

Teacher's Pet, Inc.
Form 10-K
April 01, 2010

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

FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 2009

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period from _____ to _____

Commission File Number: 333-138944

TEACHER'S PET, INC.
(Name of small business issuer in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

20-1681362
(I.R.S. employer identification number)

1052 Las Palmas Entrada
Henderson, Nevada
(Address of principal executive offices)

89012
(Zip code)

Issuer's telephone number: (702) 509-1176

Securities Registered Pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---------------------|---|
| None | None |

Securities Registered Pursuant to Section 12(g) of the Act:

None
(Title of class)

(Title of class)

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [X] No []

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

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

| | |
|-----------------------------|-------------------------------|
| Large accelerated filer [] | Accelerated filer [] |
| Non-accelerated filer [] | Smaller reporting company [X] |

(Do not check if a smaller reporting company)

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the most recent price at which the common equity was sold: \$22,026 as of March 31, 2010.

The number of shares outstanding of each of the issuer's classes of common equity, as of March 31, 2010 was 3,440,500.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

None.

Transitional Small Business Disclosure Format (Check one): Yes [] No [X]

TEACHER'S PET, INC.
FORM 10-K
For the year ended December 31, 2009

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FORWARD LOOKING STATEMENTS

This Annual Report contains forward-looking statements about our business, financial condition and prospects that reflect our management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Teacher's Pet's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand its customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify and qualify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

PART I

DESCRIPTION OF BUSINESS

Business Development and Summary

We were incorporated in the State of Nevada on September 17, 2004. Our business objective is to sell educational books, supplies and aides to teachers and schools.

Our administrative office is located at 1052 Las Palmas Entrada, Henderson, Nevada 89012.

Our fiscal year end is December 31.

Business of Issuer

Our products

Teacher's Pet, Inc. is in the business of selling educational materials, such as curriculum-based books, workbooks and other support materials, as well as educational computer software programs. Our target market consists primarily of elementary schools and teachers of grades kindergarten through sixth initially in the Phoenix, Arizona and Las Vegas, Nevada metropolitan areas. We also believe that parents who home-school their children may also be attracted to our proposed products. We believe that children may benefit from being exposing to educational stimuli at an early age outside the classroom environment.

It is our desire to provide teachers with the tools to create an effective classroom environment. We understand that a teacher's time is his or her most precious commodity. Even the simplest classroom management tasks can be time-consuming. Every minute spent on block-printing desktop name tags, composing welcome letters, writing behavior reports, devising and constructing activities, drawing diagrams, or creating any of the other forms, letters and work sheets teachers use every day is a minute lost to content-based planning and preparation. This lost time equates to less focused instruction for children and potentially lower academic achievement.

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Our business is concentrated in the educational products industry, which consists of educational school supplies and equipment for school and classroom use. We intend to offer a broad assortment of third-party developed products from publishers and manufacturers. These products will allow us to reach teachers and other education professionals looking for a diverse range of products to fulfill the educational needs of the children in their classroom and include, but are not limited to, the following:

1. Chapter books,
2. Educational videos,
3. Curriculum outlines,
4. Lesson planning guides and
5. Classroom management tools.

We do not manufacture, publish or otherwise produce any item. Instead, we purchase these items from outside sources. We have identified and begun to contact potential suppliers and manufacturers, including Carson Dellosa Publishing, Incentive Publications and Teacher Created Materials. Tracie Hadama, our sole officer and director, undertakes all merchandising activities.

Distribution Methods of Our Products

Our sales efforts are currently focused on establishing direct contact with educators and school administrators in the Las Vegas, Nevada and Phoenix, Arizona metropolitan areas. Lists of schools are readily available either on the Internet or in telephone books, which used to compile a database of potential marketing opportunities. Our direct sales methods encompass telephone contact and face-to-face visits by our sole officer and director. When we are required to fulfill customer orders, we will use general parcel services such as United Parcel Service, DHL and Federal Express.

Industry Background and Competition

The demand for educational products is fundamentally driven by the size of the preschool and elementary school-age population and levels of student enrollment. According to the U.S. Department of Education, the preprimary school-age population (consisting of children ages three to five) is expected to be approximately 11.6 million by 2007 and the elementary school-age population (consisting of children ages five to thirteen) is expected to be approximately 35.2 million that same year. We believe that, given the size of the preschool and elementary school-age populations and levels of student enrollment, the educational products industry will continue to experience significant demand in coming years.

The educational products industry is also dependent on the number of schools and teachers educating the preschool and elementary school-age populations. According to the U.S. Department of Education, in 2000, there were approximately 16,000 school districts, 92,000 elementary schools and 3.3 million elementary school teachers in the United States. Because the population of children is expected to remain high, we believe that these figures will not significantly decrease in the near future, and may increase as education professionals, school administrators and parents demand that classroom size be decreased in order for children to learn more effectively.

Academic research continues to highlight the importance of learning in the early age groups, i.e. ages one through seven, and the media is increasingly focusing on the importance of parental involvement during this critical stage of growth and brain development. We believe that parents are taking on an increasingly significant role in setting educational standards for their children's development. In their efforts to help their children learn, improve their children's standardized test scores and make learning fun, parents are increasingly selecting and purchasing a wide variety of educational products for their children to use at home. With thousands of educational products to choose from and few reliable sources of information, parents are faced with the challenge of finding quality educational products and selecting the right products for their children.

The market for educational supplies is very competitive, highly fragmented and is characterized by pricing pressures, brand awareness and recognition, as well as convenience, reliability and accessibility. Most of our competition exists on a local or regional basis, or are dedicated exclusively to operating via the Internet. We compete with many online and physical retailers, which can be divided into several groups:

1. Traditional store-based teacher's supply stores,
2. On-line only retailers,

3. On-line efforts of traditional store-based retailers and
4. Catalog retailers of educational materials.

We are a development stage company without a base of operations and lacking an ability to generate sales. As such, our competitive position is unfavorable in the general marketplace. Unless we begin to generate revenues, we will not be able to maintain our operations. Significantly all of our current and potential traditional competitors have longer operating histories, larger customer or user bases, greater brand recognition and significantly greater financial, marketing and other resources than we do. Our competitors may be able to secure products from vendors on more favorable terms, fulfill customer orders more efficiently and adopt more aggressive pricing or inventory availability policies than we can. Many of these current and potential competitors can devote substantially more resources to advertising and marketing campaigns than we will be able to.

Number of total employees and number of full time employees

We are currently in the development stage. During the development stage, we plan to rely exclusively on the services of our sole officer and director. There are no other full- or part-time employees.

Reports to Security Holders

1. We will furnish shareholders with annual financial reports certified by our independent registered public accountants.
2. We are a reporting issuer with the Securities and Exchange Commission. We file periodic reports, which are required in accordance with Section 15(d) of the Securities Act of 1933, with the Securities and Exchange Commission to maintain the fully reporting status.
3. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20002. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings will be available on the SEC Internet site, located at <http://www.sec.gov>.

RISK FACTORS

Our sole officer and director may be unable to develop our business and manage our public reporting requirements.

Our operations depend on the efforts of Tracie Hadama, our sole officer and director. Mrs. Hadama has no experience related to public company management, nor as a principal accounting officer. Because of this, we may be unable to develop and manage our business and public reporting requirements. We cannot guarantee you that we will overcome any such obstacle.

Investors may lose their entire investment if we fail to implement our business plan.

We have a limited operational history on which you can evaluate our business and prospects. Our prospects must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development. These risks include, without limitation, competition, the absence of ongoing revenue streams, inexperienced management and lack of brand recognition. Teacher's Pet cannot guarantee that we will be successful in accomplishing our objectives. To date, we have not generated any revenues from sales and expect to incur losses in the foreseeable future. If we fail to implement and create a base of operations for our proposed business of selling teacher's supplies, we may be forced to cease operations, in which case investors may lose their entire investment.

If we are unable to continue as a going concern, investors may face a complete loss of their investment.

We have no revenue generating ability and no significant base of operations. Taking these facts into account, our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern in the independent registered public accounting firm's report to the financial statements included in the registration statement, of which this prospectus is a part. If our business fails, investors may face a complete loss of their investment.

Teacher's Pet may not be able to attain profitability without additional funding, which may be unavailable.

We have limited capital resources. To date, we have not generated cash from our operations. Unless we begin to generate sufficient revenues from sales of our teacher's supplies to finance operations as a going concern, we may experience liquidity and solvency problems. Such liquidity and solvency problems may force us to go out of business if additional financing is not available. We have no intention of liquidating. In the event our cash resources are insufficient to continue operations, we intend to raise addition capital through offerings and sales of equity or debt securities. In the event we are unable to raise sufficient funds, we will be forced to go out of business and will be forced to liquidate. A possibility of such outcome presents a risk of complete loss of investment in our common stock.

Because of competitive pressures from competitors with more resources, Teacher's Pet may fail to implement its business model profitably.

The market for customers is intensely competitive and such competition is expected to continue to increase. We compete with many online and physical retailers that either specialize in selling teacher-specific materials or carry teaching supplies as a complementary offering to a larger variety of merchandise. Brick and mortar stores range in size from independently owned and operated stores catering to a limited geographic area to larger merchandisers serving multiple states, such as Learning Is Fun and Lakeshore Learning. Online retailers are numerous and typically include the large physical merchandisers, countless sites that target teachers and home-school families and website that sell a large amalgam of products, such as Amazon.com.

Generally, our actual and potential competitors have longer operating histories, greater financial and marketing resources, greater name recognition and an entrenched client base. Therefore, many of these competitors may be able to devote greater resources to attracting customers and preferred vendor pricing. There can be no assurance that our current or potential competitors will not stock comparable or superior products to those to we expect to offer. Increased competition could result in lower than expected operating margins or loss of market share, any of which would materially and adversely affect our business, results of operation and financial condition.

We may be unable to generate sales without sales, marketing or distribution capabilities.

We have no sales, marketing or distribution capabilities. We cannot guarantee that we will be able to develop a sales and marketing plan or to develop an effective chain of distribution. In the event we are unable to successfully implement these objectives, we may be unable to generate sales and operate as a going concern.

We may not be able to generate sales if certain schools or school administrators do not allow us to market directly to their teachers.

Our business objective is to sell educational books, aids and supplies directly to teachers and schools. However, particular schools, school districts or administrators may prevent us from marketing our proposed products directly to their population of educators. If we are unable to enter schools, we may not be able to generate awareness of our brand or proposed product offerings and may therefore be unable to generate sales. Additionally, if we cannot market directly through schools and school districts, we may be forced to allocate additional funds to marketing and advertising activities, which could harm our profitability and deplete our capital resources.

We may be unable to obtain sufficient quantities of quality merchandise on acceptable commercial terms because we do not have long-term distribution and manufacturing agreements.

We do not own or operate any manufacturing facilities. We rely primarily on product manufacturers and third-party distributors to supply the products we plan to offer. Our business would be seriously harmed if we were unable to develop and maintain relationships with suppliers and distributors that allow us to obtain sufficient quantities of quality merchandise on acceptable terms. We do not have long-term or exclusive arrangements with any vendor or distributor that guarantee the availability of products to us. Additionally, we may be unable to establish alternative sources of supply for our products to ensure delivery of merchandise in a timely and efficient manner or on terms acceptable to us. If we do not receive shipments in a timely manner, we may miss delivery deadlines, and our customers may subsequently cancel orders, refuse to accept deliveries or demand discounts. If we cannot obtain and stock our products at acceptable prices and on a timely basis, we may lose sales and our potential customers may take their purchases elsewhere.

Our revenue and gross margin could suffer if we fail to manage our inventory properly.

Our business depends on our ability to anticipate our needs for products and suppliers' ability to deliver sufficient quantities of products at reasonable prices on a timely basis. Given that we are in the development stage, we may be unable to accurately anticipate demand and manage inventory levels that could seriously harm us. If predicted demand is substantially greater than consumer purchases, there will be excess inventory. In order to secure inventory, we make advance payments to suppliers, or we may enter into non-cancelable commitments with vendors. If we fail to anticipate customer demand properly, a temporary oversupply could result in excess or obsolete inventory, which could adversely affect our gross margin.

If we experience problems in distribution and fulfillment, we could lose customers.

We will rely on third-party service and product fulfillment providers, such as Federal Express and United Parcel Service for shipments of our products from vendors to our facility and from our facility to consumers. We are therefore subject to risks, including employee strikes and inclement weather, associated with such shipment carriers' ability to provide delivery services to meet our shipping needs. In addition, if our primary shipment carriers fail to devote a sufficient number of employees or amount of space to us, our ability to deliver products in a timely manner could also be impaired. Our shipment carriers may also depend upon temporary employees to fulfill our needs during peak periods, and sufficient temporary employees may not be available to ensure timely deliveries. Failure or delays at any stage in the transport of our proposed products could result in cancelled sales or a loss of potential repeat purchases.

Failure by us to respond to changes in consumer preferences could result in lack of sales revenues and may force us out of business.

Any change in the preferences of our potential customers or preferred curricula that we fail to anticipate and adapt to could reduce the demand for the teacher's supplies we intend to sell. Decisions about our focus and the specific products we plan to offer are often made in advance of entering the marketplace. Failure to anticipate and respond to changes in consumer preferences and demands, as well as the curriculums of various school districts, could lead to, among other things, customer dissatisfaction, failure to attract demand for our proposed products and lower profit margins.

Teacher's Pet may lose its top management without employment agreements.

Our operations depend substantially on the skills and experience of Tracie Hadama, our sole officer and director. We have no other full- or part-time employees besides this individual. Furthermore, we do not maintain key man life insurance on this individual. Without an employment contract, we may lose Mrs. Hadama to other pursuits without a sufficient warning and, consequently, go out of business.

In the future, Mrs. Hadama may become involved in other business opportunities. We have not formulated a policy for the resolution of such conflicts. If we lose Mrs. Hadama to other pursuits without a sufficient warning we may, consequently, go out of business.

Because our common stock is deemed a low-priced "Penny" stock, an investment in our common stock should be considered high risk and subject to marketability restrictions.

Since our common stock is a penny stock, as defined in Rule 3a51-1 under the Securities Exchange Act, it will be more difficult for investors to liquidate their investment even if and when a market develops for the common stock. Until the trading price of the common stock rises above \$5.00 per share, if ever, trading in the common stock is subject to the penny stock rules of the Securities Exchange Act specified in rules 15g-1 through 15g-10. Those rules require broker-dealers, before effecting transactions in any penny stock, to:

1. Deliver to the customer, and obtain a written receipt for, a disclosure document;
2. Disclose certain price information about the stock;
3. Disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;
4. Send monthly statements to customers with market and price information about the penny stock; and

5. In some circumstances, approve the purchaser's account under certain standards and deliver written statements to the customer with information specified in the rules.

Consequently, the penny stock rules may restrict the ability or willingness of broker-dealers to sell the common stock and may affect the ability of holders to sell their common stock in the secondary market and the price at which such holders can sell any such securities. These additional procedures could also limit our ability to raise additional capital in the future.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the “penny stock” rules described above, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our internal controls may be inadequate, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

We have one individual performing the functions of all officers and directors. This individual caused the development of our internal control procedures and is responsible for monitoring and ensuring compliance with those procedures. As a result, our internal controls may be inadequate or ineffective, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

UNRESOLVED STAFF COMMENTS

None.

PROPERTIES

We use office space at 1052 Las Palmas Entrada, Henderson, Nevada 89012. Mrs. Hadama, our sole director and officer and a shareholder, is providing the office space at no charge to us. We believe that this arrangement is suitable given that our current operations are primarily administrative. We also believe that we will not need to lease additional administrative offices for at least the next 12 months. There are currently no proposed programs for the renovation, improvement or development of the facilities we currently use.

Our management does not currently have policies regarding the acquisition or sale of real estate assets primarily for possible capital gain or primarily for income. We do not presently hold any investments or interests in real estate, investments in real estate mortgages or securities of or interests in persons primarily engaged in real estate activities.

LEGAL PROCEEDINGS

No Director, officer, significant employee, or consultant of Teacher's Pet, Inc. has been convicted in a criminal proceeding, exclusive of traffic violations.

No Director, officer, significant employee, or consultant of Teacher's Pet, Inc. has been permanently or temporarily enjoined, barred, suspended, or otherwise limited from involvement in any type of business, securities or banking activities.

No Director, officer, significant employee, or consultant of Teacher's Pet, Inc. has been convicted of violating a federal or state securities or commodities law.

Teacher's Pet, Inc. is not a party to any pending legal proceedings.

No director, officer, significant employee or consultant of Teacher's Pet, Inc. has had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS MARKET INFORMATION FOR COMMON STOCK

Market information

There is no established public trading market for our securities and a regular trading market may not develop, or if developed, may not be sustained. A shareholder, in all likelihood, therefore, will not be able to resell his or her securities should he or she desire to do so when eligible for public resale. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops. We have no plans, proposals, arrangements or understandings with any person with regard to the development of a trading market in any of our securities.

Holdings

As of the date of this annual report, Teacher's Pet, Inc. has 3,440,500 shares of \$0.001 par value common stock issued and outstanding held by 33 shareholders of record. Our Transfer Agent is Pacific Stock Transfer, 500 E. Warm Springs Road, Suite 240 Las Vegas, Nevada 89123, phone (702) 361-3033.

Dividends

Teacher's Pet, Inc. has never declared or paid any cash dividends on its common stock. For the foreseeable future, TPET intends to retain any earnings to finance the development and expansion of its business, and it does not anticipate paying any cash dividends on its common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will be dependent upon then existing conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, business prospects and other factors that the board of directors considers relevant.

Recent Sales of Unregistered Securities

We have not sold any securities in the past three years, which were not registered under the Securities Act.

MANAGEMENT'S DISCUSSION AND PLAN OF OPERATIONS

Forward-Looking Statements

The statements contained in all parts of this document that are not historical facts are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, those relating to the following: the Company's ability to secure necessary financing; expected growth; future operating expenses; future margins; fluctuations in interest rates; ability to continue to grow and implement growth, and regarding future growth, cash needs, operations, business plans and financial results and any other statements that are not historical facts.

When used in this document, the words "anticipate," "estimate," "expect," "may," "plans," "project," and similar expressions are intended to be among the statements that identify forward-looking statements. Our results may differ significantly from the results discussed in the forward-looking statements. Such statements involve risks and uncertainties, including, but not limited to, those relating to costs, delays and difficulties related to the Company's dependence on its ability to attract and retain skilled managers and other personnel; the uncertainty of the Company's ability to manage and continue its growth and implement its business strategy; its vulnerability to general economic conditions; accuracy of accounting and other estimates; the Company's future financial and operating results, cash needs and demand for services; and the Company's ability to maintain and comply with permits and licenses; as well as other risk factors described in this Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those projected.

Background

We are in the business of selling products and providing services to assist teachers and parents further the education of children aged between kindergarten through sixth grade. Our target market consists primarily of elementary schools and teachers of grades kindergarten through sixth initially in the Phoenix, Arizona and Las Vegas, Nevada metropolitan areas. We also believe that parents who home-school their children may also be attracted to our proposed products. We believe that children may benefit from being exposing to educational stimuli at an early age outside the classroom environment.

Restated Financial Statements

In connection with our December 31, 2009 audit, we determined that there were errors in the accounting treatment and reported amounts in previously filed financial statements. As a result, we restated our financial statements for the year ended December 31, 2008 and the period from September 17, 2004 (Inception) to December 31, 2008. The adjustment is perpetuated by the \$997 impairment of our aggregate existing inventory, resulting in an increase in impairment expense for the year ended December 31, 2008 and the period from our inception on September 17, 2004 to December 31, 2008. Our adjustments did not affect our previously reported cash and cash equivalents balances in any period.

Management's Discussion and Analysis

We have not generated any revenues since our inception on September 17, 2004 to December 31, 2009, and have only incurred expenses related to the implementation and pursuit of our business objectives. As a result of our lack of revenues and ongoing operational expenses, we have incurred net losses for all periods since our inception. Expenses primarily consist of depreciation expense on our computer equipment and fees related to our public reporting obligations. Total operating expenses during the year ended December 31, 2009 were \$13,416, compared to \$7,836 in the year ended December 31, 2008. The increase in total expenses during the comparable periods from 2008 to 2009 is due primarily to our efforts to reinvigorate our business, through the hiring of third parties to assist and consult with various aspects of our business, such as advertising, merchandising and web strategy.

During the year ended December 31, 2008, our management reviewed inventory on hand and, based upon anticipated customer demand and an overall evaluation of the market for such similar products, we decided to impair all existing items in inventory. As such, we recorded a provision for inventory losses in the amount of \$1,510 to write down inventory. As a result of this impairment, we had no existing saleable inventory as of December 31, 2009 and 2008.

In the year period ended December 31, 2009, our net loss totaled \$13,416, compared to a net loss of \$9,346 in the year period ended December 31, 2008. We have not been profitable from our inception in 2004 through present 2009. There is significant uncertainty projecting future profitability due to our history of losses and lack of

revenues. We anticipate incurring ongoing operating losses for the foreseeable future and cannot provide any guidance otherwise. We have no recurring or guaranteed source of revenues and cannot predict when, if ever, we will become profitable. We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow. There is significant uncertainty projecting future profitability due to our minimal operating history and lack of guaranteed ongoing revenue streams.

In order for us to achieve profitability and support our planned ongoing operations, we believe that we must generate a minimum of approximately \$25,000 in sales per year. However, we cannot guarantee that we will generate any sales, let alone achieve that target. In our current state, we are unable to determine when, if ever, we will be able to realize any sales of our educational products. Personal discussions between our sole officer and director and educators in the primary and secondary grade levels have indicated financial stress has caused many teachers to reduce their expenditures on teaching materials and, in some cases, the money spent on daily classroom supplies. Given this non-scientific research data obtained through first-hand candid interviews, we believe our future business environment to be challenging, at best. As a result, we cannot guarantee that we will generate any sales, let alone achieve our target of \$25,000 in annual sales. Additionally, as we have no existing inventory, and inadequate capital to purchase additional inventory for sale, we do not expect to generate sufficient revenues to meet our expenses over the next 12 months.

Despite the challenges we expect to continue to face, our management remains steadfast in the belief that a child's education is the priority of all parents and teachers. Consequently, we are planning to initiate the following initiatives:

1. **Attain Financing:** Our cash on hand as of December 31, 2009 was \$2,194. We do not believe this is sufficient to support our ongoing minimal level of operations, nor to undertake the initiatives set forth hereto. Therefore, we plan to raise additional capital through sales of equity or debt instruments, or some derivation thereupon. We believe we require a minimum of \$20,000 to successfully attempt the business development program we have planned. Through the 12 months ended December 31, 2009, our sole officer and director donated cash of \$12,250 to support our operations. However, we cannot assure you that any additional financing can be obtained or, if obtained, that it will be on reasonable terms. In the event we are unable to obtain any additional funds, we will be unable to conduct further operations and, consequently, go out of business.
2. **Acquire Inventory:** Our sole officer and director has contacted various vendors, including, without limitation: Omni Products, Mirage International, Four Seasons Merchandise and Zhejiang Huangyan. Some, or all, of these vendors offer: flexible payment terms, the ability to drop-ship merchandise, low- or no-minimum order values and/or voluminous product catalogs. Upon obtaining sufficient financing, as set forth in initiative 1, above, we plan to begin to place purchase orders for saleable inventory. As mentioned, the bulk of potential suppliers have very lenient purchase requirements; thus, we expect to require no more than \$2,000, in funds with which to begin to purchase inventory.
3. **Establish a Website:** Previously, we relied upon word of mouth and personal sales to generate brand awareness and drive purchases. Obviously, that did not provide any measurable success. Therefore, we have reserved the domain www.eteacherspet.com, whereupon we plan to establish an e-commerce website. We currently have no pages published. Upon attaining sufficient financing, we plan to immediately begin development and publication of an operating e-commerce store. Due to the depressed economy and relatively plentiful amount of web developers in the marketplace, we expect to be able to establish a functional website for no more than \$3,000. However, numerous factors will influence the actual price paid for full development, such as complexity of the build, number of products to be listed and other variables we may not foresee.
4. **Develop a Sales and Marketing Strategy:** Upon establishing a presence on the web, we plan to develop a sales and marketing strategy to generate awareness of our brand and website. We believe this will be the single most difficult initiative, as we will have significantly limited control over its success. At this time, we plan to utilize Google AdWords, establish sales accounts with Amazon.com and/or Buy.com, as well as attempt to establish link exchanges to facilitate the development organic Internet traffic. This is our current strategy, though there can be no assurance that we will revise or develop a completely different plan. We anticipate allocating, based upon a \$20,000 financing commitment, up to \$5,000 toward our Internet marketing strategy.
5. **Identify and Appoint Additional Employees or Executives:** Our sole officer and director may not have sufficient experience or foresight to be able to direct every aspect of our business. We intend to seek additional personnel, to employ or appoint to executive officer status, that can provide additional expertise or, at a minimum, the ability to segregate responsibilities to have more effective internal controls. Unfortunately, the \$20,000 minimum financing amount is insufficient to complete this initiative. However, our sole officer and director believes she has contacts with educators or stay-at-home parents that could volunteer time or expertise to our operations on a part time basis until our finances permit hiring full-time or more qualified personnel.

There are no known trends, events or uncertainties, other than those disclosed heretofore, that have had or that are reasonably expected to have a material impact on our revenues from continuing operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following documents (pages F-1 to F-12) form part of the report on the Financial Statements

| | PAGE |
|--|------------|
| <u>Reports of Independent Registered Public Accounting Firms</u> | <u>F-1</u> |
| <u>Balance Sheets</u> | <u>F-2</u> |
| <u>Statements of Operations</u> | <u>F-3</u> |
| <u>Statement of Stockholders' Equity</u> | <u>F-4</u> |
| <u>Statements of Cash Flows</u> | <u>F-6</u> |
| <u>Footnotes</u> | <u>F-7</u> |

SEALE AND BEERS, CPAs
PCAOB & CPAB REGISTERED AUDITORS
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Teacher's Pet, Inc.
(A Development Stage Company)

We have audited the accompanying balance sheets of Teacher's Pet, Inc. (A Development Stage Company) as of December 31, 2009 and 2008 (restated), and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2009, 2008 (restated) and since inception on September 17, 2004 through December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conduct our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teacher's Pet, Inc. (A Development Stage Company) as of December 31, 2009 and 2008 (restated), and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2009, 2008 (restated) and since inception on September 17, 2004 through December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has an accumulated deficit of \$38,018 and has earned no revenues since inception, which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Seale and Beers, CPAs

Seale and Beers, CPAs
Las Vegas, Nevada
March 29, 2010

50 S. Jones Blvd. Suite 202 Las Vegas, NV 89107 Phone: (888)727-8251 Fax: (888)782-2351

Teacher's Pet, Inc.
(a Development Stage Company)
Balance Sheets

| | December 31, | |
|---|--------------|-----------|
| | 2009 | 2008 |
| | (RESTATED) | |
| Assets | | |
| Current assets: | | |
| Cash | \$2,194 | \$ 694 |
| Inventory | - | - |
| Total current assets | 2,194 | 694 |
| Computer equipment, net of accumulated depreciation of \$4,192 and \$3,076 as of 12/31/09 and 12/31/08, respectively | 614 | 1,730 |
| | \$2,808 | \$ 2,424 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$1,550 | \$ - |
| Total current liabilities | 1,550 | - |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value, 75,000,000 shares authorized, 3,440,500 shares issued and outstanding | 3,441 | 3,441 |
| Additional paid-in capital | 35,835 | 23,585 |
| (Deficit) accumulated during development stage | (38,018) | (24,602) |
| Total stockholders' equity | 1,258 | 2,424 |
| Total liabilities and stockholders' equity | \$2,808 | \$ 2,424 |

The accompanying notes are an integral part of these financial statements.

Teacher's Pet, Inc.
(a Development Stage Company)
Statements of Operations

| | For the years ended December 31, | | September 17, 2004 (Inception) to December 31, 2009 |
|---|-------------------------------------|--------------------|--|
| | 2009 | 2008 (RESTATED) | |
| Revenue | \$- | \$ - | \$- |
| Expenses: | | | |
| Depreciation expense | 1,116 | 1,116 | 4,192 |
| General and administrative expenses | 12,300 | 6,720 | 32,312 |
| Total expenses | 13,416 | 7,836 | 36,504 |
| (Loss) before provision for income taxes | (13,416) | (7,836) | (36,504) |
| Other expenses: | | | |
| Interest expense | - | - | (4) |
| Impairment of inventory | - | (1,510) | (1,510) |
| Total other expenses | - | (1,510) | (1,514) |
| (Loss) before provision for income taxes | (13,416) | (9,346) | (38,018) |
| Provision for income taxes | - | - | - |
| Net (loss) | \$(13,416) | \$ (9,346) | \$(38,018) |
| Weighted average number of | | | |
| common shares outstanding - basic and fully diluted | 3,440,500 | 3,440,500 | |
| Net (loss) per share-basic and fully diluted | \$(0.00) | \$ (0.00) | |

The accompanying notes are an integral part of these financial statements.

Teacher's Pet, Inc.
(a Development Stage Company)
Statement of Stockholders' Equity

| | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Subscriptions Receivable | (Deficit) Accumulated During Development Stage | Total Stockholders' Equity |
|------------------------------------|------------------------|------------------------|----------------------------------|-----------------------------|--|----------------------------------|
| September 2004 | | | | | | |
| Founder shares issued for cash | 1,400,000 | \$1,400 | \$- | \$ - | \$ - | \$ 1,400 |
| September 2004 | | | | | | |
| Donated capital | - | - | 200 | - | - | 200 |
| October 2004 | | | | | | |
| Founders shares issued for cash | 1,600,000 | 1,600 | 1,800 | - | - | 3,400 |
| Net (loss) | | | | | | |
| For the period | | | | | | |
| September 17, 2004 | | | | | | |
| (inception) to December | | | | | | |
| 31, 2004 | - | - | - | - | (637) | (637) |
| Balance, December 31, | | | | | | |
| 2004 | 3,000,000 | 3,000 | 2,000 | - | (637) | 4,363 |
| December 2005 | | | | | | |
| Private placement | 160,500 | 161 | 7,865 | - | - | 8,026 |
| December 2005 | | | | | | |
| Subscriptions receivable | 160,000 | - | - | 8,000 | - | 8,000 |
| Net (loss) | | | | | | |
| For the year ended | | | | | | |
| December 31, 2005 | - | - | - | - | (669) | (669) |
| Balance, December 31, | | | | | | |
| 2005 | 3,320,500 | 3,161 | 9,865 | 8,000 | (1,306) | 19,720 |
| January 2006 | | | | | | |
| Cash paid for | | | | | | |
| subscriptions | | | | | | |
| receivable | - | 160 | 7,840 | (8,000) | - | - |
| May 2006 | | | | | | |

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| | | | | | | |
|-----------------------|-----------|-------|--------|---|----------|----------|
| Private placement | 120,000 | 120 | 5,880 | - | - | 6,000 |
| Net (loss) | | | | | | |
| For the year ended | | | | | | |
| December 31, 2006 | - | - | - | - | (4,949) | (4,949) |
| Balance, December 31, | | | | | | |
| 2006 | 3,440,500 | 3,441 | 23,585 | - | (6,255) | 20,771 |
| Net (loss) | | | | | | |
| For the year ended | | | | | | |
| December 31, 2007 | - | - | - | - | (9,001) | (9,001) |

The accompanying notes are an integral part of these financial statements.

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Teacher's Pet, Inc.
(a Development Stage Company)
Statement of Stockholders' Equity (continued)

| | | | | | | |
|----------------------------|-----------|---------|----------|-----|-------------|-----------|
| Balance, December 31, 2007 | 3,440,500 | \$3,441 | \$23,585 | \$- | \$(15,256) | \$11,770 |
| Net (loss) | | | | | | |
| For the year ended | | | | | | |
| December 31, 2008 | - | - | - | - | (8,349) | (8,349) |
| Balance, December 31, 2008 | 3,440,500 | \$3,441 | \$23,585 | \$- | \$(23,605) | \$3,421 |
| April 2009 | | | | | | |
| Donated capital | - | - | 3,250 | - | - | 3,250 |
| July 2009 | | | | | | |
| Donated capital | - | - | 2,500 | - | - | 2,500 |
| December 2009 | | | | | | |
| Donated capital | - | - | 6,500 | - | - | 6,500 |
| Net (loss) | | | | | | |
| For the year ended | | | | | | |
| December 31, 2009 | - | - | - | - | (13,416) | (13,416) |
| Balance, December 31, 2009 | 3,440,500 | \$3,441 | \$35,835 | \$- | \$(38,018) | \$1,258 |

The accompanying notes are an integral part of these financial statements.

Teacher's Pet, Inc.
(a Development Stage Company)
Statements of Cash Flows

| | For the years ended | | September |
|--|---------------------|-------------|-------------|
| | December 31, | | 17, 2004 |
| | 2009 | 2008 | (Inception) |
| | | (RESTATED) | to |
| | | | December |
| | | | 31, 2009 |
| Operating activities | | | |
| Net (loss) | \$(13,416) | \$ (9,346) | \$(38,018) |
| Adjustments to reconcile net (loss) to | | | |
| net cash (used) by operating activities: | | | |
| Depreciation | 1,116 | 1,116 | 4,192 |
| Changes in operating assets and liabilities: | | | |
| Decrease in inventory | - | 1,510 | - |
| Increase (decrease) in accounts payable | 1,550 | (2,522) | 1,550 |
| Net cash (used) by operating activities | (10,750) | (9,242) | (32,276) |
| Investing activities | | | |
| Purchase of fixed assets | - | - | (4,806) |
| Net cash (used) by investing activities | - | - | (4,806) |
| Financing activities | | | |
| Donated capital | 12,250 | - | 12,450 |
| Issuances of common stock | - | - | 26,826 |
| Common stock subscribed | - | - | - |
| Net cash provided by financing activities | 12,250 | - | 39,276 |
| Net increase in cash | 1,500 | (9,242) | 2,194 |
| Cash – beginning | 694 | 9,936 | - |
| Cash – ending | \$2,194 | \$ 694 | \$2,194 |
| Supplemental disclosures: | | | |
| Interest paid | \$- | \$ - | \$- |
| Income taxes paid | \$- | \$ - | \$- |

The accompanying notes are an integral part of these financial statements.

Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 1 – History and organization of the company

The Company was organized September 17, 2004 (Date of Inception) under the laws of the State of Nevada, as Teacher's Pet, Inc. The Company is authorized to issue up to 75,000,000 shares of its common stock with a par value of \$0.001 per share.

The business of the Company is to sell supplies for teachers via the Internet. The Company has limited operations and in accordance with FASB ASC 915-10, "Development Stage Entities," the Company is considered a development stage company.

Note 2 – Restatement of financial statements

In connection with the preparation of the Company's audited financial statements for the year ended December 31, 2009, the Company determined that there were errors in accounting treatment and reported amounts in its previously filed financial statements. As a result, the Company determined to restate its financial statements for the year ended December 31, 2008 and the period from September 17, 2004 (Inception) to December 31, 2008. The restatements are included in this Annual Report on Form 10-K.

These restated financial statements include adjustments related primarily to the following:

Inventory and Impairment Expense. The Company has restated its December 31, 2008 financial statements to reflect the impairment of existing inventory. The resulting impairment expense totaled \$1,510 during the year ended December 31, 2008 and for the period from September 17, 2004 (Inception) to December 31, 2008. Resultantly, inventory has been restated down to its net realizable value of \$0 as of December 31, 2008.

The foregoing adjustments did not affect the Company's previously reported cash and cash equivalents balances in prior periods. The following tables present the effect of the restatement adjustments by financial statement line item for the Balance Sheet, Statements of Operations and Statements of Cash Flows.

Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 2 – Restatement of financial statements (continued)

Balance Sheet as of December 31, 2008

| | As of December 31, 2008 | | |
|---|----------------------------|-------------|----------------|
| | As Previously Stated | Adjustments | As Restated |
| Assets | | | |
| Current assets: | | | |
| Cash | \$694 | \$ - | \$694 |
| Inventory | 997 | (997) | - |
| Total current assets | 1,691 | (997) | 694 |
| Fixed assets, net | 1,730 | - | 1,730 |
| Total assets | \$3,421 | \$ (997) | \$2,424 |
| Liabilities and Stockholders' Equity | | | |
| Current liabilities: | | | |
| Accounts payable | \$- | \$ - | \$- |
| Total current liabilities | - | - | - |
| Stockholders' equity | | | |
| Common stock, \$0.001 par value, 75,000,000 shares authorized, 3,440,500 shares issued and outstanding | 3,441 | - | 3,441 |
| Additional paid-in capital | 23,584 | - | 23,584 |
| (Deficit) accumulated during development stage | (23,605) | (997) | (24,602) |
| Total stockholders' equity | 3,421 | (997) | 2,424 |
| Total liabilities and stockholders' equity | \$3,421 | \$ (997) | \$2,424 |

Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 2 – Restatement of financial statements (continued)

Statements of Operations for the year ended December 31, 2008 and for the period from September 17, 2004 (Inception) to December 31, 2008

| | For the year ended December 31, 2008 | | | September 17, 2004 (Inception) to December 31, 2008 | | |
|--|---|-------------|----------------|--|-------------|----------------|
| | As Previously | | As Restated | As Previously | | As Restated |
| | Stated | Adjustments | | Stated | Adjustments | |
| Revenue | \$- | \$ - | \$- | \$- | \$ - | \$- |
| Expenses: | | | | | | |
| Depreciation | 1,116 | - | 1,116 | 3,076 | - | 3,076 |
| General and administrative expenses | 6,720 | - | 6,720 | 20,012 | - | 20,012 |
| Total expenses | 7,836 | - | 7,836 | 23,088 | - | 23,088 |
| Operating Loss | (7,836) | - | (7,836) | (23,088) | - | (23,088) |
| Other expenses: | | | | | | |
| Interest expense | - | - | - | (4) | - | (4) |
| Impairment of inventory | (513) | (997) | (1,510) | (513) | (997) | (1,510) |
| Total other expenses | (513) | (997) | (1,510) | (517) | (997) | (1,514) |
| (Loss) before provision for income taxes | (8,349) | (997) | (9,346) | (23,605) | (997) | (24,602) |
| Provision for income taxes | - | - | - | - | - | - |
| Net (loss) | \$(8,349) | \$(997) | \$(9,346) | \$(23,605) | \$(997) | \$(24,602) |
| Weighted average number of common shares outstanding | | | | | | |
| – basic and fully diluted | 3,440,500 | - | 3,440,500 | | | |
| Net (loss) per share | | | | | | |

– basic and fully diluted \$(0.00) \$ (0.00) \$(0.00)

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 2 – Restatement of financial statements (continued)

Statements of Cash Flows for the year ended December 31, 2008 and for the period from September 17, 2004 (Inception) to December 31, 2008

| | For the year ended December 31, 2008 | | | September 17, 2004 (Inception) to December 31, 2008 | | |
|---|---|-------------|----------------|--|-------------|----------------|
| | As Previously | | As Restated | As Previously | | As Restated |
| | Stated | Adjustments | | Stated | Adjustments | |
| Operating activities | | | | | | |
| Net (loss) | \$(8,349) | \$ (997) | \$(8,349) | \$(23,605) | \$ (997) | \$(24,602) |
| Adjustments to reconcile net (loss) to net cash (used) by operating activities: | | | | | | |
| Subscriptions receivable | | | | | | |
| Depreciation | 1,116 | - | 1,116 | 3,076 | - | 3,076 |
| Changes in operating assets and liabilities: | | | | | | |
| (Increase) decrease in inventory | 513 | 997 | 1,510 | (997) | 997 | - |
| Increase in accounts payable | (2,522) | - | (2,522) | - | - | - |
| Net cash (used) by operating activities | (9,242) | - | (9,242) | (21,526) | - | (21,526) |
| Investing activities | | | | | | |
| Purchase of fixed assets | - | - | - | (4,806) | - | (4,806) |
| Net cash (used) by investing activities | - | - | - | (4,806) | - | (4,806) |
| Financing activities | | | | | | |
| Donated capital | - | - | - | 200 | - | 200 |
| Issuances of common stock | - | - | - | 26,826 | - | 26,826 |
| Common stock subscribed | - | - | - | - | - | - |
| Net cash provided by financing activities | - | - | - | 27,026 | - | 27,026 |

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| | | | | | | |
|--|----------|------|----------|-------|------|-------|
| Net increase (decrease) in cash | (9,242) | - | (9,242) | 694 | - | 694 |
| Cash – beginning | 9,936 | - | 9,936 | - | - | - |
| Cash – ending | \$694 | \$ - | \$694 | \$694 | \$ - | \$694 |
| Supplemental disclosures: | | | | | | |
| Interest paid | \$- | \$ - | \$- | \$- | \$ - | \$- |
| Income taxes paid | \$- | \$ - | \$- | \$- | \$ - | \$- |
| Non-cash transactions: | | | | | | |
| Subscriptions receivable | \$- | \$ - | \$- | \$- | \$ - | \$- |
| Number of shares issued for subscriptions receivable | - | - | - | - | - | - |

As a result of the aforementioned restatement the related disclosures included in the notes to the consolidated financial statements have been revised.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 3 – Accounting policies and procedures

Year end

The Company has adopted December 31 as its fiscal year end.

Use of estimates

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

Cash and cash equivalents

The Company maintains a cash balance in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2009 and 2008.

Concentrations of Risks: Cash Balances

The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation (FDIC). This government corporation insured balances up to \$100,000 through October 13, 2008. As of October 14, 2008 all non-interest bearing transaction deposit accounts at an FDIC-insured institution, including all personal and business checking deposit accounts that do not earn interest, are fully insured for the entire amount in the deposit account. This unlimited insurance coverage is temporary and will remain in effect for participating institutions until December 31, 2009.

All other deposit accounts at FDIC-insured institutions are insured up to at least \$250,000 per depositor until December 31, 2009. On January 1, 2010, FDIC deposit insurance for all deposit accounts, except for certain retirement accounts, will return to at least \$100,000 per depositor. Insurance coverage for certain retirement accounts, which include all IRA deposit accounts, will remain at \$250,000 per depositor.

Revenue recognition

The Company's financial statements are prepared under the accrual method of accounting. The Company recognizes revenue primarily from the sale of teaching materials and supplies. The Company recognizes revenue from product sales when the products are sold, shipped and title passes to the purchaser. Revenues are recognized in the period the products are sold and costs are recorded in the period incurred, rather than paid. Based on historical data, the Company does not anticipate returns and therefore does not provide an allowance for returns or refunds.

Advertising costs

The Company expenses all costs of advertising as incurred. There were no advertising costs included in selling, general and administrative expenses for the years ended December 31, 2009 and 2008.

Loss per share

Net loss per share is provided in accordance with FASB ASC 260-10, "Earnings per Share". Basic loss per share is computed by dividing losses available to common stockholders by the weighted average number of common shares

outstanding during the period. Diluted income (loss) per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive. The Company had no dilutive common stock equivalents, such as stock options or warrants as of December 31, 2009 and 2008.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 3 – Accounting policies and procedures (continued)

Equipment

Property and equipment are recorded at historical cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The Company uses other depreciation methods (generally accelerated) for tax purposes where appropriate. The estimated useful lives for significant property and equipment categories are as follows:

| | |
|--------------------|---------|
| Computer Equipment | 3 years |
|--------------------|---------|

The Company reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment there was no impairment as December 31, 2009 and 2008.

Impairment of long-lived assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. No such impairments have been identified by management at December 31, 2009 and 2008.

Inventory

Inventories consist of merchandise held for sale in the ordinary course of business, including cost of freight and other miscellaneous acquisition costs, and are stated at the lower of cost, or market determined on the first-in-first-out basis. The Company records a write-down for inventories which have become obsolete or are in excess of anticipated demand or net realizable value. The Company performs a detailed review of inventory each period that considers multiple factors including demand forecasts, market conditions, product life cycle status, product development plans and current sales levels. If future demand or market conditions for the Company's products are less favorable than forecasted or if unforeseen changes negatively impact the utility of the Company's inventory, it may be required to record additional write-downs which would negatively impact gross margins in the period when the write-downs are recorded. If actual market conditions are more favorable, the Company may have higher gross margins when products incorporating inventory that was previously written down are sold.

During the year ended December 31, 2008, management conducted a thorough review of the inventory in all of its product lines. As a result, a provision for inventory losses of \$1,510 was charged against operations in 2008 to write down inventory to its net realizable value. This was based on the Company's best estimates of product sales prices and customer demand patterns, and its plans to transition its products. It is at least reasonably possible that the estimates used by the Company to determine its provision for inventory losses will materially differ from the actual amounts

or results. These differences could result in materially higher than expected inventory provisions, which could have a materially adverse effect on the Company's results of operations and financial condition in the near term.

Fair value of financial instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2009 and 2008. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 3 – Accounting policies and procedures (continued)

Cost of Goods Sold

Cost of goods sold consists of the purchase price of products sold, inbound and outbound shipping charges, packaging supplies and costs associated with revenues and marketplace business. The purchase price of the products, outbound shipping charges and the cost of tangible supplies used to package products for shipment to customers totaled \$0 during the years ended December 31, 2009 and 2008.

Income Taxes

The Company follows FASB ASB 740-10, "Income Taxes" for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

Loss per share

Net loss per share is provided in accordance with FASB ASC 260-10 "Earnings Per Share". Basic loss per share is computed by dividing losses available to common stockholders by the weighted average number of common shares outstanding during the period. The Company had no dilutive common stock equivalents, such as stock options or warrants as of December 31, 2009 and 2008.

General and administrative expenses

The significant components of general and administrative expenses consist of meals and entertainment expenses, legal and professional fees, outside services, office supplies, postage, and travel expenses.

Segment reporting

The Company follows FASB ASC 220-10, "Comprehensive Income". The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid or declared since inception.

Recent pronouncements

In June 2009, the FASB issued SFAS No. 168 (ASC Topic 105), "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162" ("SFAS No. 168"). Under SFAS No. 168 the "FASB Accounting Standards Codification" ("Codification") will become the source of authoritative US GAAP to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. SFAS No. 168 is effective for the Company's interim quarterly period beginning July 1, 2009. The Company does not expect the adoption of SFAS No. 168 to have an impact on the financial statements.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 3 – Accounting policies and procedures (continued)

Recent pronouncements (continued)

In June 2009, the FASB issued SFAS No. 166, (ASC Topic 860) “Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140” (“SFAS 166”). The provisions of SFAS 166, in part, amend the derecognition guidance in FASB Statement No. 140, eliminate the exemption from consolidation for qualifying special-purpose entities and require additional disclosures. SFAS 166 is effective for financial asset transfers occurring after the beginning of an entity’s first fiscal year that begins after November 15, 2009. The Company does not expect the provisions of SFAS 166 to have a material effect on the financial position, results of operations or cash flows of the Company.

In April 2009, the FASB issued SFAS No. 164, (ASC Topic 810) “Not-for-Profit Entities: Mergers and Acquisitions – including an amendment of FASB Statement No. 142” (“SFAS 164”). The provisions of SFAS 164 provide guidance on accounting for a combination of not-for-profit entities either via merger or acquisition. SFAS 164 is effective for mergers occurring on or after the beginning of an initial reporting period beginning on or after December 15, 2009 and acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. The Company does not expect the provisions of SFAS 164 to have a material effect on the financial position, results of operations or cash flows of the Company.

In June 2009, the Securities and Exchange Commission’s Office of the Chief Accountant and Division of Corporation Finance announced the release of Staff Accounting Bulletin (SAB) No. 112. This staff accounting bulletin amends or rescinds portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and Securities and Exchange Commission rules and regulations. Specifically, the staff is updating the Series in order to bring existing guidance into conformity with recent pronouncements by the Financial Accounting Standards Board, namely, Statement of Financial Accounting Standards No. 141 (revised 2007) (ASC Topic 805), Business Combinations, and Statement of Financial Accounting Standards No. 160 (ASC Topic 810), Non-controlling Interests in Consolidated Financial Statements. The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission's official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

The Company has evaluated the following recent pronouncements and standards and has determined that, upon adoption, there will be no impact on the Company’s financial statements and reporting:

- In February 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-08 (ASU 2010-08), Technical Corrections to Various Topics.
- In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-06 (ASU 2010-06), Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements.
- In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-07 (ASU 2010-07), Not-for-Profit Entities (Topic 958): Not-for-Profit Entities: Mergers and Acquisitions.
- In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-05 (ASU 2010-05), Compensation – Stock Compensation (Topic 718).

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- In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-04 (ASU 2010-04), Accounting for Various Topics—Technical Corrections to SEC Paragraphs.
- In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-03 (ASU 2010-03), Extractive Activities—Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures.
- In January 2010, the FASB issued Accounting Standards Update 2010-02, Consolidation (Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 3 – Accounting policies and procedures (continued)

Recent pronouncements (continued)

- In January 2010, the FASB issued Accounting Standards Update 2010-01, Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash (A Consensus of the FASB Emerging Issues Task Force).
- In December 2009, the FASB issued Accounting Standards Update 2009-17, Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 167. (See FAS 167 effective date below).
- In December 2009, the FASB issued Accounting Standards Update 2009-16, Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets. This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 166. (See FAS 166 effective date below)
- In October 2009, the FASB issued Accounting Standards Update 2009-15, Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing. This Accounting Standards Update amends the FASB Accounting Standard Codification for EITF 09-1. (See EITF 09-1 effective date below).
- In October 2009, the FASB issued Accounting Standards Update 2009-14, Software (Topic 985): Certain Revenue Arrangements That Include Software Elements.
- In October 2009, the FASB issued Accounting Standards Update 2009-13, Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements.
- In September 2009, the FASB issued Accounting Standards Update 2009-12, Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).
- In July 2009, the FASB ratified the consensus reached by EITF (Emerging Issues Task Force) issued EITF No. 09-1, (ASC Topic 470) “Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance” (“EITF 09-1”).
- In June 2009, the FASB issued SFAS No. 167 (ASC Topic 810), “Amendments to FASB Interpretation No. 46(R) (“SFAS 167”).
- In September 2008, the FASB issued exposure drafts that eliminate qualifying special purpose entities from the guidance of SFAS No. 140 (ASC Topic 860), “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,” and FASB Interpretation 46 (ASC Topic 810) (revised December 2003), “Consolidation of Variable Interest Entities – an interpretation of ARB No. 51 (ASC Topic 810),” as well as other modifications.

Note 4 - Going concern

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The Company had an accumulated deficit of \$38,018. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In the event additional capital is required, the President of the Company has agreed to provide funds over the next twelve-month period, as may be required. However, the Company is dependent upon its ability, and will continue to attempt, to secure equity and/or debt financing. The Company is contemplating conducting an offering of its debt or equity securities to obtain additional operating capital. The Company is dependent upon its ability, and will continue to attempt, to secure equity and/or debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

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Teacher's Pet, Inc.
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Notes to Financial Statements
December 31, 2009

Note 4 - Going concern (continued)

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Note 5 – Impairment of Assets

During the year ended December 31, 2008, management conducted a thorough review of the inventory in all of its product lines. As a result, a provision for inventory losses of \$1,510 was charged against operations in 2008 to write down inventory to its net realizable value. This was based on the Company's best estimates of product sales prices and customer demand patterns, and its plans to transition its products. It is at least reasonably possible that the estimates used by the Company to determine its provision for inventory losses will materially different from the actual amounts or results. These differences could result in materially higher than expected inventory provisions, which could have a materially adverse effect on the Company's results of operations and financial condition in the near term.

Note 6 – Fixed assets

Fixed assets as of consisted of the following:

| | December 31, | |
|--------------------------|--------------|----------|
| | 2009 | 2008 |
| Computer equipment | \$4,806 | \$4,806 |
| Accumulated depreciation | (4,192) | (3,076) |
| | \$614 | \$1,730 |

During the years ended December 31, 2009 and 2008, the Company recorded depreciation expense of \$1,116 and \$1,116, respectively.

Note 7 – Income taxes

For the years ended December 31, 2009 and 2008, the Company incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2009 and 2008, the Company had approximately \$38,018 and \$24,602 of federal and state net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2024. The provision for income taxes consisted of the following components for the year ended December 31:

Components of net deferred tax assets, including a valuation allowance, are as follows at December 31:

| | December 31, | |
|--|--------------|------|
| | 2009 | 2008 |

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Deferred tax assets:

| | | |
|----------------------------------|-----------|----------|
| Net operating loss carryforwards | 13,306 | 8,610 |
| Valuation allowance | (13,306) | (8,610) |
| Total deferred tax assets | \$-0- | \$-0- |

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 7 – Income taxes (continued)

The valuation allowance for deferred tax assets as of December 31, 2009 and 2008 was \$13,306 and \$8,610, respectively. In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. Management considers the scheduled reversals of future deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets would not be realized as of December 31, 2009 and 2008, and recorded a full valuation allowance.

Reconciliation between the statutory rate and the effective tax rate is as follows at December 31, 2009:

| | 2009 & 2008 |
|--------------------------------|-------------|
| Federal statutory tax rate | (35.0)% |
| Permanent difference and other | 35.0% |

Note 8 – Stockholders' equity

The Company is authorized to issue 75,000,000 shares of its \$0.001 par value common stock. The company has only one class of stock. All rights and privileges normally associated with stock ownership are vested in that single class of stock.

On September 17, 2003, the Company issued 1,400,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$1,400.

On September 30, 2004, the sole officer and director of the Company paid for expenses on our behalf in the amount of \$200. The entire amount is donated and has been recorded as additional paid-in capital.

On October 17, 2004, the Company issued 1,600,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$3,400.

Through December 2005, the Company issued 320,500 shares of its \$0.001 par value common stock for total cash of \$16,025 in a private placement pursuant to Regulation D, Rule 505, of the Securities Act of 1933, as amended. In addition, there were subscriptions receivable in the amount of \$8,000 for 160,000 shares of par value common stock.

In May 2006, the Company issued 120,000 shares of its par value common stock for total cash of \$6,000 in a private placement pursuant to Regulation D, Rule 505, of the Securities Act of 1933, as amended.

On April 3, 2009, the sole officer and director of the Company donated cash in the amount of \$3,250. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

On July 2, 2009, the sole officer and director of the Company donated cash in the amount of \$2,500. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

On December 14, 2009, the sole officer and director of the Company donated cash in the amount of \$6,500. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

As of December 31, 2009, there have been no other issuances of common stock.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Financial Statements
December 31, 2009

Note 9 – Warrants and options

As of December 31, 2009 and 2008, there were no warrants or options outstanding to acquire any additional shares of common stock.

Note 10 – Related party transactions

On September 17, 2003, the Company issued 1,400,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$1,400.

On September 30, 2004, the sole officer and director of the Company paid for expenses on our behalf in the amount of \$200. The entire amount is donated and has been recorded as additional paid-in capital.

On October 17, 2004, the Company issued 1,600,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$3,400.

On April 3, 2009, the sole officer and director of the Company donated cash in the amount of \$3,250. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

On July 2, 2009, the sole officer and director of the Company donated cash in the amount of \$2,500. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

On December 14, 2009, the sole officer and director of the Company donated cash in the amount of \$6,500. The entire amount was donated, is not expected to be repaid and has been recorded as additional paid-in capital.

The Company does not lease or rent any property. Office services are provided without charge by an officer and director of the Company. Such costs are immaterial to the financial statements and, accordingly, have not been reflected therein. The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

Note 11 – Subsequent Events

The Company has evaluated subsequent events through March 29, 2010, the date the financial statements were available to be issued. As of this date, nothing has happened that requires disclosure.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

None.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures designed to ensure that information we are required to disclose in reports filed under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that this information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation as of the end of the period covered by this report, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are not effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Our Board of Directors were advised by Seale & Beers, CPAs, LLC, the Company's independent registered public accounting firm, that during their performance of audit procedures for 2009 Seale & Beers, CPAs, LLC identified a material weakness as defined in Public Company Accounting Oversight Board Standard No. 2 in the Company's internal control over financial reporting.

This deficiency consisted primarily of inadequate staffing and supervision that could lead to the untimely identification and resolution of accounting and disclosure matters and failure to perform timely and effective reviews. However, the size of the Company prevents us from being able to employ sufficient resources to enable us to have adequate segregation of duties within our internal control system. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3.

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of December 31, 2009, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

1. Lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures;
2. Inadequate segregation of duties consistent with control objectives; and
3. Ineffective controls over period end financial disclosure and reporting processes.

The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of December 31, 2009.

Management believes that the material weaknesses set forth in items (2) and (3) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

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

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

1. We plan to form an audit committee, which we expect to take place in 2010.
2. We are seeking to add additional personnel, who may be appointed to our board of directors as outside members and/or serve in a capacity to allow us to better segregate job responsibilities.
3. We have developed internal control procedures over financial disclosure and reporting. However, these procedures are, and will continue to be, ineffective without additional personnel.

Changes in internal controls over financial reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

OTHER INFORMATION

None.

PART III

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our directors are elected by the stockholders to a term of one (1) year and serve until their successors are elected and qualified. The officers are appointed by the Board of Directors to a term of one (1) year and serves until his/her successor is duly elected and qualified, or until he/she is removed from office. The Board of Directors has no nominating, auditing, or compensation committees.

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

| Name | Position | Period of Service (1) |
|------------------|--|-----------------------|
| Tracie Hadama(2) | President, Treasurer, CEO and Director | September 2009 – 2010 |

Notes:

1. All directors will hold office until the next annual meeting of the stockholders, which shall be held in September of 2010, and until successors have been elected and qualified. Our officers were appointed by the Board of Directors and will hold office until they resigns or are removed from office.
2. The officers and directors of Teacher's Pet have obligations to entities other than the Company. We expect each individual to spend approximately not less than 10 hours per week on our business affairs, or as needed. At the date of this prospectus, we are not engaged in any transactions, either directly or indirectly, with any persons or organizations considered promoters.

Background of Directors, Executive Officers, Promoters and Control Persons

Tracie Hadama, President, Chief Executive Officer and Director: Tracie Hadama has been an educator in the Clark County School District from 1999 through 2005. She began her career as an educator at John C. Vanderburg Elementary School in Henderson, Nevada from 1999 to 2001. Most recently, Mrs. Hadama was a third-grade teacher at Elise L. Wolff Elementary School, in Las Vegas, Nevada, from 2001 through 2005. Concurrently, from 2002 to 2005, Mrs. Hadama has participated in the Clark County School District New Teacher Orientation Cadre, a mandatory program for all teachers new to the district. The cadre seeks to provide new teachers with practical, real-world knowledge from peers that is rarely learned in a university classroom or from a textbook. In addition, Mrs. Hadama has been involved in various school committees and has served as grade level chairperson. Mrs. Hadama obtained her Bachelor's Degree in Elementary Education from the University of Nevada, Las Vegas in 1999. In 2004, she completed her Master's Degree with an emphasis in Literacy from Lesley University. Mrs. Hadama is currently devoting all her efforts to executing the business plan of Teacher's Pet, Inc.

Family Relationships

None.

Involvement on Certain Material Legal Proceedings During the Last Five Years

No director, officer, significant employee or consultant has been convicted in a criminal proceeding, exclusive of traffic violations.

No bankruptcy petitions have been filed by or against any business or property of any director, officer, significant employee or consultant of the Company nor has any bankruptcy petition been filed against a partnership or business association where these persons were general partners or executive officers.

No director, officer, significant employee or consultant has been permanently or temporarily enjoined, barred, suspended or otherwise limited from involvement in any type of business, securities or banking activities.

No director, officer or significant employee has been convicted of violating a federal or state securities or commodities law.

Audit Committee and Financial Expert

We do not have an Audit Committee. Our director performs some of the same functions of an Audit Committee, such as: recommending a firm of independent certified public accountants to audit the annual financial statements; reviewing the independent auditors independence, the financial statements and their audit report; and reviewing management's administration of the system of internal accounting controls. We do not currently have a written audit committee charter or similar document.

We have no financial expert. We believe the cost related to retaining a financial expert at this time is prohibitive. Further, because of our start-up operations, we believe the services of a financial expert are not warranted.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities, to file reports of beneficial ownership and changes in beneficial ownership of our securities with the SEC on Forms 3 (Initial Statement of Beneficial Ownership), 4 (Statement of Changes of Beneficial Ownership of Securities) and 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of our Common Stock are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. As a company with securities registered under Section 15(d) of the Exchange Act, our executive officers and directors, and persons who beneficially own more than ten percent of our common stock are not required to file Section 16(a) reports.

Code of Ethics

We have not adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions in that our sole officer and director serves in all the above capacities.

Corporate Governance

Nominating Committee

We do not have a Nominating Committee or Nominating Committee Charter. Our sole Director performs some of the functions associated with a Nominating Committee. We have elected not to have a Nominating Committee in that we are a development stage company.

Director Nomination Procedures

Nominees for Directors are identified and suggested by the members of the Board or management using their business networks. The Board has not retained any executive search firms or other third parties to identify or evaluate director candidates and does not intend to in the near future. In selecting a nominee for director, the Board or management considers the following criteria:

1. Whether the nominee has the personal attributes for successful service on the Board, such as demonstrated character and integrity; experience at a strategy/policy setting level; managerial experience dealing with complex problems; an ability to work effectively with others; and sufficient time to devote to our affairs;
- 2.

Whether the nominee has been the chief executive officer or senior executive of a public company or a leader of a similar organization, including industry groups, universities or governmental organizations;

3. Whether the nominee, by virtue of particular experience, technical expertise or specialized skills or contacts relevant to our current or future business, will add specific value as a Board member; and

4. Whether there are any other factors related to the ability and willingness of a new nominee to serve, or an existing Board member to continue his service.

The Board or management has not established any specific minimum qualifications that a candidate for director must meet in order to be recommended for Board membership. Rather, the Board or management will evaluate the mix of skills and experience that the candidate offers, consider how a given candidate meets the Board's current expectations with respect to each such criterion and make a determination regarding whether a candidate should be recommended to the stockholders for election as a Director. During 2008, we received no recommendation for Directors from our stockholders.

We will consider for inclusion in our nominations of new Board of Directors nominees proposed by stockholders who have held at least 1% of our outstanding voting securities for at least one year. Board candidates referred by such stockholders will be considered on the same basis as Board candidates referred from other sources. Any stockholder who wishes to recommend for our consideration a prospective nominee to serve on the Board of Directors may do so by giving the candidate's name and qualifications in writing to our Secretary at the following address: 1052 Las Palmas Entrada, Henderson, Nevada 89012.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth, for the most recent two fiscal years, the cash compensation paid by the Company, as well as certain other compensation paid with respect to those years and months, to the Chief Executive Officer and, to the extent applicable, each of the three other most highly compensated executive officers of the Company in all capacities in which they served:

Summary Compensation Table

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity | Non-qualified | All Other Compensation (\$) | Total (\$) |
|-----------------------------------|------|----------------|---------------|-------------------------|--------------------------|---|--|-----------------------------------|---------------|
| | | | | | | Incentive Plan Compensation (\$) | Deferred Compensation Earnings (\$) | | |
| Tracie Hadama President | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Directors' Compensation

Our director is not entitled to receive compensation for services rendered to us, or for each meeting attended except for reimbursement of out-of-pocket expenses. We have no formal or informal arrangements or agreements to compensate our director for services she provides as a director of our company.

Employment Contracts and Officers' Compensation

Since our incorporation, we have not paid any compensation to our officers, directors and employees. We do not have employment agreements. Any future compensation to be paid will be determined by our Board of Directors, and an employment agreement will be executed. We do not currently have plans to pay any compensation until such time as we are cash flow positive.

Stock Option Plan And Other Long-term Incentive Plan

We currently do not have existing or proposed option/SAR grants.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of the date of this offering with respect to the beneficial ownership of our common stock by all persons known by us to be beneficial owners of more than 5% of any such outstanding classes, and by each director and executive officer, and by all officers and directors as a group. Unless otherwise specified, the named beneficial owner has, to our knowledge, either sole or majority voting and investment power.

| Title Of Class | Name, Title and Address of Beneficial Owner of Shares(1) | Amount of Beneficial Ownership(2) | Percent of Class | |
|----------------|--|-----------------------------------|------------------|---|
| Common | Tracie Hadama, President, CEO and Director | 3,000,000 | 87.20 | % |
| | All Directors and Officers as a group (1 person) | 3,000,000 | 87.20 | % |

Notes:

1. The address for Tracie Hadama is c/o Teacher's Pet, Inc., 1052 Las Palmas Entrada, Henderson, Nevada 89012.
2. As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or share investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of a security).
3. The aggregate amount of shares issued and outstanding is 3,440,500.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

On September 17, 2004, we issued 1,400,000 shares of \$0.001 par value common stock to Tracie Hadama, our sole officer and director, in exchange for cash in the amount of \$1,400.

On September 30, 2004, Mrs. Hadama paid for expenses on our behalf in the amount of \$200, related specifically to the filing of our annual list of officers and directors in the State of Nevada.

On October 17, 2004, we issued an additional 1,600,000 shares of our \$0.001 par value common stock to Mrs. Hadama, in exchange for cash in the amount of \$3,400.

During the year ended December 31, 2009, Mrs. Hadama contributed capital to us cash in the aggregate amount of \$12,250. The funds were donated to us and are not expected to be repaid.

Additionally, we use office space and services provided without charge by Mrs. Hadama.

Director Independence

None.

PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth fees billed to us by our independent auditors for the years ended 2009 and 2008 for (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of our financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

| SERVICES | 2009 | 2008 |
|--------------------|---------|---------|
| Audit fees | \$7,250 | \$6,500 |
| Audit-related fees | - | - |
| Tax fees | - | - |
| All other fees | - | - |
| Total fees | \$7,250 | \$6,500 |

EXHIBITS

Exhibit

Number Name and/or Identification of Exhibit

- 3 Articles of Incorporation & By-Laws
 a. Articles of Incorporation (1)
 b. Bylaws (1)

- 31 Rule 13a-14(a)/15d-14(a) Certification

- 32 Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)

Incorporated by reference to the Registration Statement on Form SB-2, previously filed with the SEC on November 24, 2006.

SIGNATURES

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

TEACHER'S PET, INC.
(Registrant)

By: /s/ Tracie Hadama, President & CEO

In accordance with the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the dates stated:

| Signature | Title | Date |
|------------------------------------|--------------------------------|----------------|
| /s/ Tracie Hadama Tracie Hadama | President, CEO and Director | March 31, 2009 |
| /s/ Tracie Hadama Tracie Hadama | Chief Financial Officer | March 31, 2009 |
| /s/ Tracie Hadama Tracie Hadama | Chief Accounting Officer | March 31, 2009 |

