares decreases significantly, the post-merger company may be valued at a price per share less than that of a private company. Financing may be heavily dilutive to shareholders as a result.

Representations and Warranties

The Merger Agreement contains a number of customary representations and warranties made by Iveda, on the one hand, and Charmed, on the other, regarding aspects of their respective businesses, financial condition and structure, as well as other facts pertinent to the Merger. These representations and warranties relate to the following subject matters with respect to Iveda:

- corporate existence and power;
- capitalization;
- corporate authorization;
- non-contravention of the Merger Agreement with other obligations;
- financial statements;
- corporate books and records;
- title to properties;
- condition and sufficiency of assets;
- no undisclosed liabilities;
- taxes;
- compliance with laws and court orders;
- legal proceedings;
- contracts;

- insurance;
- environmental matters;

- employees and labor relations;
- tax treatment of the Merger;
- intellectual property;
- disclosure documents;
- finder's fees; and
- relationships with related persons.

Charmed made representations and warranties regarding:

- corporate existence;
- broker's fees;
- capitalization;
- limited business conducted;
- no undisclosed liabilities;
- corporate authorization;
- disclosure documents;
- Securities & Exchange Commission filings;
- financial statements;
- corporate books and records;
- non-contravention of the Merger Agreement with other obligations;
- reporting company status;
- no injunctions;
- dissenters' rights and antitakeover statutes;
- absence of certain changes or events;
- compliance with laws and court orders;
- tax treatment of the Merger;
- litigation;

- taxes;
- relationships with related parties;
- disclosure documents; and
- agreements, contracts, and commitments.

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Conduct of Iveda's Business Before Completion of the Merger

Under the Merger Agreement, Iveda has agreed that, until the earlier of the completion of the Merger or termination of the Merger Agreement, it will conduct its business in the ordinary course consistent with past practice.

Without limiting the generality of the foregoing, until completion of the Merger or termination of the Merger Agreement, Iveda has specifically agreed to not:

- adopt or propose any change to its articles of incorporation or bylaws;
- issue, sell, dispose of or grant rights to acquire any of its capital stock (other than upon exercise or conversion of existing derivative securities, the grant of options under its existing stock option plan, or pursuant to its private placement memorandum dated April 1, 2009);
- declare, set aside or pay any dividends of distributions on its capital stock, or redeem or repurchase any of its capital stock;
- make any capital investments in, or make a loan to, any other person or entity or acquire the stock or assets of any other person or entity;
- grant a security interest in or create any other material lien on its assets, except in the ordinary course consistent with past practice; and
- issue any note, bond, or other debt security or incur, create, assume or otherwise become liable for any indebtedness for borrowed money or guarantee the obligations of any third party, other than in the ordinary course of business consistent with past practice.

Conduct of Charmed's Business Before Completion of the Merger

Under the Merger Agreement, Charmed has agreed that, until the earlier of the completion of the Merger or termination of the Merger Agreement, Charmed and its subsidiary will conduct their business in the ordinary course consistent with past practice.

Without limiting the generality of the foregoing, until completion of the Merger or termination of the Merger Agreement, Charmed and the Merger Sub have specifically agreed to not:

- adopt or propose any change to their articles of incorporation or bylaws;
- issue, sell, dispose of or grant rights to acquire any of their capital stock (other than upon exercise or conversion of existing derivative securities);
- declare, set aside or pay any dividends of distributions on their capital stock, or redeem or repurchase any of their capital stock;
- make any capital investments in, or make a loan to, any other person or entity or acquire the stock or assets of any other person or entity;
- grant a security interest in or create any other material lien on their assets, except in the ordinary course consistent with past practice; and

- issue any note, bond, or other debt security or incur, create, assume or otherwise become liable for any indebtedness for borrowed money or guarantee the obligations of any third party, other than in the ordinary course of business consistent with past practice.

Summary of Principal Conditions to Completing the Merger

Completion of the Merger is subject to the satisfaction of the following principal conditions, all of which may be waived by the Charmed and/or Iveda Boards of Directors, as applicable, if unmet, except for the condition that the Iveda shareholders approve the Merger Agreement and the Merger:

- Approval by the Iveda shareholders of the Merger Agreement and the Merger, with the holders of not more than 1% of the common shares of Iveda exercising appraisal rights;
- The sale of 5,000,000 pre-reverse split shares of Charmed common stock from Ian Quinn and Kevin Liggins to Iveda;
- Completion of a 1:2 reverse stock split by Charmed;
- Charmed must have no assets or liabilities as of the closing;
- Charmed must have filed all required tax returns;
- Charmed and its officers and directors must be current on all required filings with the SEC;
- Authorization by Charmed of the warrants to be issued as part of the Merger, and adoption of a stock option plan substantially similar to the current Iveda plan;
- Resignation of all Charmed officers and directors, effective as of the closing of the Merger; and
- Satisfaction by Iveda and Charmed of customary representations and warranties regarding accuracy of information delivered, absence of litigation, and similar matters.

Indemnification of Iveda and its Directors and Officers

Subsequent to the effective time of the Merger, certain major shareholders of Charmed have agreed to indemnify Iveda and its officers, directors and affiliates for liabilities and expenses incurred directly or indirectly as a result of any inaccuracy or breach of representations or warranties made by such shareholder, Charmed or the Merger Sub, or such shareholder's, Charmed's or the Merger Sub's failure to perform or comply with any covenant contained in the Merger Agreement. In addition, Charmed and its major shareholders have agreed to indemnify Iveda and its directors, officers and controlling persons for liabilities and expenses resulting from any untrue statements of a material fact or any material omission in information provided to Iveda by Charmed or its subsidiary for use in this information statement/prospectus. Such indemnification shall generally continue for two years following the closing of the Merger.

Termination of the Merger Agreement

The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the effective time of the Merger by mutual written agreement of Iveda and Charmed notwithstanding any approval of the Merger Agreement by the shareholders of Iveda. Alternatively, either Iveda or Charmed can terminate the Merger Agreement and abandon the Merger notwithstanding any approval of the Merger Agreement by the shareholders of Iveda if the Merger has not been consummated on or before July 31, 2009.

Charmed may terminate the Merger Agreement and abandon the Merger at any time prior to the effective time of the Merger notwithstanding any approval of the Merger Agreement by the shareholders of Iveda, if:

- a breach of any material representation or warranty or failure to perform any material covenant or agreement on the part of Iveda set forth in the Merger Agreement will have occurred, and such breach is not cured within 30 days from the date such breach or failure occurred.

Iveda may terminate the Merger Agreement and abandon the Merger at any time prior to the effective time of the Merger notwithstanding any approval the Merger Agreement by the shareholders of Iveda, if:

- Greater than one (1%) of the Iveda common shares dissent; or
- a breach of any material representation or warranty or failure to perform any material covenant on the part of Charmed or the Merger Sub set forth in the Merger Agreement will have occurred, and such breach is not cured within 30 days from the date such breach or failure occurred.

Any party desiring to terminate the Merger Agreement pursuant to the above requirements will give notice of such termination to the other party.

Effect of Termination of the Merger Agreement

If the Merger Agreement is terminated pursuant to the requirements summarized above, the Merger Agreement will become void and of no effect without liability of any party (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other party thereto, except for any liability of a party then in breach.

Directors and Executive Officers of Charmed Following the Merger

The executive officers and directors of Charmed will be:

David Ly: President, CEO and Chairman of the Board. Information about Mr. Ly may be found on page 77.

Gregory Omi: Director. Information about Mr. Omi may be found on page 78.

Jody Bisson: Director. Information about Ms. Bisson may be found on page 78.

Robert Brilon: CFO. Information about Mr. Brilon may be found on page 77.

Luz Berg: Senior VP of Operations & Marketing; Secretary. Information about Ms. Berg may be found on page 77.

Securities and Employment Agreements to be Received in the Merger

The above directors and executive officers will receive shares of common stock, options and warrants in Charmed at the same ratio as other Iveda securityholders, and Mr. Ly, Mr. Brilon and Ms. Berg will receive new employment agreements with Charmed with substantially similar terms as their existing employment agreements with Iveda. Following the closing of the Merger, the new directors and officers of Charmed will own the following Charmed securities –

- Mr. Ly – 3,913,998 shares of common stock, with current value of $7,827,996(1)
- Ms. Berg – options/warrants to purchase 922,183 shares of common stock, with current value of $1,770,591(1)(2)
- Mr. Brilon – options/warrants to purchase 200,000 shares of common stock, with current value of $252,000(1)(3)
- Mr. Omi – 903,859 shares of common stock, with current value of $1,807,718(1)
- Ms. Bisson – options/warrants to purchase 50,000 shares of common stock, with current value of $63,00(1)(3)

(1)Assuming $2 Charmed stock price as of last trade date of February 4, 2009
(2)Using SFAS 123R criteria current valuation method, at $0.10 exercise price
(3) Using SFAS 123R criteria current valuation method, at $1.00 exercise price

Other than current annual salary of $88,000 for David Ly and Luz Berg and $35,200 for Bob Brilon, no other additional compensation or cash will be payable to directors and executive officers following the Merger.

Federal Income Tax Considerations

The following discussion summarizes the material Federal income tax consequences of the Merger. The discussion does not address all aspects of Federal income taxation that may be relevant to particular shareholders and may not be applicable to shareholders who are not citizens or residents of the United States, or who will acquire their Charmed shares pursuant to the exercise or termination of employee stock options or otherwise as compensation, nor does the discussion address the effect of any applicable foreign, state, local or other tax laws. Except as otherwise noted, this discussion assumes that shareholders hold their Iveda shares as capital assets within the meaning of Section 1221 of the Code. EACH SHAREHOLDER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO HIM OR HER OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FOREIGN, STATE, LOCAL AND OTHER TAX LAWS.

In the opinion of Iveda's tax counsel Bade & Baskin, PLC, the Merger of the Merger Sub with and into Iveda pursuant to which the shareholders of Iveda will exchange their shares for shares of Charmed will, under current law, constitute a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Charmed, Charmed Homes Subsidiary, Inc. and Iveda will each be a party to the reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, counsel has relied upon written representations and covenants of Charmed and Iveda. No ruling has been sought from the Internal Revenue Service as to the Federal income tax consequences of the Merger, and the opinion of counsel set forth below is not binding on the Internal Revenue Service or any court.

As a tax-free reorganization, the Merger will have the following Federal income tax consequences for Charmed, Iveda, and the shareholders of Iveda:

1. No gain or loss will be recognized by holders of Iveda shares as a result of the exchange of such shares for Charmed shares pursuant to the Merger, except that gain or loss will be recognized on the receipt of cash, if any, received in lieu of fractional shares. Any cash received by a shareholder of Iveda in lieu of a fractional share will be treated as received in exchange for such fractional share, and any gain or loss recognized as a result of the receipt of such cash will be capital gain or loss equal to the difference between the cash received and the portion of the shareholder's basis in the Iveda shares allocable to such fractional share interest.

2. The tax basis of the Charmed shares received by each shareholder of Iveda will equal the tax basis of such shareholder's Iveda shares (reduced by any amount allocable to fractional share interests for which cash is received) exchanged in the Merger.

3. The holding period for the Charmed shares received by each shareholder of Iveda will include the holding period for the Iveda shares of such shareholder exchanged in the Merger.

4. Neither Iveda nor Charmed will recognize gain or loss as a result of the Merger.

Accounting Treatment of the Merger

The Merger transaction is a reverse recapitalization, equivalent to the issuance of stock by the private company for the net monetary assets of the shell corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets should be recorded.

Regulatory Requirements

There are no material federal or state regulatory requirements related to the Merger.

Appraisal Rights for Charmed Shareholders

No appraisal or dissenters rights will be available for Charmed shareholders as a result of the Merger.

Dissenters' Rights as to Iveda Shares

The Washington Business Corporation Act ("WBCA") provides that if a shareholder in a corporation party to a merger follows specific procedures, the shareholder is entitled to be paid the fair value of his or her shares. The following summarizes the procedures to be followed if an Iveda shareholder desires to be paid cash for his or her Iveda shares instead of receiving Charmed shares, and the procedures Iveda must follow to inform its shareholders of dissenters' rights. See Annex B (a copy of the relevant parts of the WBCA) for the details. "You" refers to Iveda shareholders who desire to dissent and be paid the fair value of their shares.

- You must not have voted in favor of the Merger Agreement and Merger through the written consent.
- You must deliver a written demand for payment for your shares, together with your original stock certificate for all certificated shares and a certification of beneficial ownership (see the payment demand form attached to this information statement/prospectus as Annex C), to Iveda on or before ______, 2009.

Within 30 days after the later of the effective date of the Merger and the date on which Iveda receives a proper payment demand from a shareholder, Iveda will pay each dissenter who has complied with the WBCA the amount that Iveda has estimated to be the fair value of the shareholder's shares immediately before the first public announcement of the Merger (which occurred on November 17, 2008), plus any interest due. If a shareholder who properly asserted dissenters rights is unsatisfied with the corporation's payment, the shareholder may submit the dissenter's own estimate of the fair value of the shares and demand payment of that amount, less amounts already paid to the dissenter by the corporation. If the corporation does not agree with the shareholder's estimate of fair value, the corporation may start a court proceeding and ask the court to determine the fair value of the shares, with such an action required to commence within sixty days after receipt by the corporation of the dissenter's conflicting payment demand. The court would appoint appraisers to determine fair value. Dissenters will be entitled to judgment for the fair value of the shares, plus interest, less amounts already paid to the dissenters by the corporation, all as determined by the court. Costs of the court proceeding, including appraisers, and attorney fees would be paid by the corporation, unless the court finds that the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment, in which case the dissenters would be responsible to pay the costs of the court proceeding.

If more than one percent of the outstanding Iveda shares dissent, the Merger may not occur at the sole discretion of the Board of Directors.

The Merger Agreement – Investor Disclaimer

The foregoing description of the Merger Agreement does not purport to be complete, and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached to this information statement/prospectus as Annex A. The Merger Agreement is not in any way intended as a document for investors to obtain factual information about the current state of affairs of Charmed. Such information can be found in Charmed's reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The Merger Agreement contains representations and warranties made by Charmed and Iveda which are used as a tool to allocate risks between the parties where the parties do not have completed knowledge of all facts. Furthermore, the representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and are subject to limitations agreed upon by the contracting parties, including being qualified, modified or limited by confidential disclosures exchanged between the parties in connection with the execution of the Merger Agreement. Investors are not third-party beneficiaries under the Merger Agreement. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Charmed's public disclosures.

OTHER ACTIONS APPROVED BY THE CHARMED SHAREHOLDERS

This information statement/prospectus is being mailed or furnished to the shareholders of Charmed in part in connection with the authorization of the corporate actions described below by Charmed's Board of Directors by unanimous written consent in lieu of special meeting as of November 21, 2008, and the approval of such corporate actions by the written consent, taken as of November 21, 2008, of those shareholders of Charmed entitled to vote at least a majority of the aggregate shares of Charmed's common stock, par value $0.00001 per share (the "Common Stock"), outstanding on such date. Shareholders holding in the aggregate 5,000,000 shares of Common Stock or 74.74% of the voting stock outstanding as of November 21, 2008 (the "Consenting Shareholders") approved the corporate actions described below. Accordingly, this information statement/prospectus is being furnished in part for the purpose of informing the shareholders of Charmed, in the manner required under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of this corporate action before it takes effect.

The Charmed Board and Consenting Shareholders have approved (1) Charmed's Amendment to its Articles of Incorporation, a copy of which is attached hereto as Annex D (the "Amended Articles"), to change Charmed's name to "Iveda Corporation" and (2) a reverse split of the Corporation's common stock whereby each two shares of issued and outstanding common stock as of December 5, 2008 shall be exchanged for one share of common stock.

Following the expiration of the twenty day (20) period mandated by Rule 14c-2(b), Charmed will file the Amended Articles with the Nevada Secretary of State and the reverse split will take effect. Charmed will not file the Amended Articles or effect the reverse split until at least twenty (20) days after the filing and mailing of this information statement/prospectus to its shareholders. The Amended Articles will become effective when they are filed with the Nevada Secretary of State.

Charmed will bear the entire cost of furnishing this information statement/prospectus to its shareholders. It will request brokerage houses, nominees, custodians, fiduciaries and other like parties to forward this information statement/prospectus to the beneficial owners of Charmed's common stock held of record by them.

The Charmed Board has fixed the close of business on November 21, 2008 as the record date for the determination of Charmed shareholders who are entitled to receive this information statement/prospectus. There were 6,690,000 shares of Common Stock issued and outstanding on the record date.

Approval of the Amendment to the Articles of Incorporation

Description of the Amended Articles and Reasons for the Amendment

The Amended Articles make one change to Charmed's Articles of Incorporation – the change of Charmed's name to "Iveda Corporation."

The primary reason for the proposed name change was to comply with the terms of the Merger Agreement. Under the Merger Agreement, as described in greater detail above, Charmed and Iveda have agreed, subject to the satisfaction or waiver of the closing conditions set forth in the Merger Agreement, to engage in a Merger whereby the Merger Sub will merge with and into Iveda, and as a result Iveda will become a wholly-owned subsidiary of Charmed.

Prior to the Merger, Charmed will engage in a 2 for 1 reverse split to reduce the number of outstanding shares of its common stock, and the two major shareholders of Charmed will sell 5 million pre-reverse split shares of Charmed's common stock to Iveda.

As part of the Merger, the Corporation has agreed to change its name to "Iveda Corporation" and the Amended Articles will accomplish this. The Corporation intends to wait until the closing of the Merger to file the Amended

Articles, and in the event the Merger does not close, the Corporation will keep its existing name.

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After the filing of the Amended Articles with the Secretary of State of the State of Nevada, Charmed will cease use of the name Charmed Homes Inc. Charmed will then use the name Iveda Corporation.

Vote Required

NRS 78.390 provides that every amendment to Charmed's Articles of Incorporation shall first be adopted by the resolution of the Board of Directors and then be subject to the approval of shareholders entitled to vote on any such amendment. Under Charmed's Articles of Incorporation and Bylaws now in effect, an affirmative vote by shareholders holding shares entitling them to exercise at least a majority of the voting power is sufficient to amend Charmed's Articles of Incorporation. NRS 78.320 provides that, unless otherwise provided in Charmed's Articles of Incorporation or the Bylaws, any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by shareholders holding the voting power required to take such action at a meeting. Charmed's Articles of Incorporation and Bylaws permit the taking of action by written consent. In order to eliminate the costs and management time involved in holding a special meeting and in order to effect the amendment described herein as early as possible in order to accomplish the purposes described above, Charmed's Board of Directors voted to utilize the written consent of the holders of a majority of Charmed's voting stock. NRS 78.320 provides that in no instance where action is authorized by written consent need a meeting of shareholders be called or notice given.

Pursuant to NRS 78.385, NRS 78.390 and Charmed's current Articles and Bylaws, the affirmative vote of the holders of a majority of Charmed's outstanding voting stock is sufficient to amend Charmed's Articles of Incorporation as described above, which vote has been obtained by written consent of the Consenting Shareholders.

Effective Date

Under applicable federal securities laws, the Amended Articles cannot be effective until at least 20 calendar days after this information statement/prospectus is distributed to Charmed's shareholders. The Amended Articles will become effective upon filing with the Secretary of State of Nevada. It is anticipated that the foregoing will take place 20 calendar days after this information statement/prospectus is mailed to Charmed's shareholders, subject to change to a later date based on when the Merger closes.

Dissenters' Rights of Appraisal

The Nevada Revised Statutes do not provide for appraisal rights in connection with the above-described amendment to Charmed's Articles of Incorporation.

Approval of the Reverse Stock Split

General

The Board of Directors and Consenting Shareholders have approved a reverse stock split of our common stock at a ratio of one-for-two. Pursuant to the reverse split, each outstanding two shares of common stock will be combined into and become one share of common stock, without any change in the number of authorized shares of our common stock.

As of December 5, 2008, we had 6,690,000 shares of common stock issued and outstanding. Based on the number of shares of our common stock issued and outstanding as of December 5, 2008 (the record date for the reverse split under applicable Nevada law), immediately following the completion of the reverse stock split, we would have 3,345,000 shares of common stock issued and outstanding.

Purpose of the Reverse Split

The primary purpose for effecting the reverse split is to comply with the terms of the proposed Merger as described above.

However, even in the event that the Merger does not occur, the Board believes that the reverse split is in the best interests of Charmed and its shareholders, as it will provide additional flexibility for any future merger, exchange or acquisition. A reverse stock split may also have a favorable effect on the trading price of our common stock on the OTC Bulletin Board.

In evaluating whether or not to authorize the reverse split, in addition to the considerations described above, the Board of Directors also took into account various negative factors associated with a reverse stock split. These factors include:

- the negative perception of reverse stock splits held by some investors, analysts and other stock market participants;

- the fact that the stock price of some companies that have effected reverse stock splits has subsequently declined back to pre-reverse stock split levels;

- the adverse effect on liquidity that might be caused by a reduced number of shares outstanding; and

- the costs associated with implementing a reverse stock split.

Shareholders should recognize that if a reverse stock split is effected, they will own a fewer number of shares than they currently own (a number equal to the number of shares owned immediately prior to the reverse stock split divided by two). The reverse stock split may not increase the per share price of our common stock in proportion to the reduction in the number of shares of our common stock outstanding or result in a permanent increase in the per share price (which depends on many factors, including our performance, prospects and other factors that may be unrelated to the number of shares outstanding).

If the per share price of our common stock declines following the reverse split, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of a reverse stock split. Furthermore, the liquidity of our common stock could be adversely affected by the reduced number of shares that would be outstanding after the reverse stock split. In addition, the reverse stock split will likely increase the number of shareholders who own odd lots (less than 100 shares). Shareholders who hold odd lots typically will experience an increase in the cost of selling their shares, as well as possible greater difficulty in effecting such sales.

The Board of Directors considered all of the foregoing factors, and determined that the reverse stock split is in the best interest of Charmed and its shareholders.

Principal Effects of the Reverse Split

General

Our common stock is currently registered under the Exchange Act, and we are subject to the periodic reporting and other requirements of the Exchange Act. The reverse stock split will not affect the registration of our common stock under the Exchange Act.

Number of Shares of Common Stock and Corporate Matters

When implemented, the reverse split will have the following effects on the number of shares of common stock:

- each two shares of our common stock owned by a shareholder immediately prior to the reverse stock split would become one share of common stock after the reverse stock split;

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the number of shares of our common stock issued and outstanding would be reduced from 6,690,000 shares to 3,345,000 shares; and

- the number of authorized shares of our common stock would remain at 100 million shares.

After effectuating the reverse split, we will have approximately 96,655,000 shares of authorized but unissued shares of common stock. The authorized and unissued and unreserved shares would be available from time to time for corporate purposes including issuances upon the closing of the Merger, raising additional capital by means of sales of stock or securities convertible into common stock, acquisitions of companies or assets, or other strategic transactions. If we issue additional shares, the ownership interests of holders of our common stock may be diluted.

The reverse stock split will affect all of our common shareholders uniformly and will not change the proportionate equity interests of our common shareholders, nor will the respective voting rights and other rights of shareholders be altered.

Fractional Shares

If the reverse stock split results in some shareholders receiving fractional shares, fractional shares will be issued. Charmed will not make any cash payments in lieu of the issuance of fractional shares.

Effect on Shares Held in Street Name

We intend to treat shareholders holding our common stock in "street name," through a bank, broker, or other nominee, in the same manner as registered shareholders whose shares are registered in their names when effecting the reverse stock split. Banks, brokers, or other nominees will be instructed to effect the reverse stock split for their beneficial holders holding our common stock in "street name." However, these banks, brokers, or other nominees may have different procedures than registered shareholders for processing the reverse stock split. If you hold your shares with a bank, broker or other nominee, and if you have any questions in this regard, we encourage you to contact your nominee.

Effect on Registered "Book-Entry" Shareholders

Our registered shareholders may hold some or all of their shares electronically in book-entry form. These shareholders will not have share certificates evidencing their ownership of our common stock. They are, however, provided with a statement reflecting the number of shares registered in their accounts.

- If you hold registered shares in a book-entry form, you do not need to take any action to receive your post-reverse stock split shares.

- If you are entitled to post-reverse stock split shares, a transaction statement will automatically be sent to your address of record indicating the number of shares you hold.

Effect on Registered Certificated Shares

Some registered shareholders hold all their shares in certificate form or a combination of certificate and book-entry form. If any of your shares are held in certificate form, you will receive a transmittal letter from our transfer agent as soon as practicable after the effective date of the reverse stock split. The letter of transmittal will contain instructions on how to surrender your certificate(s) representing your pre-reverse stock split shares to the transfer agent. Upon receipt of your share certificate, you will be issued the appropriate number of shares electronically in book-entry form. No new shares in book-entry form will be issued to you until you surrender your outstanding certificate(s), together with the properly completed and executed letter of transmittal, to the transfer agent. At any time after receipt of your statement reflecting the number of shares registered in your book-entry account, you may request a share certificate representing your ownership interest.

Accounting Matters

The reverse stock split will not affect the par value of Charmed's common stock. As a result, the stated capital attributable to Charmed's common stock on Charmed's balance sheet will be reduced proportionately based on the reverse stock split ratio, and the additional paid-in capital account will be credited with the amount by which the stated capital is reduced. Prior periods' per share net income or loss and net book value amounts will be restated because there will be fewer shares of our common stock outstanding.

Potential Anti-Takeover Effect

The proportion of unissued authorized shares to issued shares could, under certain circumstances, have an anti-takeover effect. For example, the issuance of a large block of common stock could dilute the stock ownership of a person seeking to effect a change in the composition of the Board of Directors or contemplating a tender offer or other transaction for the combination of Charmed with another company. However, the reverse stock split proposal is not being proposed in response to any effort of which we are aware to accumulate shares of common stock or obtain control of Charmed, other than the proposed Merger.

Procedure for Effecting Exchange of Stock Certificates

Charmed's transfer agent, Securities Transfer Corporation, will act as exchange agent for purposes of implementing the exchange of stock certificates or updating ownership amounts, the latter for those "book entry" shareholders, and is referred to as the "exchange agent." As soon as practicable after the effective time of the reverse split, a letter of transmittal will be sent to shareholders of record as of December 5, 2008 for purposes of surrendering to the exchange agent certificates representing pre-reverse stock split shares in exchange for certificates representing post-reverse stock split shares in accordance with the procedures set forth in the letter of transmittal. No new certificates will be issued to a shareholder until such shareholder has surrendered such shareholder's outstanding certificate(s), together with the properly completed and executed letter of transmittal, to the exchange agent. From and after the effective time, any certificates formerly representing pre-reverse stock split shares which are submitted for transfer, whether pursuant to a sale, other disposition or otherwise, will be exchanged for certificates representing post-reverse stock split shares. SHAREHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATE(S) AND SHOULD NOT SUBMIT ANY CERTIFICATE(S) UNTIL REQUESTED TO DO SO. For shareholders who hold registered shares in a book-entry form, at the effective time, the transfer agent will update your ownership amounts on our books and a transaction statement will automatically be sent to your address of record indicating the number of shares you hold. No action need be taken to receive your post-reverse stock split shares.

No Appraisal Rights

Under the laws of Nevada, shareholders will not be entitled to exercise appraisal rights in connection with the reverse stock split.

United States Federal Income Tax Consequences

IN ACCORDANCE WITH 31 C.F.R. § 10.35(B)(5), THE DISCUSSION OF THE TAX ASPECTS PROVIDED HEREIN HAS NOT BEEN PREPARED, AND MAY NOT BE RELIED UPON BY ANY PERSON, FOR PROTECTION AGAINST ANY FEDERAL TAX PENALTY. EACH SHAREHOLDER SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE SHAREHOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of the material United States federal income tax consequences of the reverse stock split applicable to beneficial holders of shares of Charmed common stock. This summary addresses only such shareholders who hold their pre-reverse stock split shares as capital assets and will hold the post-reverse stock split shares as capital assets. This discussion does not address all United States federal income tax considerations that may be relevant to particular Charmed shareholders in light of their individual circumstances or to shareholders that are subject to special rules, such as financial institutions, tax-exempt organizations, insurance companies, dealers in securities, and foreign shareholders. The following summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, applicable Treasury Regulations thereunder, judicial decisions and current administrative rulings, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. Tax consequences under state, local, foreign, and other laws are not addressed herein. Each shareholder should consult its tax advisor as to the particular facts and circumstances which may be unique to such shareholder and also as to any estate, gift, state, local or foreign tax considerations arising out of the reverse stock split. Charmed has not and will not seek a ruling from the Internal Revenue Service regarding the United States federal income tax consequences of the reverse split. Therefore, the income tax consequences discussed below are not binding on the Internal Revenue Service and there can be no assurance that such income tax consequences, if challenged, would be sustained.

Subject to the statements made above, the United States federal income tax consequences of the reverse stock split may be summarized as follows:

- The reverse stock split would qualify as a tax-free recapitalization under the Internal Revenue Code. Accordingly, a shareholder will not recognize any gain or loss for United States federal income tax purposes as a result of the receipt of the post-reverse stock split common stock pursuant to the reverse stock split.

- The shares of post-reverse stock split common stock in the hands of a shareholder will have an aggregate basis for computing gain or loss on a subsequent disposition equal to the aggregate basis of the shares of pre-reverse split common stock held by the shareholder immediately prior to the reverse stock split.

- A shareholder's holding period for the post-reverse stock split common stock will include the holding period of the pre-reverse split common stock exchanged.

Vote Required

NRS 78.2055 provides that any decrease in the number of issued and outstanding shares of stock without a corresponding decrease in the number of authorized shares of stock shall first be adopted by the resolution of the Board of Directors and then be subject to the approval of shareholders entitled to vote on any such amendment. Under Charmed's Articles of Incorporation and Bylaws now in effect, an affirmative vote by shareholders holding shares entitling them to exercise at least a majority of the voting power is sufficient to approve the reverse stock split. NRS 78.320 provides that, unless otherwise provided in Charmed's Articles of Incorporation or the Bylaws, any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by shareholders holding the voting power required to take such action at a meeting. Charmed's Articles of Incorporation and Bylaws permit the taking of action by written consent. In order to eliminate the costs and management time involved in holding a special meeting and in order to effect the reverse stock split described herein as early as possible in order to accomplish the purposes described above, Charmed's Board of Directors voted to utilize the written consent of the holders of a majority of Charmed's voting stock. NRS 78.320 provides that in no instance where action is authorized by written consent need a meeting of shareholders be called or notice given.

Pursuant to NRS 78.2055 and Charmed's current Articles and Bylaws, the affirmative vote of the holders of a majority of Charmed's outstanding voting stock is sufficient to approve the reverse stock split as described above, which vote has been obtained by written consent of the Consenting Shareholders.

Effective Date

Under applicable federal securities laws, the reverse split cannot be effective until at least 20 calendar days after this information statement/prospectus is distributed to Charmed's shareholders.

Costs

Charmed will pay all costs associated with the distribution of this information statement/prospectus, including the costs of printing and mailing. Charmed will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending this information statement/prospectus to the beneficial owners of Charmed's common stock.

Record Date

The close of business on November 21, 2008 has been fixed as the record date for the determination of shareholders entitled to receive this information statement/prospectus.

Outstanding Shares and Voting Rights

On November 21, 2008 (the "Record Date"), Charmed had 6,690,000 shares of common stock, $0.00001 par value, outstanding. Holders of these shares would have been entitled to vote if a meeting was required to be held. Each share of Charmed's common stock is entitled to one vote. The outstanding shares of common stock at the close of business on the Record Date were held by approximately 55 shareholders of record.

Material Terms of the Common Stock

The authorized Common Stock of Charmed consists of 100,000,000 shares, par value $0.00001. The holders of shares of Common Stock are entitled to one vote for each share held of record on each matter submitted to shareholders. Shares of Common Stock do not have cumulative voting rights for the election of directors. The holders of shares of Common Stock are entitled to receive such dividends as the Board of Directors may from time to time declare out of funds legally available for the payment of dividends, although Charmed does not intend to declare any dividends for the foreseeable future. The holders of shares of Common Stock do not have any preemptive rights to subscribe for or purchase any stock or other securities of Charmed and have no rights to convert their Common Stock into any other securities. On liquidation, holders of shares of Common Stock are entitled to receive pro rata all of the assets of Charmed available for distribution to shareholders.

ACTION BY WRITTEN CONSENT IN LIEU OF SPECIAL MEETING OF THE CHARMED SHAREHOLDERS

We are not asking you for a proxy and you are requested not to send us a proxy.

Items of Business

In lieu of a special meeting, Charmed shareholders holding a majority of Charmed's common stock considered and voted upon the proposals to approve and adopt the Articles of Amendment to change Charmed's name to "Iveda Corporation" and to approve the reverse stock split using a written consent.

Recommendation of the Charmed Board of Directors

After careful consideration, the Charmed Board of Directors unanimously determined that the Merger, name change and reverse stock split are each advisable, and are fair to and in the best interests of Charmed and its shareholders and unanimously approved the Merger Agreement, name change and reverse stock split. The Charmed Board of Directors recommended that Charmed shareholders vote "FOR" the proposals to approve and adopt the Articles of Amendment to change Charmed's name to "Iveda Corporation" and to approve the reverse stock split using a written consent. No approval of the Charmed shareholders was needed to approve the Merger, which was approved both for Charmed and the Merger Sub by the Charmed Board of Directors.

Method of Voting; Record Date; Stock Entitled to Receive Notice

No vote of the Charmed shareholders is being sought at a meeting. Approval of the name change and the reverse stock split was obtained by written consent in lieu of holding a special meeting. Only shareholders of record of Charmed at the close of business on November 21, 2008, the record date for the Charmed consent in lieu of special meeting, are entitled to receive notice of the consent in lieu of special meeting. On the record date, approximately 6,690,000 shares of Charmed common stock were issued and outstanding.

Required Vote

See pages 39 and 43 above for the vote required to approve the name change and reverse split.

Share Ownership of Charmed Directors and Executive Officers

At the close of business on the record date for the Charmed written consent in lieu of special meeting, directors and executive officers of Charmed and their affiliates beneficially owned and were entitled to vote 74.74% of the 6,690,000 shares of Charmed common stock outstanding on that date.

Contact for Questions

Any Charmed shareholder who has a question about the Merger should contact:

Charmed Homes Inc.
60 Mt. Kidd Point SE
Calgary, Alberta T2Z 3C5
Canada
Attention: Ian Quinn, CEO
(403) 831-2202

Any Charmed shareholder who needs additional copies of this information statement/prospectus should contact Ian Quinn as described above.

CONSENT IN LIEU OF SPECIAL MEETING OF IVEDA SHAREHOLDERS

We are not asking you for a proxy and you are requested not to send us a proxy.

Items of Business

In lieu of a special meeting, Iveda shareholders holding a majority of Iveda's common stock considered and voted upon the proposal to approve and adopt the Merger Agreement and approve the Merger using a written consent.

Recommendation of the Iveda Board of Directors

After careful consideration, the Iveda Board of Directors unanimously determined that the Merger is advisable, and is fair to and in the best interests of Iveda and its shareholders and unanimously approved the Merger Agreement. The Iveda Board of Directors recommended that Iveda shareholders vote "FOR" the proposals to approve and adopt the Merger Agreement and approve the Merger.

Method of Voting; Record Date; Stock Entitled to Receive Notice

No vote of the Iveda shareholders at a meeting is being sought. Approval of the Merger agreement and the Merger was obtained by written consent in lieu of holding a special meeting.

Only shareholders of record of Iveda at the close of business on January 8, 2009, the record date for the Iveda consent in lieu of special meeting, are entitled to receive notice of the consent in lieu of special meeting. On the record date, approximately 8,774,304 shares of Iveda common stock were issued and outstanding.

Required Vote

Approval and adoption of the Merger Agreement and approval of the Merger required the execution of a written consent by the holders of a majority of the shares of Iveda common stock outstanding on the record date.

Share Ownership of Iveda Directors and Executive Officers

At the close of business on the record date for the Iveda written consent in lieu of special meeting, directors and executive officers of Iveda and their affiliates beneficially owned and were entitled to vote 63.9% of the 8,774,304 shares of Iveda common stock outstanding on that date.

Contact for Questions

Any Iveda shareholder who has a question about the Merger should contact:

Iveda Solutions
1201 South Alma School Road, Suite 4450
Mesa, AZ 85201
Attention: Bob Brilon, Chief Financial Officer
(480) 307-8700

Any Iveda shareholder who needs additional copies of this information statement/prospectus should contact Luz Berg at (480) 307-8700 or send an e-mail to lberg@ivedasolutions.com.

INFORMATION ABOUT CHARMED

Note -

All references in this "Information About Charmed" section of this information statement/prospectus to the terms "we", "our", "us", "Charmed" and the "Company" refer to Charmed Homes Inc.

Description of Business

Charmed previously engaged in the construction and marketing of custom homes in the Calgary area in Alberta, Canada. During 2008, Charmed completed construction of its first such home and sold this home. Due to downturns in the housing market in Calgary and a lack of available funding, Charmed decided to cease operations following the sale of this single home.

Charmed was organized under Nevada law in 2006, its executive offices are located at 60 Mt. Kidd Point SE, Calgary, Alberta, Canada T2Z 3C5 and its telephone number is (403) 831-2202. Charmed has no operations and no employees as of the date of this information statement/prospectus.

Description of Property

Our office is located at 60 Mt Kidd Point S.E., Calgary, Alberta, Canada T2Z 3C5, where we use space owned by our President, Ian Quinn, under an informal oral agreement with Mr. Quinn. Our phone number is (403) 831-2202.

Legal Proceedings

We are not presently a party to any litigation.

Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters

See page 17 for this information.

Securities Authorized For Issuance Under Equity Compensation Plans

We do not have any equity compensation plans and accordingly we have no securities authorized for issuance thereunder.

Selected Financial Information

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Supplementary Financial Information

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This section, which is based on the Management's Discussion and Analysis section contained in our most recent annual report on Form 10-K for the fiscal year ended January 31, 2009 and our most recent quarterly report on Form 10-Q for the fiscal quarter ended April 30, 2009, includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of the quarterly and annual report, as applicable. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

We are a development-stage corporation and at this point we have realized a nominal profit on our first project.

Our auditors have issued a going concern opinion. This means that our auditors believe there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not purchased any contracts and only generated nominal revenues from the first development. We must raise cash from operations. Our only other source for cash at this time is investments by others in our company. We must raise cash to continue our operations. Even with the money we raised from our public offering in 2007, we do not know how long the money will last. Operations began after we raised the money from our public offering.

To meet our needs for cash in the past, we have raised money through the 2007 public offering. We cannot guarantee that we will be able to stay in business now that operations have commenced. Further, if we are unable to attract enough clients to utilize our services, we may quickly use up the proceeds from the minimum amount of money from our public offering and will need to find alternative sources, like a second public offering, a private placement of securities, or loans from our officers or others in order for us to maintain our operations. At the present time, we have not made any arrangements to raise additional cash.

If we need additional cash and cannot raise it, we will either have to suspend operations until we do raise the cash, or cease operations entirely. We have used all of the cash raised from our public offering. As we need more money, we will have to revert to obtaining additional money as described in this paragraph. Other than as described in this paragraph, we have no other financing plans.

Operations to Date

With the success of our offering in 2007, we were able to begin our operations. We established our office and acquired the equipment we needed to begin. We did not hire any employees up to this point and our officers and directors are handling the administrative duties.

We located a suitable piece of land in order to start our first project. The lot was acquired in the community of Lake Chaparral.

Once the land was located, we chose a home plan which best suited the property. The blueprints were drawn up, specifications outlined and decisions on materials made.

Initial financing through the bank was avoided by obtaining an interest free loan of $25,000 from our President Ian Quinn. The plot plan and blueprint were submitted to the developer of the subdivision and approvals were received.

The process of tendering out for construction was avoided by working with Shane Homes, who had all the suppliers and trades people in place. Construction of the home was completed at the end of December, approximately three months earlier than expected.

The home was listed as soon as it was completed as it was decided that with the slowing in the market it would be best to market the home once it was showing its best.

The home is now sold, but with the significantly slower market in Calgary and area, it took much longer than expected to sell and we did not realize the profit we had anticipated. The sale of the home occurred on June 3, 2008.

Due to the state of the Calgary housing market, there is a tremendous amount of new home inventory available and house prices are dropping significantly. Therefore we have discontinued our operations in home building and have suspended operations.

Future Operations

Because of the change in the economy, we believed that it was in the best interests of our shareholders to change our business course, and thus we entered into the Merger Agreement described elsewhere in this information statement/prospectus.

Limited Operating History; Need For Additional Capital

There is limited historical financial information about us upon which to base an evaluation of our performance. We have generated only minimal revenues from the sale of a single home. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price and cost increases in services and products.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Results of Operations

From Inception on June 27, 2006 to January 31, 2009

During this period we incorporated the company, hired the attorney, and hired the auditor for the preparation of our Form SB-2 registration statement which was declared effective on April 26, 2007. We have also completed and sold our first house. Our loss since inception is $105,956 of which $88,371 is for professional fees; $15,500 is for donated rent and services; $3,456 is for filing fees and general office costs; $1,320 is for property tax and utilities and $12,376 is for foreign exchange loss. We have changed our proposed business operations and will continue to complete the merger with Iveda Corporation.

Since inception, we have issued 5,000,000 shares of common stock to our officers and directors for cash proceeds of $5,000. In August 2007, we completed our public offering by selling 1,690,000 shares of common stock and raising $169,000.

From Inception on June 27, 2006 to April 30, 2009

During this period we incorporated the company, hired the attorney, and hired the auditor for the preparation of our registration statement. We have also completed and sold our first house. Our loss since inception is $121,312 of which $102,215 is for professional fees; $17,000 is for donated rent and services; $3,468 is for filing fees and general office costs; $1,320 is for property tax and utilities and $12,376 is for foreign exchange loss. We have changed our proposed business operations and will continue to complete the merger with Iveda Corporation.

Since inception, we have issued 5,000,000 shares of common stock to our officers and directors for cash proceeds of $5,000. On August 2007, we completed our public offering by selling 1,690,000 shares of common stock and raising $169,000.

Liquidity and capital resources

On June 15, 2006, we issued 5,000,000 shares of common stock pursuant to the exemption from registration contained in section 4(2) of the Securities Act of 1933. This was accounted for as a sale of common stock. In August, 2007, we also issued 1,690,000 shares of common stock to 54 individuals. This was also accounted for as a sale of common stock.

As of April 30, 2009, our total assets were $83,531 comprised of $83,531 in cash and our total liabilities were $13,843, comprised of accounts payable of $13,843.

On June 3, 2008, we sold our real property for consideration of CDN$510,000.

Recent Accounting Pronouncements

In May 2009, the FASB issued SFAS No. 165 “Subsequent Events”. SFAS No. 165 provides general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued or available to be issued. The statement sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. The statement also sets forth the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements. Furthermore, this statement identifies the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. It is effective for interim or annual financial periods ending after June 15, 2009. Management is currently evaluating the impact of this statement.

In April 2009, the FASB issued SFAS No. 164, “Not-for-Profit Entities: Mergers and Acquisitions”. SFAS No. 164 provides guidance on accounting for a combination of not-for-profit entities, which is a transaction or other event that results in a not-for-profit entity initially recognizing another not-for-profit entity, a business, or a non-profit activity in its financial statements. It is effective for financial statements issued for fiscal years beginning after December 15, 2009. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles”. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of non-governmental entities that are presented in conformity with generally accepted accounting principles in the United States. It is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, “The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles”. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In May 2008, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts – An interpretation of FASB Statement No. 60”. SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities, and requires expanded disclosures about financial guarantee insurance contracts. Effective February 1, 2009, the Company adopted SFAS No.163 . The adoption of SFAS No. 163 did not have a material effect on the Company’s financial statements.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133”. SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. Effective February 1, 2009, the Company adopted SFAS No. 161. The adoption of SFAS No. 161 did not have a material effect on the Company’s financial statements.

In December 2007, the FASB issued No. 160, “Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No.51”. SFAS No. 160 requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS No. 160 also requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. SFAS No. 160 also requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. Effective February 1, 2009, the Company adopted SFAS No. 160. The adoption of SFAS No. 160 did not have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations”. This statement replaces SFAS No. 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS No. 141 (revised 2007) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS No. 141 (revised 2007) also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. Effective February 1, 2009, the Company adopted SFAS No. 141. The adoption of SFAS No. 141 did not have a material effect on the Company’s financial statements.

Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There have been no disagreements on accounting and financial disclosures from the inception of our company through the date of this information statement/prospectus. Our financial statements for the period from inception to January 31, 2009, included in our most recent annual report and in this information statement/prospectus, have been audited by Manning Elliott LLC, Chartered Accountants, 701 West Georgia Street, Suite 1400, Vancouver, British Columbia V7Y 1C6.

Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

Under our Articles of Incorporation and Bylaws, we may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

Management of Charmed

Ian Quinn: President, CEO, Director, CFO, CAO and Treasurer (age 36). Ian Quinn has been our president, chief executive officer, treasurer, chief financial officer, chief accounting officer, and a member of our Board of Directors since our inception on June 27, 2006. Since July 2003, Mr. Quinn has been a real estate agent associated with Remax specializing in the sale of residential, rural and commercial real estate in the Calgary, Alberta area. From February 2001 to July 2003, Mr. Quinn was a member of the management team of Outlaws Nightclub in Calgary, Alberta, Canada. Mr. Quinn holds a diploma in General Arts and Sciences from Mount Royal College in Calgary, Alberta.

Kevin Liggins: Secretary and Director (age 42). Kevin Liggins has been secretary, and a member of our Board of Directors since our inception on June 27, 2006. Since February, 2003, Mr. Liggins has worked as a contractor specializing in residential renovations. From August 2000 to February 2003, Mr. Liggins was a team leader at All

New Manufacturing, which engaged in the business powder coating steel products.

Management Contracts

Charmed has no employment agreements.

Executive Compensation

No compensation was paid to any of Charmed officers or directors since the inception of Charmed in 2006.

Security Ownership of Directors, Officers and Certain Beneficial Owners of Charmed

As of November 21, 2008, there were 6,690,000 common shares outstanding. The following tabulates holdings of shares of the Company's common stock by each person who, as of November 21, 2008, holds of record or is known by management to own beneficially more than 5.0% of the common shares and, in addition, by all directors and officers of the Company individually and as a group.

SHARE OWNERSHIP AS OF NOVEMBER 21, 2008

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	Percent of Common Stock Owned(1)
Ian Quinn (CEO, CFO, Chairman) 60 Mt Kidd Pt SE Calgary, Alberta Canada T2Z 3C5	2,500,000	37.37%
Kevin Liggins (Secretary, Director) 1308 Bayside Ave. SW Airdrie, Alberta Canada T4B 2X4	2,500,000	37.37%
All Officers and Directors as a group (2 individuals)	5,000,000	74.74%

(1) Percentage ownership is based on 6,690,000 shares of Common Stock outstanding on November 21, 2008.

Certain Relationships and Related Transactions of Charmed

As a condition to the closing of the Merger, the 5 million pre-reverse split shares of common stock owned by Ian Quinn and Kevin Liggins will be purchased by Iveda for cash consideration of $200,000, payable in part prior to the closing of the Merger and in part following the closing. After this sale of stock, Mr. Quinn and Mr. Liggins will not own any shares of Charmed stock.

In July 2006, we issued a total of 2,500,000 shares of restricted common stock to Ian Quinn, one of our officers and directors, in consideration of $2,500.00 and 2,500,000 shares of restricted common stock to Kevin Liggins, one of our officers and directors, in consideration of $2,500.00.

Ian Quinn, our president, loaned us the sum of $395,751 to pay for legal, accounting, building costs and other expenses. The amount due Mr. Quinn has been repaid.

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INFORMATION ABOUT IVEDA

Note -

All references in this "Information About Iveda" section of this information statement/prospectus to the terms "we", "our", "us", "Iveda" and the "Company" refer to IntelaSight, Inc. dba Iveda Solutions.

General Information

The Company is a Washington corporation incorporated in January 2005. Our principal executive offices are located at 1201 S. Alma School Rd., Suite 4450, Mesa, Arizona 85210. Our telephone number is (480) 307-8700 and our website is located at www.ivedasolutions.com. Information on our website is not a part of this information statement/prospectus.

Eide Bailly, LLP, an independent accounting firm, audited the Company's December 31, 2008 and 2007 financial statements.

Overview

Iveda Solutions provides remote video surveillance services and currently has clients in Arizona, California and Minnesota. The Company offers a proactive security solution using network cameras, a real-time Internet-based surveillance system, and a remote surveillance facility with trained intervention specialists. Based in Mesa, Arizona, Iveda Solutions' core monitoring service offers private and public entities what management believes to be a more affordable, reliable, and effective security solution than either security guards or closed circuit on-site monitoring. The Company has provided security solutions to 42 customers, with over 263 cameras installed, 76 of which are being monitored and 8 of which are being hosted by Iveda Solutions in 18 properties, as of the date of this information statement/prospectus. The Company has recently opened its reseller distribution channel. Without active solicitation, Iveda Solutions has signed a net eight resellers and six independent agents in 2008. As of the date of this information statement/prospectus, the Company has signed a total of fifteen resellers and expects to partner with more in 2009. These resellers and agents will assist Iveda Solutions in its marketing and customer service activities.

Iveda Solutions' real-time monitoring provides immediate response capabilities. The Company has already received publicity for stopping crimes in progress. Subject to receipt of sufficient funding, Iveda Solutions plans to:

- Support the field operations team.
- Conduct regional marketing campaigns in the Company's existing markets, while strategically launching in other key markets.
- Provide assistance to its growing reseller channel distribution to utilize resellers' camera installed base and increase the Company's remote monitoring subscribers.
- Generate sufficient cash reserves to fund operations for at least 9 months.
- Further develop Cerebro, the proprietary centralized security reporting system.

Management believes that its previous milestones of building a high caliber sales team, obtaining more monitoring equipment and bandwidth and making its employee salaries and benefits more competitive have been accomplished with the approximately $1.6 million raised by the Company since 2008.

Iveda Solutions specializes in providing integrated security services using a combination of network cameras, real-time Internet-based surveillance, and a remote monitoring facility with trained intervention specialists. Human monitors watch cameras in real time (with full-color, full-motion video, zoom capabilities, and camera position controls - via a Web browser and Internet connection), ready to assess any situation and act accordingly by contacting the police, notifying the property owner/manager, and/or speaking to a trespasser using Voice Over Internet Protocol for cameras supporting this feature. By watching customers' cameras in real-time as events are unfolding, the Company is able to notify the police or take other action more quickly than other companies that wait for an alarm to be triggered or only review tapes after-the-fact.

Historically, Iveda Solutions has derived revenues from equipment sales and installation, conversion of analog cameras to digital, maintenance contracts, and per hour, per camera service fees from remotely monitoring these cameras. Additional revenues are derived from hosting and data management and storage for certain customers that do not necessarily need real-time monitoring. The Company has grown only through direct sales of equipment and monitoring services through its two sales people (including our CEO). In August of 2008, we hired three more sales people. Iveda Solutions intends to slowly transition its business model to sell its services predominantly through reseller distribution channels but in the interim will need to continue to rely on its sales staff for growth. Iveda Solutions' channel partners are expected to take over most of its equipment sales and installation functions, and help drive Iveda Solutions' recurring monitoring revenues.

Iveda Solutions continues to gain media coverage in its hometown area of Phoenix, Arizona, certain national trade magazines and online news sites. Iveda Solutions' CEO currently sits on the board of several key organizations in the Mesa, Arizona public and business community. This has helped create awareness for Iveda Solutions in the local area and initiate partnerships between Iveda Solutions and public agencies and private businesses. It has also served as a first referral source and model for future public sector security projects nationwide.

Traditional security services are classified into two types: 1) electronic or non-human; and 2) security guard-based, comprised of humans patrolling a site and human surveillance via closed-circuit television (CCTV). While the former is generally considered to be affordable to the greater market, the latter still remains rather expensive. Several factors and market dynamics have led to demand for Iveda Solutions' products and services, including:

- The recent wide-spread availability of high-bandwidth Internet connections (known as IP-based networks;
- Drastic reductions in digital camera component costs; and
- The introduction of innovative "smart scanning" software.

As a result of these dynamics, management believes that Iveda Solutions is able to offer a superior combination of human video monitoring and electronic security systems at a lower price than other currently available human-based security products.

Problems with Existing Systems

Electronic security tends to be extremely error prone. False alarms are so prevalent that cities and counties have sued alarm companies for the unnecessary allocations of available resources. When police officers have to be dispatched or re-directed to provide visual verification of a property that is emitting a false alarm, the cost in time and money becomes exorbitant.

While electronic security tends to be error prone, human security is often poorly trained and expensive. Unless well-trained security guards are present, human security is not viewed as a credible counter threat to a potential crime. While a security guard can give independent verification, cost can make guards prohibitive. A single security guard cannot be in several locations at the same time, resulting in a need for multiple guards to cover the entire property, at a per guard cost of $15 to $26 per hour.

Traditional security companies are proving to be slow to adapt to high-tech, IP-based networks, simply because their core competency does not include the sophisticated software, servers, and Internet technology required. Companies that understand the technology are missing the knowledge of the security business and lack expertise in security systems design and the actual management of a crew of intervention specialists.

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What management believes has been missing from the industry is a proactive security solution that will deter crime and help the police catch criminals in the act; not merely through using video data as an after-the-fact investigative tool for solving a crime. This security solution requires a company able to competently offer superior security systems and video communications via IP-based networks.

Business Strategy

Iveda Solutions' ability to execute its operating plan, and meet the market demand for its services, hinges on a few critical success factors. Many of these the Company has already completed or is currently in the process of completing.

Status	Item
Complete	1. Prove working configuration of camera and networking equipment
Complete	2. Build relationships with multiple vendors of critical camera and networking equipment
Complete	3. Identify primary markets and customers; prove successful approach
Complete	4. Install several working sites for paying customers; begin generating revenue
Complete	5. Obtain initial funding for infrastructure, sales fulfillment, and continued growth
Complete	6. Obtain additional funding for infrastructure build out and hiring additional employees
Ongoing	7. Solicit strategic partners and technology partners that compliment Iveda Solutions' product offerings
Ongoing	8. Support existing channel partners and solicit new channel partners to resell Iveda Solutions' service offerings.
Ongoing	9. Implement marketing plan, increase sales force, initiate brand awareness and national recognition of Iveda Solutions
Upon funding	10. Develop vertical markets and deploy specialized applications
Upon funding	11. Further develop Cerebro, the internal event reporting database that manages the daily customer monitoring report and gathers statistical information regarding activities at customer sites

The Iveda Solution

Iveda Solutions provides remote, real-time monitoring of security cameras. The Company's remote monitoring facility is operational 24/7 and houses its highly trained intervention specialists who monitor its customers' properties at any time they specify. Using sophisticated software, the Company's intervention specialists are there as events unfold and they can act accordingly on its customers' behalf. If a suspicious event is noted by an intervention specialist while monitoring a customer's cameras, the intervention specialist will assess the situation to determine if it is a normal activity for that property or not. If it is not a normal activity, the intervention specialist can use Voice Over Internet Protocol (VOIP) to audibly ask the trespasser(s) to leave the property. Intervention specialists can also call the police and the property manager for that property, depending on whether the situation is an emergency or not. By watching a customer's cameras in real-time as events are unfolding, the Company is able to notify the police more quickly than other companies that wait for an alarm to be triggered or only review tapes after-the-fact. The Company is also able to send police a link to the actual video footage, including the real-time footage, and police forces that provide their police officers with laptops and Internet access in their patrol cars are able to walk through the crime scene using the video footage immediately.

Benefits:

- Proactive versus after-the-fact – With humans behind the cameras assessing situations in real-time, they can call the police when necessary to prevent a crime. Recorded video footage only helps to investigate after a crime has already been committed.

- Daily Monitoring Report – Every morning, customers get an activity report in their email box, consisting of time-stamped video footage and a detailed description of events from the previous night.

- Cost Savings - Savings of up to 75% are possible compared to traditional guard services.

- Secure Data- The Company utilizes a third party, highly secure datacenter to process, store, and protect its customers' video footage.

- Live Visual Verification – Several cities nationwide have adopted ordinances that impose a substantial fine for every false alarm. An alarm system may be declared a nuisance for excessive false alarms. Live video verification can reduce or even eliminate false alarms. With live video verification, police departments of some cities escalate response priority, depending on the seriousness of the event.

- Redundancy – Video data are stored in the Company's datacenter, remote monitoring facility, and its customers' facilities.

Features:

- Internet Access - Allows customers 24/7 secure Internet access to their cameras remotely.

- Data Center – Iveda Solutions utilizes a third party data center housed in a blast-resistant concrete structure and equipped with emergency power.

- VOIP – The Company can utilize voice-over-IP to allow a 1-way or 2-way communication between its intervention specialists and suspicious individuals on its customers' properties.

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Camera Manufacturer Agnostic – The Company can monitor security cameras from the majority of manufacturers, whether analog or digital.

- Carrier/ISP Neutral –The Company can work with customers' current Internet providers as long as minimum bandwidth requirements are met.

Network Camera IP-Based Technology. Network camera IP-based technology is the soul of the Company's security solution. The cameras Iveda Solutions utilizes are not typical Web cams or CCTV. They are all mini computers with enabled Web servers. Each camera has the capability of becoming its own Web site on the Internet, which allows the Company's monitoring specialists to log into each camera and control the cameras' operation. When combined with "PTZ" (pan, tilt, zoom) cameras, the monitoring specialist can make the camera pan, tilt, zoom or rotate as needed remotely. Clients can also log into each camera through the Company's web access tool, and can view the images real-time, 24/7. The software that powers the camera technology is open source, which allows Iveda Solutions to develop unique applications in the future to service a wide variety of industries and clients.

Security. Iveda Solutions anticipates its customers' video networks, which will include a variety of public sector security applications, will be high-value targets for criminals. As a result, the Company's network security standards must be and are very high, meeting standards used by banks in providing online banking services. Iveda Solutions utilizes Netscreen, which provides a secured infrastructure, including virtual private networks, firewalls, and security network appliances. Iveda Solutions plans to continue to develop and improve its network security protocol as it rolls out new applications of its services. Of course, any network security measure can fail, and any security breach could result in significant liability for Iveda Solutions.

Remote Monitoring Operations Center. Iveda Solutions' 24-hour remote monitoring facility is the nerve center of its unique IP-enabled services. The Company has been monitoring cameras since 2005 and has proven the effectiveness, robustness, and reliability of its service during this time period. This is evidenced by the Company's customer retention rate of over 90%. Some of the operational features of the facility include:

- Rapid visual verification to every alert

- Full escalation to the police

- Automatic notification to clients of serious incidents

- Full audit trail including date and time stamped images of every incident securely stored

- Images can be used for evidence in court

- Regular updated site details

- Specially-trained intervention specialists

- Direct visual link can be sent via email to police instantly

- Can receive alerts from other broadband connections

Below is a diagram of how the Iveda Solutions system works.

Order Fulfillment

Our relationship with our customers begins with an initial consultation to determine the potential customers' needs and is followed by an equipment and service proposal. Our customers then sign contracts with us that allow us to provide ongoing electronic security system monitoring and maintenance services after the installation of an electronic security system. Most of the monitoring and service we provide is covered by annual contracts with automatic renewal provisions, providing a source of recurring monthly revenue. Customers may also purchase an extended service protection plan, which covers the costs of normal repairs of the security system and which is billed along with the monitoring charges. Sales orders are filled on three fronts: 1) equipment; 2) installation; and 3) services.

Equipment. Three large, stable distributors of specialized IP-based camera equipment are presently supplying all of Iveda Solutions' camera requirements. Anixter, Scansource, and Ingram Micro are international distributors, carrying a considerable amount of equipment inventory with a typical lead time of 1 to 2 weeks. Network computer equipment is sourced through Dell and other distributors; Iveda Solutions has an established business lease program with Dell.

Installation. In addition to Iveda Solutions' own field installers for networking equipment, Iveda Solutions has partnered with electrical contractors in Arizona and California to supply electrical installation, cabling, and professional mounting services for camera houses. As the Company grows its reseller distribution channels, both equipment and installation fulfillment will be borne increasingly by the resellers. Iveda Solutions will likely continue to provide sales and installation to specific industries, for specific applications or to large accounts to which it deems necessary or particularly profitable to do so.

Services. Information services, video access services, customer service, customer support, and live camera monitoring are all provided by Iveda Solutions employees.

Pricing Strategy

Iveda Solutions' remote monitoring solution provides a less expensive alternative to live human security guards and CCTV. Iveda Solutions can affordably upgrade a standard CCTV system to an Internet-based surveillance system, through digital conversion. As a result of all of these factors, Iveda Solutions has removed several cost barriers for its customers, including:

- Reduced false alarm costs that are historically high for alarm-based security solutions.
- No costly Virtual Private Network (VPN) required to link multiple cameras.
- Integrating the customer's existing cameras into its solution, reducing the high cost of purchasing and installing new cameras.

Iveda Solutions has developed a pricing model for its products and services that will allow its resellers an attractive profit margin from residual revenues while allowing the Company to garner around a 60% profit margin.

Equipment Sales and Installation. Iveda Solutions has historically realized a gross margin of 15% to 40% on equipment sales. We do not manufacture any of the components used in our electronic security services business. Due to the general availability of the components used in our electronic security services business, we are able to obtain the components of our systems from a number of different sources and to supply our customers with the latest technology generally available in the industry. We are not dependent on any single source for our supplies and components and have not experienced any material shortages of components in the past.

Iveda Solutions charges labor for installation at $150 per hour plus travel expenses if the Company is directly installing products and not using a reseller. The Company utilizes the services of electrical contractors to assist in the physical camera installation. Their fees are passed on to the customer at cost.

Remote Monitoring and Web Hosting. Iveda Solutions has historically implemented pricing for remote monitoring and Web hosting at approximately 60% gross margin based on current infrastructure costs and the cost of staffing the monitoring facility 24/7. Gross margin may improve with software enhancements to enable intervention specialists to monitor more cameras at the same time, and when the cost of bandwidth drops with increased usage. Iveda Solutions plans to compensate intervention specialists well in order to attract and retain high-quality and loyal employees, thus reducing the cost of turnover and training. Iveda Solutions also expects to open a large remote monitoring facility in a less expensive part of the country in the next 1-2 years, which may reduce costs.

Video Data Storage. Seven days of video storage is provided free of charge with real-time monitoring. The customer pays a minimal fee for each additional day of storage. Although historically this service has had a very high gross margin of 97%, with the implementation of our revised reseller distribution channel marketing plan the total gross margins realized by the Company will be closer to 60%.

Maintenance Agreement. Iveda Solutions charged an additional 25% of the total equipment cost for an optional maintenance contract, payable upfront. Iveda Solutions' maintenance agreement would cover what is not covered by the camera manufacturer's 3-year warranty. Government customers typically request this contract. Historically, the Company has not actively marketed this service and has minimal maintenance contracts in place as of the date of this information statement/prospectus. Management has now decided to discontinue this service because of our plans to channel equipment sales and installation to our resellers.

Government Contracts

The Company plans to seek government contracts for its products and services. These contracts are typically awarded through a competitive bid process. We intend to grow our business in part by obtaining new government contracts through the competitive bidding process.

Certain agencies may also permit negotiated contracting. Contracts awarded through a competitive bidding process generally have lower profit margins than negotiated contracts because in a competitive bidding process bidders compete predominantly on price. The Federal government is the largest procurer of products and services in the world, and the Federal contract market may provide significant business opportunities for the Company.

Private Sector Contracts

Private sector contracts can be awarded through either a competitive bidding process or a negotiating process. Unlike government contracts, the terms of private sector contracts can vary based on individual client situations. Price is not the only key element in winning contracts with this market segment. Other elements such as service quality, responsiveness and various peripheral services come into consideration. We believe that the private sector represents our largest growth potential. Private sector customers generally privately negotiate contracts for such services, resulting in contracts with higher profit margins because price is not always the primary basis for competition.

Sales and Marketing

Iveda Solutions' customers currently include multi-location auto auction lots, police departments, storage facilities, home owners associations, gated communities, housing developments, schools, food processing plants, and parks. The recent DHS surveillance upgrade and expansion project was awarded to Iveda Solutions by the Glendale, CA Police. Iveda Solutions vied for this project against larger and more established companies.

Major monitoring customers and their approximate percentages of monthly total remote monitoring revenue as of the date of this information statement/prospectus include:

- Insurance Auto Auction* (6 locations out of 100+) – 54%
- Leisure World – 7%
- Farnsworth Realty – 7%
- Pacific Coast Producers (Lodi and Oroville, CA) –2%
- Sunol Golf Course – 2%
- Sunland Storage – 2%
- City of Mesa Parks and Recreation Dept. – 2%

*Each location signs separately with Iveda Solutions. Each IAA location is an independent account and not part of a master agreement. Taken individually, only one IAA location (N. Hollywood) resulted in over 10% of total revenue in 2008.

There are a large number of industries that could potentially benefit from Iveda Solutions' monitoring solution. As Iveda Solutions grows and increases public awareness of its monitoring services, the Company believes that it will acquire customers from a wide variety of industries.

Iveda Solutions' past product installation customers, some of which receive periodic monitoring of their cameras by the Company as of the date of this information statement/prospectus, include:

- Glendale Police, CA
- Town of Florence Police, AZ
- Calexico Police, CA

- U.S. Department of Health & Human Services
- Prescott Unified School District
- Days Inn Tucson
- One N. Macdonald Center
- East Valley Tribune/Downtown Mesa
- Schuck and Son Construction
- Fleming West

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Market Segmentation

Iveda Solutions views the following as its primary target markets:

- Monthly subscribers who wish to save on traditional security services.
- Customers who wish to integrate or Iveda-enable an existing simple system to a remote monitoring system.
- Real-time, in-vehicle streaming video accessibility for operational efficiency for transportation management and traffic safety.
- Day care centers who wish to integrate a subscriber based model for parents to be able to monitor their children from wherever they are.
- Educational institutions that want to integrate monitoring systems in their facilities.
- Security and remote monitoring of school playground areas, corridors, halls and classrooms, as security of buildings themselves.
- Broadcasting – Customers who wish to integrate a pay per view model, or just the simple ability to web cast an event. For example: school play, a nursery in a hospital, nursing home watch, auto mechanic garage, reality TV show, building construction, behind the scenes: NFL, NHL, NBA, etc.

Marketing Strategy

Iveda Solutions' marketing strategy is being implemented in phases. The reputation of the Company is now being spread primarily by word-of-mouth. While this is not the fastest marketing methodology, it still remains the most credible. Future marketing and sales efforts are expected to focus on geographical regions where the Company has sales personnel presence, while exploring opportunities presented by current customers with presence in multiple regions of the country.

Iveda Solutions has launched a public relations campaign within its existing markets. First, the Company will seek to establish a foothold within the security industry, with key security industry analysts and influencers being briefed on Iveda Solutions and its unique security solution. A TV advertising campaign ran in the Phoenix metro area in November 2008, and ran again in January 2009. A print advertising campaign in key industry publications to support the Company's public relations efforts has also been launched. Online marketing is also being utilized, including search engine optimization of our website, Google AdWords, and streamlining online user experience on our website, clarifying our messaging and creating a more compelling content.

Where it is not cost-prohibitive, outdoor advertising in strategic locations is utilized. A full mass media advertising campaign is not planned until national presence is achieved. In addition, the Company plans to attend major industry functions and pursue various key speaking opportunities to further spread the value and unique selling proposition of the Company. Our marketing efforts commenced in November 2008 have generated local broadcast news (ABC 15) coverage, featuring an interview with our CEO, coverage in the Arizona Republic newspaper and in Security Technology and Design (a monthly security trade magazine), and coverage on numerous news portals on the Internet. Web traffic has increased by 231% over the month prior to the campaign launch.

Local and regional tradeshows are expected to play a major role in launching Iveda Solutions' service offerings and building the brand. The Company plans to attend various vertical tradeshows, where Iveda Solutions' services may be of high interest to both exhibitors and attendees, including construction, self-storage, hospitality, law enforcement, and government shows.

Finally, a marketing campaign is planned to target potential resellers of Iveda Solutions' monitoring services. As the reseller distribution channel matures, the Company's marketing strategy is expected to be increasingly concentrated on co-op programs, public relations, and branding instead of lead generation for its direct sales force. This strategy will mobilize resellers and utilize their existing installed base.

Sales Strategy

Currently, Iveda Solutions uses a sales team to generate all of its leads and sales. While the Company will continue to sell directly to end-users as opportunities arise, the Company is actively soliciting resellers to sell its hosting and remote monitoring services. The Company believes that leveraging resellers' existing customer base, many of which already have cameras installed, will prove a more effective strategy to grow the number of cameras we host and monitor. However, in the short-term, Iveda Solutions plans to continue to sell and install equipment to end-users while our resellers are completing training and contacting their customers, in order to generate revenue and grow our monitored camera base. As Iveda Solutions signs reseller agreements with partners whose core businesses include equipment sales and camera installation, the Company hopes to be able to slowly divest itself from sales and installation and concentrate on generating recurring revenue streams through remote monitoring and other services. While this represents the Company's overall business strategy, Iveda Solutions plans to retain its competency and oversight in these areas in order to train new resellers and to potentially retain certain equipment sales and installation contracts where it is beneficial to do so.

As its marketing campaign began, Iveda Solutions hired additional salespeople in Arizona to supplement its sales force, which now consists of five full-time salespeople along with the Company's CEO. As part of its new staffing, Ray Palomaa joined the Company as Director of Sales. Mr. Palomaa is an industry insider with over 25 years of high-technology sales experience, most recently as Vice President of Sales at IQInvision, manufacturer of mega-pixel IP cameras. As a founding member of the company, he was instrumental in building IQInvision's reseller distribution channel to where it is today.

Reseller Distribution Channel. Iveda Solutions has developed a reseller distribution channel which management believes will expedite securing a larger percentage of the market by leveraging its channel partners' customer base. This is also a potentially faster way to make Iveda Solutions a national remote monitoring service provider compared to relying solely on internal sales efforts. Integrators, whose main business is to install security cameras, will be primarily solicited as resellers. Management believes that with Mr. Palomaa's addition to the management team, by leveraging his industry knowledge and connections, the reseller distribution channel could become a successful strategy over any internal sales efforts.

The Iveda Solutions Reseller Program is designed to build a community of dedicated Iveda Solutions partners to help realize its vision, while providing them with additional revenue streams and boosting their competitive edge by offering a security solution that makes sense. Iveda Solutions believes that the active partnerships between Iveda Solutions and its resellers will assist them in capturing market share before competitors are able to move into the market. The reseller retains all the revenues for equipment and installation and receives 10% to 25% discount off of MSRP from Iveda Solutions for reselling the Company's services. The reseller may decide to attain an even higher margin by charging its customers above MSRP.

Resellers are responsible for any issues regarding equipment they installed, including but not limited to: equipment maintenance, replacement, and training. Iveda Solutions will only be responsible for remote monitoring issues. It is the reseller's responsibility to make sure that their installation is working properly to enable Iveda Solutions' remote monitoring services.

Direct sales activities will be minimized to large in-house accounts to minimize conflicts between the Company's direct sales force and resellers.

Reseller Benefits for Camera Installers:

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Derive recurring revenue stream from offering a complimentary service for their line of security products, without having to build network infrastructure for remote monitoring.

- Camera deployments are normally a one-time sell, until it is time for a replacement. With Iveda Solutions, installers can offer a new monitoring service to their installed base to generate additional revenue from existing customers.

Iveda Solutions has signed eight active resellers and six independent sales agents as of the date of this information statement/prospectus. Although we began executing reseller agreements in April 2007, we focused our limited capital on direct sales instead as our limited resources did not provide us with sufficient capital to train and mobilize the resellers and therefore, no revenue was generated from any of these contracts until 2009. With the new marketing manager and sales team, we were able to formalize and begin to complete training, created training materials, and can now manage our resellers and provide sales meeting assistance, especially during the early stages. In the first quarter of 2009, we generated approximately $90,000 in equipment sales from reseller sales.

Strategic Partnerships

In addition to securing multiple vendors for the equipment necessary for system infrastructure, the Iveda Solutions team has established valuable strategic partnerships with three companies to assist Iveda Solutions in driving growth. Iveda Solutions has partnered with more established companies that have begun to increase the skills and knowledge of Iveda Solutions in key vertical markets.

Pending Law Enforcement Contracts

Iveda Solutions has signed a major jurisdictional police department and a smaller agency in California as customers. Landing these police department accounts has already opened doors for Iveda Solutions with other law enforcement agencies to implement Iveda Solutions' services. The Company is in active negotiations with a number of police departments in Arizona and California. Law enforcement and Iveda Solutions are actively discussing private business / public sector cooperation to enhance public safety and help the police become more efficient. Iveda Solutions has already earned "preferred vendor" status from its existing police department customer as well as from the United States Department of Homeland Security (DHS). Iveda Solutions was recently granted a Certificate of SAFETY Act Designation by DHS. The SAFETY Act creates a system of "litigation management" for both Iveda Solutions and its customers by imposing important liability limitations for "claims arising out of, relating to, or resulting from an act of terrorism" where Iveda Solutions products and services have been deployed. This benefit covers all new customers and current customers dating back to January 1, 2005. Certification is required for the Company to be able to seek certain government contracts.

Other Information

Proprietary Rights. We regard certain aspects of our internal operations, products and documentation as proprietary, and rely and plan to rely on a combination of patent, copyright and trademark laws, trade secrets, software security measures, license agreements and nondisclosure agreements to protect our proprietary information. Some of the Company's existing and future proprietary information may not be patentable. We cannot guarantee that our protections will be adequate, or that our competitors will not independently develop technologies that are substantially equivalent or superior to our system.

Nonetheless, the Company intends to vigorously defend its proprietary technologies, trademarks, and trade secrets. The Company has generally and will in the future require existing and future members of management, employees and consultants to sign non-disclosure and invention assignment agreements for work performed on the Company's behalf.

We also intend to secure appropriate national and international trademark and copyright protections with the intention of prosecuting any infringements, although we have not historically sought any patent protection, but have solely relied on trade secrets, software security measures and nondisclosure agreements. The Company has recently received certificates of trademark registration for "Iveda Solutions," "Iveda," and the Company logo from the U.S. Patent and Trademark Office.

The Company has developed Cerebro, a proprietary software product used internally by the Company. Cerebro allows the Company to manage and track all aspects of its remote monitoring service and generate reports on such items as daily monitoring, reported events, property and contact data, major incident tracking, intervention specialist performance tracking and service performance statistics. It also allows employees to participate in internal messageboard communications. The Company has historically relied on trade secret protection for Cerebro, but management may consider applying for patent or copyright protection for this database or related processes in the future.

We do not believe that our proprietary rights infringe the intellectual property rights of third parties. However, we cannot guarantee that third parties will not assert infringement claims against us with respect to current or future technology or that any such assertion may not require us to enter into royalty arrangements or result in costly litigation. Furthermore, our proposed future products and services may not be proprietary and other companies may already be providing these products and services.

Government Regulation. Various states within the United States require companies performing the type of work performed by us to be licensed. We maintain active licenses in Arizona and California, and intend to seek licenses in other states as required. Some states and local municipalities may also require companies that provide turnkey electronic security systems for commercial facilities to obtain and maintain special security licenses.

The process of obtaining specialty security licenses can be bureaucratic. Obtaining new licenses typically requires that a test be taken in that state, if it requires a state license. If a state license expires or is revoked for any reason, it could prevent us from being authorized to enter into a contract in that state. If a local license expires or is revoked for any reason, we may be assessed a fine, depending on the delinquency in regard to that license.

Employees. The Company has 19 full-time employees and 6 part-time individuals. Twelve were hired in 2008 using proceeds raised in 2008 through the Company's private offering, of which 4 are intervention specialists, 4 are in sales and marketing, 2 are in IT, and 2 are in administration. The Company's future success will depend, in part, on its ability to attract, retain, and motivate highly qualified security, sales, marketing, technical and management personnel. From time to time, the Company may employ independent consultants or contractors to support its development, marketing, sales and support and administrative needs. The Company's employees are not represented by any collective bargaining unit. Iveda Solutions estimates that successful implementation of its growth plan would result in up to 44 additional employees by the end of 2009, including 5 sales and marketing employees, 3 management employees, and 36 intervention specialists.

Our business is labor intensive and, as a result, is affected by the availability of qualified personnel and the cost of labor. Although the security services industry is generally characterized by high turnover, we believe our experience compares favorably with that of the industry. We have not experienced any material difficulty in employing suitable numbers of qualified personnel, and employee turnover is low.

We believe that the quality of our intervention specialists is essential to our ability to offer effective and reliable service, and we believe diligence in their selection and training produces the level of performance required to maintain customer satisfaction and internal growth. Our policy requires that all selected applicants for an intervention position with us undergo a detailed pre-employment interview and a background investigation covering such areas as employment and education. Personnel are selected based upon maturity, experience, personality, stability and reliability. We treat all employees and applicants for employment without unlawful discrimination as to race, creed, color, national origin, sex, age, disability, marital status or sexual orientation in all employment-related decisions. Our comprehensive training programs for our intervention specialists include initial training, on-the-job training and refresher training. Initial training explains the duties of an intervention specialist, report preparation, emergency procedures, ethics and professionalism, grounds for discharge, and basic post responsibilities. On-the-job training covers specific duties as required. A monthly meeting is held with all intervention specialists to discuss any problem areas, go over new techniques, and discuss tips for effective monitoring, providing further ongoing training. Ongoing refresher training is given on an annual basis as the need arises as determined by the employee's supervisor or quality control personnel.

Insurance. We maintain insurance, including comprehensive general liability coverage, in amounts and with types of coverage that management believes to be customary in our industry. Special coverage is sometimes added in response to unique customer requirements. We also maintain compliance with applicable state workers' compensation laws. A certificate of insurance, which meets individual contract specifications, is made available to every customer.

Competition. Management believes that Iveda Solutions remains the only company providing real-time video surveillance in the United States as of the date of this information statement/prospectus. Integrators and central monitoring companies, the Company's closest competitors, provide monitoring services based on electronic alarm triggers which generate a response time of often 6-10 minutes or more. Iveda Solutions' niche in the security industry is its real-time video surveillance service. Management believes the Company's monitoring facility provides a unique competitive advantage, as it is capable of performing real-time video surveillance for customers without triggering an electronic alarm that prompts an alarm company to log into a specific camera to view the potential breach. Iveda Solutions believes that it is the only company offering this type of proactive video surveillance with a secure and redundant infrastructure. Its unique integration of existing technologies allows the Company to offer what is believed to be an unprecedented real-time remote monitoring service.

Iveda Solutions' competitors can be categorized into two groups: 1) those that offer the services and technology that Iveda Solutions offers; and 2) those that are working towards offering the services and technology that Iveda Solutions offers. Iveda Solutions differentiates between the two by using the following litmus test:

1. Does the company offer IP-based cameras, recording, and views and management via the Web?
2. Does the company install and maintain the equipment?
3. Does the company offer camera monitoring and response without customer-triggered alarms?

Question three is very important. The majority of monitoring companies surveyed will not look at the camera monitor unless there has been an alarm triggered. This is a reactionary form of security rather than a proactive form of security. Iveda Solutions uses specialized software that brings a camera view into the foreground on the guard's monitor when movement or other specific criteria cause a particular camera to trigger. The result is a proactive security monitoring system that can prevent a crime before it happens. This technology is reliable and offers configurable view-zones, programmable movement direction, and even pattern-recognition to a particular user.

Direct Competitors

The market has been responsive to Iveda Solutions' service offering because no other established company is offering a similar package of services at this time. Established security companies are missing either number 1 or 3 above. Therefore, based on Iveda Solutions' internal research and in management's opinion, the Company has no direct competitors at this time. Iveda Solutions defines "direct competitors" as companies offering real-time video surveillance services. Management's research to reach this conclusion included reviews of industry magazines and trade associations and interviews with key companies offering monitoring services. However, management believes it will not take others long to begin offering services similar to those now offered by Iveda Solutions.

Indirect Competitors

Westec Interactive. Westec was founded in 1997 and is headquartered in Irvine, California. It currently has approximately 1400 retail stores as customers. Its major markets include convenience stores, quick-service & casual dining restaurants, drug store chains, jewelry stores, specialty retail outlets and commercial facilities. Westec is very strong in the convenience store niche. While its service is "interactive," it requires the customer to toggle a switch before live monitoring personnel can activate the system.

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Smart Interactive Systems, Inc. Smart Interactive Systems is a member of the Magal Group. Formed in 2001, Smart Interactive Systems seeks to capitalize on rapid advances in technology to design and deploy better security solutions. Headquartered in Long Island City, NY, with three other offices in both the U.S. and Canada, Smart Interactive Systems offers digital video technologies and outdoor intrusion detection technologies for video security monitoring services. When it comes to general technology usage, this company offers similar services to Iveda Solutions in terms of surveillance and monitoring, however its system requires an alarm to be triggered before a video is sent to its central monitoring center.

Monitoring Partners. Monitoring Partners is a privately-held company. The company provides video verification services from existing cameras and installation of new cameras. Alarms are transmitted with the signal and a variable amount of video from before during and after the alarm. The video is fully integrated in the central station allowing the operator to see what went on and make a real determination before dispatching. The operator has the capability to go live, but it is not a common practice at this time. The video is stored in the alarm log and available to the police, dealer or customer. It also allows customers to view live video from their cameras from a remote location.

Other Monitoring Companies Compared with Iveda Solutions

Features	Iveda Solutions	Westec	Smart Interactive	Monitoring Partners
Remote Monitoring	YES	YES	YES	YES
Real-Time Monitoring	YES	NO	NO	NO
Requires a customer to push a button or automatic alarm trigger.*	NO. Always watching.	YES	YES	YES
Applications beyond security	YES	NO	NO	NO
Allow customers view camera footage remotely	YES	NO	YES	YES

*An alarm needs to be triggered before someone looks at the camera views, either by the customer or automated alarm.

Iveda Solutions' system is adaptable and scalable to any market because its networked video system can be expanded by simply adding capacity, with no need to build expensive infrastructure for future expansion. The system also allows easy upgrades of existing analog systems to a digital system. The technology is self-reliant and does not require customers to alert Iveda Solutions prior to receiving any assistance. Iveda Solutions' intervention specialists can continuously monitor a customer location and can help prevent and warn of any potential incident rather than just respond after the fact. The Company's solution is practical because its system can isolate certain areas with heavy customer traffic conducting normal business; thus avoiding unnecessary camera views brought into the foreground on the monitor's screen caused by movement.

In addition, Iveda Solutions not only warns via live remote audio transmission, but also is able to dispatch the customer's security team or the police to abate any suspicious activity at a customer location.

Property

The Company's executive offices are located at 1201 S. Alma School Rd., Suite 4450, Mesa, Arizona 85210, where the Company currently leases approximately 3,667 square feet of office space for $8,592.62 per month from Mesa Financial Plaza Investors, LLC. The lease expires in August of 2011. The Company is not affiliated with its lessor. Additional office space will be needed as additional employees are hired, and is currently available at this location. The Company believes that its current facilities will be adequate until April 2010, at which time it may need to add additional space for remote monitoring stations. The Company chose the building because it has the fiber necessary for the Company's projected bandwidth requirements and it has a lot of space available for additional remote monitoring stations.

The Company also signed a 3-year data center services agreement at a fourth-tier datacenter (highest industry rating) in Scottsdale, Arizona with a 99.99% uptime guarantee from i/o Data Center at a monthly rate of $6,100, that began on September 1, 2008. The Company's lease at its prior data center expired in October 2008. The Company is not affiliated with its new lessor.

The Company's management believes that all facilities occupied by the Company are adequate for present requirements, and that the Company's current equipment is in good condition and is suitable for the operations involved.

Legal Matters

We are not a party to any material legal proceeding and to our knowledge, no such proceeding is threatened or contemplated. At this time, we do not have any bankruptcy, receivership, or similar proceedings pending.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited and unaudited financial statements and associated notes appearing elsewhere in this joint information statement/prospectus.

Overview

IntelaSight, Inc. dba Iveda Solutions ("Iveda" or the "Company") began operations January 24, 2005. The Company installs video surveillance equipment, primarily for security purposes, and provides video hosting, archiving and real-time remote surveillance services to a variety of businesses and organizations.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company generated accumulated losses of ($2,968,820) through December 31, 2008.

A multi-step plan was adopted by management to enable the Company to continue to operate and begin to report operating profits. The highlights of that plan are:

- A private placement memorandum was prepared to raise an additional $2,500,000 of equity. As of June 30, 2009, $736,000 was still to be raised.
- Establish distributor networks with existing companies to create a reseller network to increase the scope of the Company's marketing activities with low cost to the Company.
- The Company has entered into a merger agreement with a public shell company.

Application of Critical Accounting Policies

We have identified the policies below as critical to our business operations and the understanding of our results of operations. The impact and any associated risks related to these policies on our business operations are discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations when such policies affect our reported or expected financial results.

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our financial statements in conformity with accounting principles generally accepted in the United States. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results could differ significantly from those estimates under different assumptions and conditions. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective, and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The material estimates for the Company are that of the stock based compensation recorded for options and warrants issued and the income tax valuation allowance recorded for deferred tax assets.

The fair values of options and warrants are determined using the Black-Scholes option-pricing model. The Company has no historical data on the accuracy of these estimates. The estimated sensitivity to change is related to the various variables of the Black-Scholes option-pricing model stated below. The specific quantitative variables are included in the Notes to the Financial Statements. The estimated fair value of options and warrants is recognized as expense on the straight-line basis over the options' and warrants' vesting periods. The fair value of each option and warrant granted is estimated on the date of grant using the Black-Scholes option-pricing model with the expected life, dividend yield, expected volatility, and risk free interest rate weighted-average assumptions used for options and warrants granted. Expected volatility was estimated by using the average volatility of three public companies offering services similar to the Company. The risk-free rate for periods within the contractual life of the option and warrant is based on the U.S. Treasury yield curve in effect at the grant date. The expected life of options and warrants is based on the average of three public companies offering services similar to the Company.

The income tax valuation allowance was increased to 100% of the deferred tax asset for the year ended December 31, 2008. Management evaluated the current financial condition and recent inability to raise appropriate funds to assure the Company to continue as a going concern and concluded that the deferred tax asset was no longer more likely than not recoverable.

Impairment of Long-Lived Assets

We have a significant amount of property and equipment primarily consisting of leased equipment. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, Accounting for the Impairment or Disposal of Long Lived Assets, we review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future net operating cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying value of the assets exceeds their fair value.

Basis of Accounting

The Company's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Revenue and Expense Recognition
Revenues from monitoring services are recognized when the services are provided. Expenses are recognized as incurred.

Revenues from fixed-price equipment installation contracts are recognized on the percentage-of-completion method. The percentage completed is measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers expended costs to be the best available measure of progress on these contracts. Because of inherent uncertainties in estimating costs and revenues, it is at least reasonably possible that the estimates used will change.

Contract costs include all direct material, subcontractors, labor costs, and equipment costs and those indirect costs related to contract performance. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from job performance, job conditions, contract penalty provisions, claims, change orders, and settlements are accounted for as changes in estimates in the current period. Profit incentives are included in revenues when their realization is reasonably assured. Claims are included in revenues when realization is probable and the amount can be reliably estimated.

The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Accounts Receivable
The Company provides an allowance for doubtful collections which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Receivables past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit valuation and specific circumstances of the customer. As of December 31, 2008 and 2007, no allowance for uncollectible accounts was deemed necessary. The Company does not generally charge interest on past due receivables.

Income Taxes
Deferred income taxes are recognized in the financial statements for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates. Temporary differences arise from depreciation, deferred rent expense, and net operating losses. Valuation allowances are established when necessary to reduce deferred tax assets to the amount that represents the Company's best estimate of such deferred tax assets that, more likely than not, will be realized. Income tax expense is the tax payable for the year and the change during the year in deferred tax assets and liabilities. During 2008, the Company reevaluated the valuation allowance for deferred tax assets and determined that no current benefits should be recognized for the year ended December 31, 2008, and that benefits recorded in prior years would not be recognized.

In June 2006, the FASB issued FIN 48, Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109 (FIN 48), which clarifies the accounting for uncertainty in tax positions. FIN 48 requires financial statement recognition of the impact of a tax position, if that position is more likely than not to be sustained on examination, based on the technical merits of the position. The Company's 2005, 2006 and 2007 income tax returns are open to audit by the Internal Revenue Service. There are no uncertain tax positions that have been identified for those years, and accordingly, no liability has been recorded.

Stock-Based Compensation
On January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123R, Share-Based Payment, which requires the recognition of an expense related to the fair value of stock-based compensation awards. The Company elected the modified prospective transition method as permitted by SFAS No. 123R. Under this transition method, stock-based compensation expense for the years ended December 31, 2008 and 2007 includes compensation expense for stock-based compensation granted on or after the date SFAS 123R was adopted based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123R. The Company recognizes compensation expense on a straight-line basis over the requisite service period of the award. The fair value of stock-based compensation awards granted prior to, but not yet vested as of December 31, 2008 and 2007, were estimated using the "minimum value method" as prescribed by original provisions of SFAS No. 123, Accounting for Stock-Based Compensation, therefore, no compensation expense is recognized for these awards in accordance with SFAS No. 123R.

New Accounting Standards

In May 2009, the FASB issued SFAS No. 165 “Subsequent Events”. SFAS No. 165 provides general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued or available to be issued. The statement sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. The statement also sets forth the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements. Furthermore, this statement identifies the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. It is effective for interim or annual financial periods ending after June 15, 2009. Management is currently evaluating the impact of this statement.

In April 2009, the FASB issued three related FASB Staff Positions (“FSP”): (i) FSP FAS No. 115-2 and FAS No. 124-2, “Recognition of Presentation of Other-Than-Temporary Impairments” (“FSP FAS 115-2 and FAS 124-2”), (ii) FSP FAS No. 107-1 and Accounting Principles Board Opinion (“APB”) No. 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (“FSP FAS 107-1 and APB 28-1”), and (iii) FSP FAS No. 157-4, “Determining the Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (“FSP FAS 157-4), which are effective for interim and annual reporting periods ending after June 15, 2009. FSP FAS 115-2 and FAS 124-2 amend the other-than-temporary impairment guidance in U.S. GAAP for debt securities to modify the requirement for recognizing other-than-temporary impairments, change the existing impairment model, and modify the presentation and frequency of related disclosures. FSP FAS 107-1 and APB 28-1 require disclosures about fair value of financial instruments for interim reporting periods as well as in annual financial statements. FSP FAS 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157, “Fair Value Measurements” (“SFAS 157”). We are currently evaluating the impact of adopting these Staff Positions, but we do not expect the adoption to have a material impact on our consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS 141(revised 2007), “Business Combinations,” to increase the relevance, representational faithfulness, and comparability of the information a reporting entity provides in its financial reports about a business combination and its effects. SFAS 141R replaces SFAS 141, “Business Combinations” but, retains the fundamental requirements of SFAS 141 that the acquisition method of accounting be used and an acquirer be identified for all business combinations. SFAS 141R expands the definition of a business and of a business combination and establishes how the acquirer is to: (1) recognize and measure in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (2) recognize and measure the goodwill acquired in the business combination or a gain from a bargain purchase; and (3) determine what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141R is applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and is to be applied prospectively. Early adoption is prohibited. The adoption of SFAS No. 141 does not have a material effect on the Company’s financial statements.

In December 2007, the FASB issued SFAS 160, “Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51,” to improve the relevance, comparability, and transparency of the financial information a reporting entity provides in its consolidated financial statements.

SFAS 160 amends ARB 51 to establish accounting and reporting standards for noncontrolling interests in subsidiaries and to make certain consolidation procedures consistent with the requirements of SFAS 141R. It defines a noncontrolling interest in a subsidiary as an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 changes the way the consolidated income statement is presented by requiring consolidated net income to include amounts attributable to the parent and the noncontrolling interest. SFAS 160 establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary which do not result in deconsolidation. SFAS 160 also requires expanded disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners of a subsidiary. SFAS 160 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. SFAS 160 shall be applied prospectively, with the exception of the presentation and disclosure requirements which shall be applied retrospectively for all periods presented. The adoption of SFAS No. 160 does not have a material effect on the Company's financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of non-governmental entities that are presented in conformity with generally accepted accounting principles in the United States. It is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The adoption of this statement does not have a material effect on the Company's financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133". SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The adoption of SFAS No. 161 does not have a material effect on the Company's financial statements.

Results of Operations for the Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007

Net Revenue. We recorded net revenue of $506,285 for the year ended December 31, 2008, compared to $544,259 for the year ended December 31, 2007, a decrease of $37,974 or 7%. The slight decrease is due to our focus on a longer term strategy which transitions us from direct selling to a reseller based program. Revenues were primarily derived from our real-time surveillance and equipment sales and installation. In 2008, our recurring surveillance revenue was $353,738 or 70% of net revenue and our equipment sales and installation revenue was $147,377 or 29% of net revenue, compared to $298,413 or 55% of recurring service revenue and our equipment sales and installation revenue was $229,130 or 43% of net revenue in 2007. The percentage shift is due to our recurring revenue model. In 2008, we retained the same remote surveillance revenues from 2007 plus a 19% increase. Equipment sales and installation went down by 36% in 2008 compared to 2007 because we did not install as many cameras as we did in 2007.

Sales revenues were about 16% ahead through August 2008 compared to the same period in 2007. During the remainder of 2008, the Company hired a new sales team and focused on developing our reseller distribution channel program. We launched the program, actively recruited resellers, and trained them. These activities temporarily reduced our direct sales efforts, causing the reduction in sales during the fourth quarter of 2008. We believe that this long term strategy will allow us to leverage our resellers' customer base to significantly increase the number of cameras we monitor. We believe that this is the best way to have a national salesforce without large overhead expenses. As resellers normally take time to mobilize and get familiar with our business, the Company is also pursuing direct sales until our resellers start bringing in sales. Once the reseller channel is mobilized according to management's current expectations, management anticipates that equipment sales and installation revenue will be reduced significantly, and at that time Iveda intends to concentrate more exclusively on its core competency of providing video hosting and real-time surveillance services, which generate recurring revenues at historically higher margins than equipment sales and installation.

Cost of Revenue. Total cost of revenue was $357,184 for the year ended December 31, 2008, compared to $306,949 for the year ended December 31, 2007, an increase of $50,235 or 16%. The increase in cost of revenue to 71% in 2008 from 56% in 2007 was primarily due to significant additional internet protocol infrastructure including a tier 4, state of the art, data center with redundant power and abundance of relative bandwidth to support scalability of revenue and customer base growth. The total infrastructure cost in 2008 was $51,963 compared to $35,860 in 2007, an increase of $16,103 or 45%. The new data center will allow us to increase revenues more than 10 times before we need to add new space, with minimal incremental increases in cost of bandwidth and power as we increase customers and revenue. We anticipate higher gross margins as the infrastructure is more fully utilized. We anticipate that our gross profit as a percentage of revenue will fluctuate in future periods as we experience changes in the mix of revenue.

Operating Expenses. Operating expenses were $1,661,718 for 2008, compared to $701,135 for 2007, an increase of $960,583 or 137%. The increase in operating expenses was primarily related to additional personnel, issuance and vesting of stock options, increased occupancy costs related to new office space and professional fees. The Company has put the proper personnel and infrastructure in place to support significant revenue growth without the addition of significant personnel. Employee salary expenses were $1,014,248 in 2008 compared to $534,111 in 2007, an increase of $480,137 or 90%. The significant increase was due to two factors. New employees and increased salaries of employees who have been with the company since its founding days up to industry standard salaries. To accommodate new employees, expand the remote surveillance room, and plan for near-future growth, the Company significantly increased its office space. Rent expenses were $77,008 in 2008, up from $31,828 in 2007, an increase of $45,180 or 142%. The Company strategically chose a building equipped with fiber, necessary to bring large pipes for bandwidth and with enough space for expansion. Our accounting fees increased from $8,172 in 2007 to $85,196 in 2008, an increase of $77,024 or 943%. The Company hired an accounting firm to: prepare for an audit, prepare and file income tax returns, and work with the auditor in its entire audit process. The Company also hired an independent auditor in 2008 to audit our 2007 and 2006 financial statements. Marketing expenses were $118,076 for 2008 compared to $23,474 in 2007, an increase of 400%, consisting primarily of marketing campaigns seeking to improve sales significantly.

Loss from Operations. As a result of the increases in operating expenses, loss from operations increased to $1,512,617 for the year ended December 31, 2008, compared to $463,825 for the year ended December 31, 2007, an increase of $1,048,792.

Other Expense-Net. Other expense-net was $29,810 for 2008 compared to $1,164 for 2007, an increase of $28,646. The increase in other expense-net is due to the increase in interest expense related to average convertible debt during 2008 and additional capital leases.

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Net Loss. The increase of $1,818,478 or 644% in the net loss to $2,100,797 for the year ended December 31, 2008 from $282,319 for the year ended December 31, 2007 was primarily a result of increased operating expenses and decrease in gross profit.

The deferred tax asset that was on the books at December 31, 2007 was offset by a 100% or $558,370 provision/valuation allowance that was recorded as of December 2008 and contributed to a large portion of the net loss. We took into account the negative operating cash flows, an accelerated accumulated deficit, an increased net loss from prior periods, and increasing lease commitments, but most importantly our slower than anticipated revenue increases and inability to raise sufficient capital to fund operations at a level needed to support our infrastructure. The same evaluation was performed for the December 31, 2007 financial statements. Management determined that based on the internal forecasts for profitability and the then current history and ability to raise additional capital, the deferred tax asset at December 31, 2007 of $558,370 was more likely than not recoverable.

Results of Operations for the Three Months Ended March 31, 2009 Compared to the Three Months Ended March 31, 2008

Net Revenue. We recorded net revenue of $223,824 for the three months ended March 31, 2009, compared to $177,057 for the three months ended March 31, 2008, an increase of $46,767 or 26.4%. Revenues were primarily derived from our real-time surveillance and equipment sales and installation. In Q1 2009, our recurring service revenue was $92,269 or 41% of net revenue and our equipment sales and installation revenue was $131,556 or 59% of net revenue, compared to $85,267 or 48% of recurring service revenue and our equipment sales and installation revenue was $91,740 or 52% of net revenue in 2008.

Cost of Revenue. Total cost of revenue was $165,232 for the three months ended March 31, 2009, compared to $59,674 for the three months ended March 31, 2008, an increase of $105,558 or 177%. The increase in cost of revenue was primarily due to significant additional Internet protocol infrastructure including a tier 4, state of the art, data center with redundant power and abundance of relative bandwidth to support scalability of revenue and customer base growth.

Operating Expenses. Operating expenses were $568,966 for the three months ended March 31, 2009, compared to $215,437 for the three months ended March 31, 2008, an increase of $353,529 or 164%. The increase in operating expenses was primarily related to additional personnel, vesting of stock options, increased occupancy costs related to new office space and professional fees.

Loss from Operations. As a result of the increases in operating expenses, loss from operations increased to $510,374 for the three months ended March 31, 2009, compared to $98,054 for the three months ended March 31, 2008, an increase of $412,320 or 420%.

Other Expense-Net. Other expense-net was $6,747 for the three months ended March 31, 2009, compared to $7,433 for the three months ended March 31, 2008, a decrease of $686 or 9.2%.

Net Loss. The increase of $411,634 or 390% in the net loss to $517,121 for the three months ended March 31, 2009 from $65,487 for the three months ended March 31, 2008 was primarily a result of increased operating expenses and decrease in gross profit.

Liquidity and Capital Resources

We had cash and cash equivalents of $24,900 on March 31, 2009 and $335,189 on December 31, 2008. Since inception, we have experienced decreases in our cash and cash equivalents primarily as a result of cash used in operations offset by the proceeds from stock sales.

Net cash used in operating activities during the three months ended March 31, 2009 was $425,878 and the year ended December 31, 2008 was $1,252,038. Cash used in operating activities for the year ended December 31, 2008 consisted primarily of the net loss, an increase in inventory and deposits. Net cash used by operating activities as compared to net loss were substantially reduced related to the stock compensation of $222,892 and provision for income taxes of $558,370 related to a write-off of a deferred tax asset during 2008.

Net cash used by investing activities for the three months ended March 31, 2009 was $7,193 and during the year ended December 31, 2008 was $115,579. Our net cash used by investing activities consisted for the year ended December 31, 2008 primarily of purchase of equipment and funding of an escrow deposit related to the pending merger with Charmed Homes.

Net cash provided by financing activities for the three months ended March 31, 2009 was $122,782 and during the year ended December 31, 2008 was $1,661,462 consisting primarily of net proceeds from the sale of stock and proceeds from short-term borrowings which was partially offset by principal payments on capital lease obligations.

At December 31, 2008, we had approximately $2.6 million in net operating loss carryforwards available for federal and state income tax purposes. We have not recognized any benefit from these operating loss carryforwards, which expire in 2010 through 2025.

We have experienced significant operating losses since our inception. During 2008 we increased our personnel to 26 employees from 19 at December 31, 2007. We entered into a new lease agreement in 2008 and increased our occupancy costs as we increased our lease commitment from 1,411 square feet to 3,667 square feet. Our capital expenditures and working capital requirements could increase depending on our operating results and other adjustments to our operating plan as may be needed to respond to competition or unexpected events.

We believe that our cash on hand is not sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least 12 months. We continually evaluate our working capital needs and we are seeking to obtain additional working capital through debt and equity offerings. There can be no assurance that additional funds will be available on acceptable terms. In the event that additional funds are not available on acceptable terms, we could be required to reduce the scope of or cease operations.

The most recent economic events resulting in a downturn of spending and credit shortage has severely curtailed our ability to raise financing in 2009. Betweeen June 2008 and October 2008, Iveda raised approximately $1.5 million through its private offering. Since then Iveda has raised a small amount of financing through short term loans. Investor interest in the company remains high in management's opinion but two main factors have increased its difficulty in raising funds. The economic slump has affected our potential investors’ businesses and personal financial situations, resulting in potential investors having less cash to invest overall, and due to the stock market downturn, reticence to liquidate old investments and make new investments. This economic condition could also affect the sales of Iveda's service as companies are cutting back on spending across the board. For instance, Iveda has experienced much longer sales cycles, especially in the public sector, in late 2008 and into 2009. Issuance of purchase orders by customers is also taking longer to occur following the closing of a sale by the sales team as many customers are experiencing lower revenues due to the economic downturn, which is reducing available funds for capital expenditures. However, Iveda's management is cautiously optimistic because Iveda does not need to sell camera equipment to provide our service. It can also target customers with existing camera systems. Iveda realizes that in tough economic times, companies avoid large capital expenditures. However, ultimately because Iveda is a service provider in the security industry rather than a seller of cameras and other products, management believes that companies still need to secure their properties regardless of the economy. Iveda offers an inexpensive, but effective alternative to security guards, with its real-time video surveillance service using existing camera systems. And even if the customer has to purchase cameras to enable Iveda's service, Iveda is still able to provide up to 50% savings compared to traditional security guard services. Iveda has fewer customers than was originally anticipated, and as a result, Iveda must continue to raise capital to continue operations and there is no assurance that it will be able to do so.

The Company's average monthly burn rate in the first quarter of 2009 was approximately $175,000. The Company implemented 10% to 41% salary cuts across the board in April 2009. The Company's average monthly burn rate in the second quarter of 2009 has been reduced to approximately $63,000. We expect this burn rate to be reduced further as on June 1, 2009, further drastic cuts were made. Hours and salaries of non-essential employees were cut up to 66% from salary levels before April 2009. Sales employees who are essential in generating sales and IT employees who are essential in maintaining our infrastructure retained full time status, but salaries were cut by up to 8%. Executive salaries were reduced by 41%. Only the salaries of intervention specialists (the employees monitoring our customers' properties) were not reduced. We have reduced our travel and marketing expenses to almost zero. These cuts have not dramatically reduced our ability to conduct sales activities because conference calls and emails have reduced the necessity of most face-to-face meetings. Our infrastructure allows us to do live demos of our hosting and real-time surveillance services over the Internet during a conference call. Results of sales and marketing campaigns in the last quarter and beginning of this year have resulted in a healthy sales pipeline, which our sales team is currently pursuing. If we are unable to raise funds and generate significant revenues, we will be forced to further cut costs, keeping only a skeleton crew to maintain our infrastructure and service our existing customers. A multi-step plan was adopted by management to enable Iveda to continue to operate and begin to report operating profits. The highlights of that plan include raising capital of approximately $750,000 and establishing distributor networks with existing companies to create a reseller network to increase the scope of the Company’s marketing activities at a relatively low cost to the Company. Iveda is also changing its messaging to align its offerings to a more widely accepted industry protocols, which management believes will provide a more mainstream understanding and acceptance of its unique service offering.

Revenues from Insurance Auto Auctions N. Hollywood represented approximately 13% of total revenues for the year ended December 31, 2008. The accounts receivable from the customer were $5,160 as of December 31, 2008. No other customers represented greater than 10% of total revenues for 2008. Revenues from Leisure World represented approximately 17% and Insurance Auto Auctions N. Hollywood represented approximately 13% of total revenues for the year ended December 31, 2007. The accounts receivable from these customers were $-0- as of December 31, 2007. No other customers represented greater than 10% of total revenues in 2007.

Substantially all cash is deposited in one financial institution. At times, amounts on deposit may be in excess of the FDIC insurance limit.

The Company leased its office facilities under a non-cancelable operating lease expiring August 2011 and requires minimum monthly payments ranging from $8,098 to $9,015. Rent expense was $77,008 for the year ended December 31, 2008. The Company also has non-cancellable data center services agreement for $6,110 per month, expiring September 2011. Data center services expense was $18,330 for the year ended December 31, 2008.

Future minimum lease payments under this lease are as follows:

Year Ending December 31,		
2009	$	173,862
2010	$	177,523
2011	$	121,838
Total	$	473,223

Management

Set forth below is certain information regarding our directors and executive officers. Our Board of Directors is comprised of three directors. There are no family relationships between any of our directors or executive officers. Each of our directors is elected to serve until our next annual meeting of our shareholders and until his or her successor is elected and qualified or until such director's earlier death, removal or termination. Our Board of Directors appoints our officers, and their terms of office are at the discretion of the Board of Directors.

Name	Age	Position
David Ly	33	CEO, President, Director
Luz Berg	47	Secretary, Senior VP of Operations & Marketing
Bob Brilon	48	Chief Financial Officer
Ray Palomaa	52	Director of Sales
Michael Religioso	31	Director of Online Services & Technology
Greg Omi	47	Director
Jody Bisson	52	Director

David Ly – David founded Iveda and has served as its President and CEO since inception. He has held positions with several major corporations, including Applications Engineer at Metricom, Inc. (from 1998 to 2001), Corporate Sales at Nextel Communications (from 2001 to 2002), Market Manager at Door To Door Storage (from 2001 to 2002), and B2B Sales Manager at T-Mobile USA (from 2002 to 2004). While at T-Mobile, his last position before preparing to found Iveda Solutions, he garnered the prestigious sales award of president's club top salesman. As the leader of Iveda Solutions, David continues to build key partnerships, direct business development, and assess and place key resources in the company to build momentum, direction, and ongoing success. He plays a key support and mentor role to senior staff members, ensures inter-department coordination, and heads up the development of the Iveda Solutions sales force. David received his Bachelor of Science Degree in Civil Engineering with a Minor in International Business from San Francisco State University. David underwent 7 years of ongoing Neuro Linguistic Programming (NLP) workshops and private mastery training in business leadership programs with an NLP master, Katin Imes of the Strozzi Institute.

Luz Berg – Luz started with Iveda Solutions as the VP of Marketing in November 2004 and now serves as Senior VP of Operations & Marketing, a position she has held since May 2007. Luz plays a crucial role in the overall support of Iveda's investor relations activities, HR, public relations, marketing, operations, finance, and has paved the way for Iveda's current partnerships and revenue generating possibilities. Luz has extensive experience in developing and implementing results-driven marketing communications plans for lead/sales generation, building brands, brand revitalization, and customer retention in a wide-range of industries. Luz has served as the Director of Marketing at Cygnus Business Media from 2003 to 2004 and at Penton Media from 2001 to 2003. She has also worked in the high-tech industry at Metricom, serving as Marketing Programs / Channel Marketing Manager from 1999 to 2001, and Spectra-Physics Lasers, serving as Marketing Communications Specialist from 1991 to 1999. Luz received her Bachelor of Arts degree in Management from St. Mary's College in CA.

Bob Brilon – Bob is the newest addition to the executive team of Iveda Solutions as the Chief Financial Officer, having joined Iveda in December 2008. Bob is best known for his entrepreneurial efforts with Go-Video (AMEX:VCR) from 1986 to 1993, maker of the first dual-deck VCR and most recently as the CEO/CFO for InPlay Technologies (Nasdaq:NPLA), formerly Duraswitch (Nasdaq:DSWT), from 1998 to 2007. He brings over 25 years of financial acumen to Iveda Solutions. Bob moved to Phoenix in 1983 while working with Ernst and Young and then joined Deloitte and Touche (working at both firms from 1982 to 1986), until he began his corporate career at Go-Video in 1986. Other positions held include CFO at Gietz Master Builders (from 1997 to 1998), Corporate Controller at Rental Service Corp. (NYSE:RRR) from 1995 to 1996, and CFO and VP of Operations at DataHand Systems, Inc. (from 1993 to 1995). He has substantial experience with domestic and international experience in investor relations, capital transactions, SEC reporting, financial and business analysis, merger and acquisition assessment, technology development, and P&L management. Bob attained a BBA at the University of Iowa and soon became a CPA with McGladrey Pullen in Dubuque, IA.

Ray Palomaa – Ray joined the Company in August 2008 as Director of Sales. Ray is a senior sales executive with a successful twenty five years of high-technology sales, business development, and channel management experience. Most recently, Ray was Vice President of Sales for National Accounts and Distribution at IQinVision (from 1999 to 2008), known for its megapixel IP cameras. As a founding member of IQinVision, he was instrumental in helping build the company into a market leader. His experience in the network video surveillance industry and reseller distribution channels is expected to help the Company build our sales organization. Prior to IQinVision, he served as West Region Sales Manager for Wyle Electronics (from 1988 to 1999), a $1.4 billion industrial distributor of electronic components and computer products out of Irvine, CA. There, he lead a team of over 40 sales and technical staff generating over $40 million in annual revenues. He also held positions of National Accounts Manager and Division Manager while at Wyle Electronics. Wyle was acquired by Arrow Electronics in August of 2000.

Michael Religioso – Prior to the Company's incorporation in 2005, Michael joined David in 2003 during its founding days to conduct research and development. He has served as the Company's Director of Systems Development since then. He has experience integrating new infrastructure and departmental systems as well as the development and implementation of key consumer and media online services. Highlights of Michael's career include an internship at NASA, employment at Classifieds 2000, Excite @Home from May 1998 to January 2001 as Content Production Engineer, Live Planet from January 2001 to November 2001 as Information Technology Developer, and Electronic Arts from February 2002 to February 2003 as Assistant Lead Tester. He engineered and supported network systems for Excite Online Classifieds Network, Blind Date Personals and Excite Shopping portals. He has experience in working with all areas of information technology and has held the positions of customer support engineer, quality assurance engineer, content production engineer, associate software engineer and group lead. He has managed groups and departments of up to 100 people. Michael holds a bachelor's degree in MIS from San Jose State University.

Greg Omi – Greg has served on Iveda's Board since 2005. Since 2006, he has been a programmer with Flektor, Inc., focusing on Flash 9 / Flex 2 / Action Script 3, C, XML and Ruby programming for a web application, including video and image processing. Flektor was acquired by FOX Interactive Media in 2007. From 1996 to 2006, Greg held the position of Senior Programmer with Naughty Dog, a computer game company, which was acquired by Sony. He has also held programming positions with 3DO (from 1992 to 1996), TekMagic (during 1992), Epyx (from 1986 to 1992), Atari (during 1991), Nexa (from 1982 to 1983 and 1985 to 1986) and HES (during 1983).

Jody Bisson - Jody joined the Iveda Board in 2008 and has over 25 years of financial leadership and business process transformation experience in the high tech and telecommunications industries managing Finance, HR, IT, Investor Relations, Facilities and Operations. Jody is currently consulting in interim CFO positions, and has served as interim CFO for Makeover Solutions, a private digital media company located in New York, since June of 2008. At Makeover Solutions, Jody is responsible for all finance, legal and HR activities. Prior to this, she was VP of Business Process Transformation and IT Program Management Office at Network Appliance (from 2006 to 2008), responsible for developing the company's initial business process transformation strategy, process cycles and metrics, implementation of significant process improvements and integrating the IT/business process roadmap. From May 2004 to September 2005, Jody was interim CFO for Network General, responsible for all finance, legal, and spin off transition activities of the company's $200M business with over 600 employees, operating in 23 countries. Upon the initial product launch of Good Technology, a private enterprise software company, Jody joined the company in 2002 as CFO until she left in 2004. She was responsible for all finance, operations and HR activities. In less than two years, the customer base grew from 7 reference accounts to over 1,600 revenue-generating enterprise customers. Prior to this position, Jody was VP of Finance for Juniper Networks (2001-2002), a $500+M company with 1000 employees, responsible for all financial activities including planning, strategy, analysis, reporting, corporate controllership, tax, treasury, facilities, OM, credit and collections, and financial systems. She directly managed approximately 75 employees. Other notable companies she worked for include Silicon Graphics (1994-1996) as Director of Corporate Planning and Reporting, Apple Computer (1986 to 1994) in various finance positions, Honeywell, Inc. (1983-1986) as Manager of International Planning and Analysis, and Price Waterhouse (1979-1983) as Senior Accountant, Audit. Ms. Bisson holds a B.S. degree in Accounting from Bemidji State University in Minnesota, is a Certified Public Accountant (inactive) and has attended MBA Executive Management Programs at Duke University and INSEAD in Fountainebleau, France. She is a former board member of NCWIT, Children's Discovery Museum and Avenues to Mental Health.

Executive Compensation

The following table sets forth, for the fiscal years ended December 31, 2008 and 2007, certain information regarding the compensation earned by the Company's named executive officers. No other executive officer received an annual salary and bonus for fiscal year 2008 and 2007 in excess of $100,000 with respect to services rendered by any of such persons to the Company and its subsidiaries.

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	(Salary) (c)	Bonus (d)	Stock Awards (e)	Option or Warrant Awards (f)	Non-Equity Incentive Plan Compen-sation (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (h)	All Other Compen-sation (i)	Total (j)
David Ly	2008	$ 108,600			$ 0				$ 108,600
CEO and President	2007	$ 70,000			$ 0				$ 70,000
Bob Brilon	2008	$ 0			$ 82,000(1)				$ 82,000
CFO	2007	$ 0			$ 0				$ 0
Luz Berg	2008	$ 104,434			$ 174,542(1)				$ 278,976
Senior VP of Operations & Marketing	2007	$ 60,000			$ 21,630(1)				$ 81,630
Ray Palomaa	2008	$ 48,558			$ 41,000(1)				$ 89,558
Director of Sales	2007	$ 0			$ 0				$ 0
Michael Religioso	2008	$ 61,384			$ 0				$ 61,384
Director of Online Services & Technology	2007	$ 47,000			$ 0				$ 47,000

(1) The fair value of each option and warrant granted is estimated on the date of grant using the Black-Scholes option-pricing model with weighted-average assumptions used for options and warrants granted.

Compensation of Directors

Directors have not historically received any compensation for their service on the Board, except for new members who will receive stock options. Directors may also receive compensation for other services provided to the Company.

Indemnification of Directors and Officers

The Company's Articles of Incorporation provide to directors and officers indemnification to the full extent provided by law, and provide that, to the extent permitted by Washington law, a director will not be personally liable for monetary damages to the Company or its shareholders for breach of his or her fiduciary duty as a director, except for liability for certain actions that may not be limited under Washington law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

Securities Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of the Iveda's common stock as of June 30, 2009 for (a) each person known by Iveda to be a beneficial owner of five percent or more of the outstanding common stock of the company, (b) each executive officer, director and nominee for director of the Company, and (c) all directors and executive officers of Iveda as a group. Iveda, as of June 30, 2009, had 9,009,304 shares of common stock outstanding, options to purchase 1,196,604 shares of common stock outstanding, and warrants to purchase 559,278 shares of common stock outstanding.

Name	Position	Shares of Common Stock	Options or Warrants to Purchase Common Stock	Percentage Prior to the Merger (1)	Percentage After the Merger (2)
David Ly (3)	CEO, Director, President	3,913,998	0	36.36%	33.71%
Luz Berg (3)	Senior VP, Secretary	0	922,183	8.57%	8.50%
Bob Brilon (3)	CFO	0	200,000	1.86%	1.72%
Ray Palomaa (3)	Director of Sales	0	100,000	0.93%	0.86%