

BIBB CORP
Form 10-K
April 01, 2010

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

COMMISSION FILE NUMBER

BIBB CORPORATION
(Exact name of registrant as specified in its charter)

Nevada 7389 75-3076597 _____
(State or other jurisdiction of (Primary Standard Industrial (IRS Employer Identification No.)
Number) incorporation or organization) Classification Code

Judson Bibb, President
5645 Coral Ridge Drive #171
Coral Springs, Florida 33076
Telephone: 954-258-1917 _____
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

The Law Office of Michael Kessler Esq.
3436 American River Drive, Suite 11
Sacramento, CA 95864
Phone: (916) 239-4000 Fax: (916) 239-4008
(Name, address, including zip code, and telephone number, including
area code, of agent for service)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

None

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

Common Stock, \$0.001 par value

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

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

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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 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. Yes // No /X/

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 Yes // No //

Accelerated filer Yes // No //

Non-accelerated filer Yes // No //

Smaller reporting company Yes /X/ No //

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

As of December 31, 2009, 3,340,000 shares of the registrant's common stock, \$.001 par value, were issued and outstanding.

The book value of the common stock held on December 31, 2009 was approximately \$5,746.

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PART 1

ITEM 1: BUSINESS

FORWARD-LOOKING STATEMENTS

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ significantly from those anticipated in the forward-looking statements as a result of various factors.

Statements by the Company in this report and in other reports and statements released by the Company are and will be forward-looking in nature and express the Company's current opinions about trends and factors that may impact future operating results. Statements that use words such as "may," "will," "should," "believes," "predicts," "estimates," "projects," "anticipates" or "expects" or use similar expressions are intended to identify forward looking statements.

Forward-looking statements are subject to material risks, assumptions and uncertainties, which could cause actual results to differ materially from those currently expected, and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by applicable law, the Company undertakes no obligation to publish revised forward-looking statements to reflect the occurrence of unanticipated or subsequent events.

Readers are also urged to carefully review and consider the various disclosures made by the Company in this report that seek to advise interested parties of the risks and other factors that affect the Company's business. Interested parties should also review the Company's reports periodically filed with or furnished to the Securities and Exchange Commission.

The risks affecting the Company's business include, among others: lack of other sources of funding, dependence on a single executive; implementation of the Company's direct sales strategy; the Company's continuing compliance with applicable laws and regulations, product acceptance; competition in the industry and technological changes.

All forward-looking statements, whether made in this report or elsewhere, should be considered in context with the various disclosures made by the Company about its business.

CORPORATE INFORMATION

Bibb Corporation was incorporated in the State of Nevada on July 22, 2002. Our mailing address is 5645 Coral Ridge Drive #171, Coral Springs, Florida 33076. Our telephone number is 954-258-1917, and our e-mail address is judsonbibb@gmail.com.

THE COMPANY

Bibb Corporation was founded on the belief that we have a new way for the millions of marginally literate people to acquire and comprehend the complex information required to interact with government, businesses and the law, with the result that not being comfortable reading and understanding text no longer dooms one to dependence on others or withdrawal from legal and business intercourse.

To that end, we are pursuing a business objective of multi-media publishing and marketing. As we are in the final phases of the development stage, our activities encompass refinement of production elements and corporate activities.

We have an accumulated deficit of \$47,224 since inception. We have not generated any revenues to date; and we have been issued a "substantial doubt" going concern opinion from our auditors.

Thanks to the 2007 year-end closing of a \$30,000 offering, our liabilities and equity now total \$5,746. As the funds were transferred from escrow into the company operating account in February 2008, we are getting ready to release the initial product.

We intend to develop our business as an "information retailer", providing information in a simple, easy-to-use manner through multi-media applications. Our concept is intended to blur the lines between a number of business applications: publisher, video producer and Internet content provider. Our goal is to assist customers who want information that is easy to find, easy to use and easy to understand.

Each of our products will be fully integrated combinations of video, audio and print supplemented by information online. Our proposed information products are intended to be a solution in which one medium will complement and support the information provided by the other.

We do not intend to change our business activities, nor combine with or acquire any other company now or in the foreseeable future. If we are unable to complete our business plans and become profitable, we may decide that we cannot continue with our business operations as outlined in our original business plan because of a lack of financial resources and may be forced to seek other potential business opportunities that might be available; however, we have no plans or intentions to do so at this time or at any time in the future.

BUSINESS DEVELOPMENTS

On December 31, 2007, we completed an initial offering of 1,000,000 shares of common stock. Net proceeds from the offering were \$30,000. The proceeds were deposited into the company operating account in February 2008. Once corporate taxes and the filing of our initial 10-K were complete, the company began product development.

In July of 2009, Form 15c2-11 was filed with the Financial Industry Regulatory Authority (FINRA) to permit our common stock to be quoted for trading on the Over-the-Counter Bulletin Board. On July 29, 2009, FINRA approved Bibb Corporation's application. The shares for Bibb Corporation common stock trade under the stock symbol BIBB.

INDUSTRY BACKGROUND

Information retailing through multi-media publishing is an industry with no borders. We intend to blur the lines between a number of businesses providing information: publisher, video producer and Internet content provider. Two of our major influences are the "For Dummies" series and "Video Professor", however, each operate primarily in a single medium.

Our target audience is the 34% of the US population classified as marginally illiterate - those who don't read as well as the average middle school student.

One of the best selling direct response television ads has been the Video Professor series for computers that teaches computer use by interactive CD. The subject matter is limited to computer programs. The

series is shining example of successful selling of information via direct response television, both commercials and infomercials.

As our target audience are heavy consumers of television, our primary method of marketing will be direct response television advertising.

DEMOGRAPHICS

Time spent reading and acquiring comprehension skills continue to decline, especially among those with lower incomes, the lesser educated and recent immigrants.

Almost half (45%) of all US consumers read below a sixth grade level. Twenty-five percent of the functionally illiterate are immigrants learning English. (In 2000, the 28.4 million foreign-born residents represented 10.4% of the total U.S. population).

As mentioned before, our target audience is the 34% of the population (70 million people) who are marginally literate. These adults can pick out key facts in a newspaper article, but cannot draft a letter explaining an error on their credit card bill. As a result, managing in the consumer marketplace is a challenge. Market interactions are potentially threatening. They know and feel they can be cheated. They have little understanding of their rights and they are intimidated by paperwork.

Dealing with institutions such as banks, the legal system, tax authorities, etc. is particularly stressful. They are easily overwhelmed by instructions, legal contracts, financial documents and application forms.

Manuals and books alone can be quite intimidating and are beyond their scope of understanding. Consultants and specialists are too expensive for the average person to hire. And asking for help has a unique problem.

There is the stigma of not being able to read well. People with poor literacy skills often are ashamed of their problem and are adept at hiding it. In one study, more than two thirds of patients with low literacy in public hospitals said they had never told their spouses about it. Nearly a fifth said they had never told anyone.

Their market interactions are driven by the need to preserve self-esteem and dignity. Thus, when facing foreclosure, many financially strapped homeowners don't respond to calls or letters from their lenders. An overwhelming majority of respondents in a Freddie Mac survey said they didn't call the company servicing their loan because they didn't think they had any options that could help them avoid losing their home. We believe that's a half truth told to save face.

In this, the Information Age, we felt there was a need and that it was important to deliver information using a combination of sound, video, pictures and text in an easy-to-use, easy to read and easy-to-understand manner.

To our knowledge, no one else is specifically targeting this large demographic.

BUSINESS OPERATIONS

We are developing a multi-media product that fully integrates video, audio and text. Users can choose the medium they are most comfortable with and then use the other media to supplement or reinforce the

information presented. All the information we put forth will be vetted by professionals in exchange for a percentage of the sales.

The first two in the series will be credit repair and stopping foreclosure. The focus will be on the practical steps to be taken, i.e., how to order credit reports, how to examine credit reports, where to get a dispute form, how to complete a dispute form, etc.

The manuals are being written at a sixth grade reading level. The text will be enhanced with graphics and photos including still captures from the video. We will use headings, subheadings, lists, bullets and boxes of text to aid comprehension and clarity. We will point out special information to note with icons and cross reference all information in a table of contents and index for quick access. We are incorporating lots of white space on pages to make them simpler and easier to read.

We will complement the manuals with how-to videos in DVD form that show, line by line, how to apply the information, fill out the forms, write the letters, step-by-step. Like the manuals, the voiceover will be written at a sixth grade level for easy comprehension and understanding by all customers and will reiterate a lot of the information provided in the manuals.

In addition, we will further support our manuals with a password protected website where users can get updated information, answers to specific questions and customizable form letters to print and use, post purchase.

Each medium will be integrated with the other. The manuals, DVDs and the website will share the same structure, icons and headings. Each will interact and expand on the information contained in the other. For example, specific icons in the manuals will match icons in the DVD menu. Therefore, if a user wants to see and hear exactly how to fill out a dispute form referred to in the manual, he can look for the same icon in the DVD menu or on the video itself as a graphic placed in a corner of the screen. Both the manual and the video will refer the user to the website for further information and/or support.

We believe each additional level of support will increase the comfort level of the user. The user knows he will find information presented in a variety of ways. Therefore, if he doesn't understand the text, he can see and listen to the information or vice versa.

STRATEGY

We intend to use direct response television commercials to market our products. Selling prices will range between \$19.95 and \$24.95. As is the industry norm, we will initially run our direct response commercials in a few local markets. By testing different price points, offers and premiums, we will determine which combination works best and then continue to roll out the commercials in other markets. If the product sales are successful, we intend to follow with Spanish versions.

Our initial goal will be to establish our 'brand name' as a trusted source of reliable, simple and effective information products. We feel direct response television commercials will be an immediate way for us to establish credibility and brand awareness, as well as generate sales.

As game and other visual entertainment sites are popular with the marginally literate, once our brand has been established, sales commence and revenues are generated, we intend to set up a commission sales program for webmasters to increase web sales and drive consumers to our website.

Each medium (print, video and web) will cross promote the entire line of products. The non-password protected section of our website will promote and offer our products for sale online. Each person entering the password protected section will be required to register and establish a password, creating a database for future marketing efforts.

In addition to marketing our products through television and our website, we intend to contact booksellers, video stores and other retailers to negotiate possible inclusion of our products in their offerings. As retail sales for direct response products currently run 10 to 1, (for every television sale, another 10 will be sold at the retail level) our television sales figures will provide significant leverage.

Once we have placement in store shelves, we intend to release other titles that don't push the traditional direct response emotional hot buttons such as: filing taxes, buying or leasing a car, dealing with Medicare or an insurance company, going to small claims court, etc.

COMPETITION

There are many information retailers on the market today; however, there are few who deliver cross-referenced information in print, audio and video form supplemented by an Internet website. Also, very few provide information or assistance with everyday activities in the consumer marketplace, e.g., writing to a credit card company, completing an application, etc. And fewer still target the marginally literate. Our two top competitors are the "For Dummies" series and the "Video Professor" CDs/DVDs, neither of whom target our audience.

Both are well established and their brand names are well known. As a newcomer to the industry, we will need to successfully develop our brand name and deliver high quality products in order to successfully compete in the industry.

We believe that the principal competitive factors affecting our market include ease-of-use and comprehension, functionality, quality, price and customer support. Although we believe that our products will compete favorably with regard to such factors, we cannot ensure that we can maintain our competitive position against potential competitors. Increased competition may result in price reductions, reduced gross margins and loss of market share, any of which could materially and adversely affect our business, operating results and financial condition.

Our competitors and potential competitors have greater resources than we do, and may be able to respond more quickly and efficiently to new or emerging technologies, or to changes in customer requirements or preferences. Many of our competitors can devote greater managerial or financial resources than we can to develop, promote and distribute informational products that target the marginally literate and provide related and support services. We cannot ensure that our current or future competitors will not develop products or services which may be superior to ours or which may gain greater market acceptance. Some of our potential competitors have established media and retail outlets, thus enhancing their abilities to compete with us. It is possible that new competitors will emerge and rapidly acquire market share. We cannot ensure that we will be able to compete successfully against current or future competitors or that the competitive pressures will not materially and adversely affect our business, operating results and financial condition.

EQUIPMENT

As a freelance multi-media producer in film, television, radio, print and the Internet, our sole officer and director has all of the equipment needed to produce our multi-media. We do not intend to purchase any equipment to implement our business operations.

MANUFACTURING

The company has already priced and sourced printers, duplicators, graphics artists, web designers, call centers, fulfillment and distribution companies. Each has been called upon and used when needed.

PATENTS AND TRADEMARKS

Trademark protection has been applied for. Even if we receive the trademark, we still have no assurance that it will prevent competitors from using the same or similar names, marks, concepts or appearance. Should this happen, we may have to enter into litigation to prevent the use of our property and, at least at present, we do not feel we have the resources to do so and would probably avoid any such litigation.

GOVERNMENT AND INDUSTRY REGULATIONS

Internet websites are not currently subject to direct federal laws or regulations applicable to access, content or commerce on the Internet. However, it is possible that a number of laws and regulations may be adopted with respect to the Internet covering issues such as:

- * user privacy
- * freedom of expression
- * pricing
- * content and quality of products and services
- * taxation
- * advertising
- * intellectual property rights
- * information security

The adoption of any such laws or regulations might impact Internet use, which in turn could decrease the demand for our services, increase the cost of doing business or in some other manner have a negative impact on our business, financial condition and operating results. In addition, applicability to the Internet of existing laws governing issues such as property ownership, copyrights and other intellectual property issues, taxation, libel, obscenity and personal privacy is uncertain. The vast majority of such laws were adopted prior to the advent of the Internet and related technologies and, as a result, do not contemplate or address the unique issues of the Internet and related technologies.

EMPLOYEES AND EMPLOYMENT AGREEMENTS

We currently have no employees other than Judson Bibb, our sole officer and director, who devotes approximately 20 hours per week to our business and who will not be compensated for his time until and if we become profitable. As production continues, employees will be hired on an as-needed basis. We do not currently have any agreements, verbal or written, with Mr. Bibb or any other proposed employee or independent contractor. We presently do not have pension, health, annuity, insurance, stock options, profit sharing or similar benefit plans; however, we may adopt such plans in the future. There are presently no employee contracts, agreements or personal benefits available to anyone

associated directly or indirectly with the company.

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ITEM 1A: RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this annual report before deciding to invest in our company. If any of the following risks actually occur, our business, financial condition or operating results and the trading price or value of our securities could be materially adversely affected.

RISKS RELATED TO OUR BUSINESS AND THE INDUSTRY IN WHICH WE OPERATE

Following are what we believe are all of the material risks involved.

1. We are in the process of emerging from the development stage, have generated no revenues and lack an operating history.

We are in the process of producing our initial product; have not yet realized any revenues; and have an accumulated deficit since inception of \$47,224. We have no operating history. Such prospects must be considered in light of the substantial risks, expenses and difficulties encountered by new entrants into the highly competitive multi-media industry. Our ability to achieve and maintain profitability and positive cash flow is highly dependent upon a number of factors, including our ability to attract and retain customers for our concept, while keeping costs to a minimum. Based upon current plans, we expect to generate operating losses for the next year as we incur expenses associated with the implementation of our business plan. Furthermore, we cannot guarantee that we will be successful in realizing revenues or in achieving or sustaining positive cash flow at any time in the future. Any such failure could result in the possible closure of our operations or force us to seek additional capital through loans or additional sales of our equity securities to continue business operations, which would dilute the value of outstanding shares.

2. We do not have any other sources of funding, which could severely limit any possible revenues and result in a failure of our business.

There is no guarantee that we will be able to generate revenues or that revenues will be sufficient to maintain our business. As a result, all investment could be lost. Our auditors have expressed substantial doubt as to our ability to continue as a going concern.

3. Our success depends greatly upon the efforts of Judson Bibb, our sole officer and director. If we fail to retain the services of Mr. Bibb, it would severely negatively affect our business, operating results and financial results.

The development and implementation of our proposed business is solely dependent on the efforts of our President, Judson Bibb. Mr. Bibb is not and will not be compensated for his services and the success of our business depends upon our ability to retain him. We have not entered into a management and/or employment agreement with Mr. Bibb and the loss of his services could have a negative impact on our business operations, operating results and possible revenues. If we were to lose the services of Mr. Bibb or are unable to hire and train competent employees, as and when needed, implementation of our proposed business operations could be delayed or worse, fail, and you could risk a total loss of any investment you make in our securities.

4. If we are successful in moving forward in our business plan, we will need to hire additional employees. If competent and knowledgeable employees are not available to us, as and when needed, we may be unable to expand our business when we are ready to do so, which could result in possible revenue losses.

We have no employees at this time. When we are ready to expand beyond our initial media offerings, our success will depend in large part upon our ability to attract, develop, motivate and retain employees. Competition for qualified personnel can be high and we may not be able to hire or retain qualified personnel, if and when needed. As a result, we may be unable to expand our business when we are ready to do so, which could result in possible revenue losses.

5. Our sole officer and director has conflicts of interest for his time in that he has other activities that may prevent him from devoting full time to our operations, when needed, which may slow our operations and possibly reduce our financial results.

Judson Bibb, our sole officer and director, has conflicts of interest for his time in that he has other activities that may prevent him from devoting full time to our operations. His available time to devote to our business operations may therefore, be sporadic. In general, he intends to devote as much time as required to our business; however, when he is working on other business matters, he may not be able to devote the time necessary to our business, which may delay or limit implementation of our business plans. The limited number of hours Mr. Bibb will have to devote to our business activities may negatively affect our operations and reduce or limit our potential revenues and financial results, which could result in a loss of your investment.

6. The information distribution industry is highly competitive and we may be unable to successfully compete and generate revenues, which could result in a total loss of your investment.

Our proposed services will face competition from larger, well-established companies, such as "Video Professor" and "For Dummies", our two largest competitors in the industry. Unless we are successful in establishing our brand name and selling our products, we may be unable to successfully enter the industry and generate revenues.

7. We will be required to continuously update our software and upgrade our media in order to continue to successfully compete in the ever changing industry.

If we are unable to keep our media and offerings up to date, we could lose return customers and suffer losses of revenues. In addition, there is no guarantee the combination of media we are currently developing will be accepted by the public, which means we could be forced to expend significant, unexpected time and funds on further research and development on our media offerings. There can be no assurance that our proposed business plans will allow us to successfully develop our business. There is no guarantee that we will be able to afford to continue to upgrade our software and/or hardware as and when required. Any such failure would result in a loss of customers and could harm our results of operations and business.

8. Our proposed operations will be subject to all regulations associated with media publishing, including those applicable to the download and distribution of copyrighted materials and intellectual property from the Internet. If we are unable to comply with any of these laws, rules and regulations, we may be limited in our media offering, which could severely limit our business operations and possible revenues.

Our proposed operations will be subject to rapidly changing laws and regulations, which include data privacy laws, content regulation and sales and use taxes. Because of this rapidly evolving and uncertain regulatory environment, we cannot predict how these laws and regulations might affect our business operations. In addition, these uncertainties make it difficult to ensure compliance with the laws and regulations governing the Internet and content download. These laws and regulations could harm our operations and force us to change our currently proposed business operations if they become too costly.

Although there are few laws and regulations directly applicable to the Internet, proposed laws and regulations could be adopted in the future covering issues such as information content downloading, licensing, license fees, copyrights, privacy, pricing, sales taxes and characteristics and quality of Internet services. The adoption of restrictive laws or regulations could slow Internet usage or expose us to significant liabilities associated with content available in our media. The application of existing laws and regulations governing Internet issues such as property ownership, libel and personal privacy are also subject to substantial uncertainty. There can be no assurance that current or new government laws and regulations, or the application of existing laws and regulations (including laws and regulations governing issues such as property ownership, content, taxation, defamation and personal injury), will not expose us to significant liabilities, significantly slow Internet growth or otherwise cause a material adverse effect on our proposed business operations, results of operations or financial condition.

9. Our proposed operations to download media content and information from the Internet will subject our operations to potential liability for negligence and/or infringement of copyright and intellectual property laws, as well as government regulations.

As we expand our operations and publish our information media, we will be subject to potential liability for negligence, copyright, patent, trademark, defamation, indecency and other claims, based on the nature and content of the materials that we download. Such claims have been brought, and sometimes successfully pressed, against Internet content distributors. In addition, we could be exposed to liability with respect to the content or unauthorized duplication of content downloaded from our website. We could also be exposed to liability for third party content posted by our customers in chat rooms or bulletin boards offered on our website. It is also possible that if any information provided contains errors or false or misleading information, third parties could make claims against us for losses incurred in reliance on such information. In addition, the provision of such information may be illegal in some jurisdictions. In the future, our website may contain a significant number of links to other websites. As a result, we may be subject to claims alleging that, by directly or indirectly providing links to other websites, we are liable for copyright or trademark infringement or the wrongful actions of third parties through their respective websites.

Any violation of a copyright or intellectual property law, or government regulation by a customer, may also be imposed indirectly on us. Any such imposition of a liability that is not covered by insurance, is in excess of insurance coverage or is not covered by an indemnification by a content provider could have a material adverse effect on our business, results of operations and financial condition.

Liability or alleged liability could harm our business by damaging our reputation, requiring us to incur expensive legal costs in defense, exposing us to awards of damages and costs and diverting management's attention away from our business operations. Any such liability or violation could severely impact our proposed business operations and/or proposed revenues.

We have not yet fully examined the copyright or intellectual property laws that will apply to our proposed plan of operation and may not have sufficient funding to do so if and when we are financially able to expand, which could severely limit our possible revenues and business operations.

10. The only protection we have for our concept and business plan is copyright of the finished products. There is no guarantee that someone else will not duplicate our ideas and bring them to market before we do or make a better product, either of which could severely limit our proposed sales and revenues.

We have searched the Internet and trade manuals and believe our proposed media publishing system will be unique; however, without a finished product, the only protection we have is a trademark application made for our brand name and logo design. Even if we do trademark or copyright our materials, it may not prevent unauthorized persons from copying aspects of our business or brand. There is no assurance a third party will not choose to copy or duplicate our proprietary information and/or brand name. Any encroachment upon our proprietary information, including the unauthorized use of our brand name, the use of a similar name by a competing company or a lawsuit initiated against us for infringement upon another company's proprietary information or improper use of their trademark, may affect our ability to create brand name recognition, cause customer confusion and/or have a detrimental effect on our business.

We are unaware of any infringement upon our proprietary rights and/or brand name and have not been notified by any third party that we are infringing upon anyone else's proprietary rights; however, any such infringement, litigation or adverse proceeding could result in substantial costs and diversion of resources and could seriously harm our business operations and/or results of operations.

RISKS ASSOCIATED WITH BIBB CORPORATION STOCK

11. Selling low-priced penny stock is involved and uncertain.

For transactions covered by the penny stock rules, a broker-dealer must make a suitability determination for each purchaser and receive the purchaser's written agreement prior to the sale. In addition, the broker-dealer must make certain mandated disclosures in penny stock transactions, including the actual sale or purchase price and actual bid and offer quotations, the compensation to be received by the broker-dealer and certain associated persons, and deliver certain disclosures required by the Commission. Consequently, the penny stock rules may affect the ability of broker-dealers to make a market in or trade our common stock and may also affect your ability to resell any shares purchased in the public markets.

12. There is limited liquidity in our shares

The market prices of our shares may fluctuate significantly in response to factors, some of which are beyond our control. These factors include:

- The announcement of new products or product enhancements by our competitors
- Developments in our industry or target markets
- General market conditions and other factors including factors unrelated to our operating performance

Recently, the stock market in general has experienced extreme price and volume fluctuations. Continued market fluctuations could result in extreme market volatility in the price of our shares of common stock

which could cause a decline in the value of our shares. Price volatility may be worse if our trading volume of our common stock is low.

13. As there is a very limited trading market for our securities, you may have difficulty selling any Shares you purchased.

There is currently only a limited trading market for our common stock. We cannot predict the extent investor interest will lead to development of an active trading market or how liquid that trading market might become. If an active trading market does not develop or is not sustained, it may be difficult for investors to sell shares of our common stock at a price that is attractive or at all. In such a case, you may find that you are unable to achieve any benefit from your investment or liquidate your shares of common stock without considerable delay, if at all

14. Any future sale of stock held by our existing stockholder, who will hold 70% of our total issued and outstanding shares after completion of this offering, could severely impact the market price of our stock.

Since inception, a total of 2,340,000 shares of common stock have been issued to Judson Bibb, our sole officer, director and existing principal stockholder. These shares are "restricted securities", as that term is defined in Rule 144 of the Rules and Regulations of the SEC promulgated under the Act. Under Rule 144, such shares can be publicly sold, subject to volume restrictions and certain restrictions on the manner of sale, commencing one year after their acquisition. Any sale of these shares held by Mr. Bibb after the applicable restrictions expire could have a depressive effect on the price of our common stock in any market that may develop, of which there is no guarantee. Mr. Bibb does not currently have any plans to sell his shares at any time after this offering is completed.

15. We are a small, development stage start-up company with only one director on our Board, which could result in a lack of independence needed on certain issues and decisions which impacting our shareholders.

We are a small start-up company with only one director, Judson Bibb, who is also our President, Principal Executive Officer, Secretary, Treasurer, CFO and Principal Accounting Officer. As a result, we lack independent directors, independent board committees and an independent audit committee financial expert. In addition, Mr. Bibb will own approximately 70% of our issued and outstanding common