

Part A: General Company Information

1. THE EXACT TITLE OF THE ISSUER AND ITS PREDECESSORS:

Everybody's Phone Company, a Texas corporation

2. THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICE:

6666 Harwin, Suite 664
Houston, Texas 77036
(713) 268 1610
(713) 268 1820 – fax
www.everybodysphonecompany.com

Person to contact for corporate information:

Steven H. Bethke – President E-mail: sbethke@flash.net

3. THE STATE OF INCORPORATION/ DATE OF INCORPORATION:

Incorporated in Texas, September 3, 2003

Part B: Share Structure

4. THE EXACT TITLE AND CLASS OF THE SECURITY:

The Company is authorized to issue 100,000,000 shares of class "A" common stock at a par value of .001 (one thousand) cent each; **CUSIP: 30041M109**
and 10,000,000 shares of Preferred Stock at a par value of \$ 1.00 dollar each.

5. THE PAR VALUE OR STATED VALUE OF THE SECURITY:

\$.001 par value of common shares
\$ 1.00 par value of preferred shares

6. THE NUMBER OF SHARES OR TOTAL AMOUNT OF SECURITIES OUTSTANDING AS OF THE END OF THE ISSUERS MOST RECENT FISCAL YEAR.

As of December 31, 2008, the Company has 9,100,000 shares of its common stock outstanding.

As of December 31, 2008, the company has not issued any preferred shares of stock.

As of June 30, 2009, the company has 25,990,000 shares of its common stock issued and outstanding with 6,465,000 held in street name.

As of June 30, 2009, the company has not issued any preferred shares of stock.

Total number of shareholders of record as of 6/30/09: 75

As of September 30, 2009, the company has 25,990,000 shares of its common stock issued and outstanding with 6,465,000 held in street name.

As of September 30, 2009, the company has not issued any preferred shares of stock

Total number of shareholders of record as of 9/30/09: 85

As of December 31, 2009, the Company has 49,851,465 shares of its common stock issued and outstanding with 6,915,000 held in street name.

As of December 31, 2009, the company has not issued any preferred shares of stock.

Total number of shareholders of record as of 12/31/09: 100

Part C: Business Information

7. THE NAME AND ADDRESS OF THE TRANSFER AGENT:

Empire Stock Transfer, Inc.
2470 St. Rose Parkway, Suite 304
Henderson, NV 89074
(702) 828 5898

The transfer agent is listed with the Securities Exchange Commission and has Depository Trust Corporation approval.

8. THE NATURE OF THE ISSUERS BUSINESS:

1. The Company is a Corporation;
2. The Company was organized in September 2003;
3. The fiscal years ends December 31;
4. The Company has never declared bankruptcy or reorganization or any similar proceedings ;
5. The Company has never merged, consolidated, or purchased or sold any significant amounts of assets;
6. The Company has never been in default of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments;
7. The Company has never had a change of control;
8. The Company increased by 10% or more of the number of common shares issued while raising equity of the company to commence cash flows since the inception of the corporation see statement of changes to shareholder equity which is in financial statements;
9. The Company has never split its stock; declared a dividend; recapitalized; reorganized; spun off or merger;
10. The Company has never had its securities delisted by any securities exchange;
11. The Company is not aware of any past, pending, threatened legal or administrative actions either by or against the issuer;
12. SIC Code: 4813;
13. The Company employs 2 people;

9. THE NATURE OF PRODUCTS OR SERVICES OFFERED:

Everybody's Phone Company© (the Company) offers local and long distance service on a prepaid basis. Specifically, local services include a "bare bones" product providing unlimited local dial tone and 911 emergency access with the option of several customer calling features, for an additional fee, including Call Waiting, Caller ID, Call Forwarding and Speed Dialing. These features may be purchased individually or in a package at reduced rates.

Everybody's Phone Company purchases phone services from the incumbent local exchange carrier at deep discounts (currently up to 26%) and resells the service on a prepaid basis at a premium, allowing attractive profit margins. The markets are households without phone service due to lack of credit history or a poor credit history, and/or the inability to pay a deposit.

10. THE NATURE AND EXTENT OF THE ISSUERS FACILITIES:

Everybody's Phone Company's headquarters is located at 6666 Harwin, Suite 664 Houston, Texas, where is maintains office space of 1,000 square feet.

Part D: Management Structure and Financial Information

11. THE NAME OF THE CHIEF EXECUTIVE OFFICER AND MEMBERS OF THE BOARD OF DIRECTORS:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Steven H Bethke	51	Chairman
Norman George	69	Vice President/CFO
Kim T. Peterson	71	Director

LIST OF AFFILIATES AND SHAREHOLDERS OWNING 10% OR MORE OF THE COMMON STOCK

1. Steven H. Bethke
Steven H. Bethke; President & Director 7,5000,000 shares (15.04%)
2. Norman George
Norman George; Vice President/Director 7,5000,000 shares (15.04%)
3. Kim T. Peterson
Kim T. Peterson; Director 7,5000,000 shares (15.04%)

Officers and Directors Biography

Mr. Steven H. Bethke Mr. Bethke formally was the Chairman and CEO of Affordable Telecommunications Technology Corporation (ATCT.pk) a publicly traded small cap stock on the "Pink Sheets" exchange. Prior to organizing Affordable Telecommunications Technology Corporation in July 1997; Mr. Bethke previously was employed over the past twenty (20) years by various telecommunications companies Mr. Bethke was involved with sales, marketing and management of consumer electronics products and services companies since the late 70's. Mr.

Bethke attended Indiana University.

Mr. Norman George. Mr. George was formally the Director and Chief Financial Officer of Affordable Telecommunications Technology Corporation (ATCT.pk) a publicly traded small cap stock on the "Pink Sheets" exchange. Mr. George was hired as Chief Financial Officer of ATCT on September 1, 1998. Prior to joining the Affordable Telecommunications Technology Corporation, he was self-employed with ownership interest in numerous retail companies over the past thirty (30) years. Peat, Marwick and Mitchell formerly employed Mr. George for 5 years as a retail consultant. He is a graduate of the University of Texas with a degree in Accounting.

Mr. Kim T. Peterson. Mr. Peterson was formally a director of Affordable Telecommunications Technology Corporation (ATCT.pk) a publicly traded small cap stock on the "Pink Sheets" exchange. Mr. Peterson spent 33 years with Regal Ware, a cookware and small electric's manufacturer in Kewaskum, WI. He served in many aspects of marketing, selling and sourcing of products for the company. Mr. Peterson, married, is the father of a son and a daughter. He has been involved in environmental and other charitable organizations. Mr. Peterson is a graduate of Georgia State University with a Master's of Business Administration and The received his undergraduate degree from Ohio State University.

12. Financial Information for the issuers Most Recent Fiscal Period:

See Financial Disclosure dated 12/31/09

13. Financial Information for Two Preceding Fiscal Years:

See Financial Discloser dated 12/31/08

14. Beneficial Owners:

Steven H. Bethke Steven H. Bethke; President & Director	7,5000,000 shares (15.04%)
Norman George Norman George; Vice President/Director	7,5000,000 shares (15.04%)
Kim T. Peterson Kim T. Peterson; Director	7,5000,000 shares (15.04%)

15. The Name, address, telephone number, and e mail address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

Lana Dieringer - Lead Counsel
The Dieringer Law Firm
Post Office Box 550020
Houston, Texas 77255-0020
(713) 688 0801

GENERAL DISCUSSION

Everybody's Phone Company (the Company) offers local and long distance service on a prepaid basis. Specifically, local services include a "bare bones" product providing unlimited local dial tone and 911 emergency access with the option of several customer calling features, for an additional fee, including Call Waiting, Caller ID, Call Forwarding and Speed Dialing. These features may be purchased individually or in a package at reduced rates.

THE COMPANY purchases phone services from the incumbent local exchange carrier at deep discounts (currently up to 26%) and resells the service on a prepaid basis at a premium, allowing attractive profit margins. The markets are households without phone service due to lack of credit history or a poor credit history, and/or the inability to pay a deposit.

THE COMPANY is a flat rate service provider with a customer base of approximately 0 in Texas. THE COMPANY is not a measured service provider, which is when service is provided on a "per call" or "minute basis".

Economics - The prepaid telephone service reseller business has attractive margins, minimal capital expense and minimal bad debt. THE COMPANY acquires heavily discounted telephone service from the incumbent local exchange carriers, such as Southwestern Bell, Bell South, Sprint, Verizon and Qwest and charges premium rates yielding above average profit margins. Additionally, customers must pay prior to receiving service, thereby mitigating bad debts.

Regulatory Approvals - THE COMPANY possesses regulatory approval to sell and provide local phone service in Texas

Overview

We are positioning Everybody's Phone Company for pursuing high growth in targeted niche markets of our industry. We are targeting residential, affinity, Hispanic, African American and Asian markets. We believe this focus, combined with our extensive switch-based network assets and broad product offering should allow us to penetrate these targeted niche markets in the U.S.

Our businesses include:

- residential local voice services; and
- retail stores that market wireless products and services to business and consumers

We believe we are positioned to offer traditional communication services to customers in selected niche markets in the U.S.

Using pre-paid calling card switches in combination with voice switches and local voice services, allows us to offer a wide array of pre-paid services. The pre-paid services offered include traditional pre-paid local services and pre-paid 1+ long distance.

Industry

LOCAL SERVICE. The communication services industry continues to change, which provides opportunity and risk to the companies competing in these markets. The Telecom Act provided significant opportunity for our business by opening the U.S. local service markets to competition, but also adds significant risk by allowing the traditional local phone companies to provide in-region long distance services.

Strategy

Because of changes in the communications industry, our objective is to leverage our assets and establish a market presence to maximize cash flow returns. We plan to:

LEVERAGE SALES CHANNELS: We intend to enhance our existing telemarketing, direct sales, agent and affinity distribution channels to grow our customer base, enhance customer retention and expand our consumer product offerings.

EXPAND LOCAL SERVICES: We have entered local communication markets in Texas and we intend to selectively expand into new states. We intend to continue to leverage the margins provided by the Unbundled Network Elements.

TARGET SELECTED NICHE MARKETS: We intend to focus our sales and marketing efforts on selected niche markets. We plan to only target niche markets in which we can deliver superior service for a reasonable return. Our current targeted markets include Hispanics, African American and Asians in the consumer markets. We believe that these markets have traditionally been underserved by the incumbent telephone companies.

OFFER COMPETITIVELY PRICED PRODUCTS: We intend to offer our niche markets value-based products. We believe that customer satisfaction and retention are closely aligned with the customer's perception of value received.

Description of Services

Our services may include long distance voice communications, local voice communications, and other services, as well as dial-up Internet access.

The consolidated local and long distance subscribers can deliver up to three times the lifetime revenue of standalone long distance customers due to much higher monthly spending and lower subscriber churn. We estimate that our market share in these markets is less than 1%.

The Company

We presently have no commitments, understandings or agreements requiring the issuance of additional shares of Common Stock or any shares of Preferred Stock. We could, however, issue some or all of our authorized but unissued shares, and in some cases we could do that without stockholder approval, diluting the holdings of existing stockholders. Existing shareholders will experience significant dilution from our sale of shares. **We Depend On Our Intellectual Property, And If We Are Unable To Protect Our Intellectual Property, We May Be Unable To Compete And Our Business May Fail.**

Our products rely on our proprietary technology, and we expect that future technological advancements made by us will be critical to sustain market acceptance of our products. Therefore, we believe that the protection of our intellectual property rights is, and will continue to be, important to the success of our business. Consequently, our ability to compete effectively will depend, in part, on our ability to protect our proprietary technology, system designs and manufacturing processes. Unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. Monitoring unauthorized use of our intellectual property is difficult, and we cannot be certain that the steps we may take will prevent unauthorized use of our technology. In addition, the measures we undertake may not be sufficient to adequately protect our proprietary technology and may not preclude competitors from independently developing products with functionality or features similar to those of our product.

Our Future Plans Could Be Harmed If We Are Unable To Attract Or Retain Key Personnel.

If we develop a prototype that we believe is marketable, we will require a significant increase in the number of employees. Our future success, therefore, will depend, in part, on attracting and retaining additional qualified management and technical personnel. We do not know whether we will be successful in hiring or retaining qualified personnel. Our inability to hire qualified personnel on a timely basis, or the departure of key employees, could harm our expansion and commercialization plans.

We Are Dependent On Third Party Suppliers For The Development And Supply Of Key Components For Our Products. If Those Suppliers Are Unable To Provide Sufficient Components, Our Business Will Suffer.

Risk Factors

Termination of License/Certificate - Failure to pay Utility Tax, Line Charge or license fees in the states in which we operate would result in a termination of THE Company's license and/or certificate within the state. Unauthorized change in service provider, known as "Slamming", would also terminate a license or certificate to do business as a reseller of local phone service. Although the Company does not intend on allowing any of these events to occur, if any do occur, the Company would be prohibited from engaging in the local telephone service market, which would have a material adverse effect on the Company.

Dependence on Third Parties - The Company depends on many consultants, vendors and suppliers to conduct business. For example, the Company uses a billing service to mail the monthly invoices to our customers and the Company also uses a telemarketing company for subscribing new customers during an advertising campaign. THE COMPANY is not equipped with the necessary personnel or equipment to handle either of these services and is therefore dependent to outsource these types of services. A loss of any one of these third parties would significantly disrupt our operations.

Dependence Upon Management - The operations and financial success of the Company are significantly dependent on the managerial personnel of the Company, Steven H. Bethke & Norman George. In the event that the management of the Company becomes unable or unwilling to continue to direct its operations, the Company could be adversely affected.

Incumbent Local Exchange Carrier (ILEC) - The Company purchases phone lines from the ILECs at a discount and resells the lines on a prepaid basis; however, the ILEC companies could offer those same lines to the Company's customers. For the most part the ILECs are not interested in this market and have set their pricing and restrictions to exclude most of our target market. However, ILEC's may compete directly with the Company, which would drastically increase competition and likely impair our business.

Incumbent Based Operation- The Company is a resale-based operation and not a facility based operation and therefore any Acts of God, Terrorist acts or Union Strikes that cause phone service to be interrupted will result in the Company's total dependence on the ILEC provider to restore operations in a timely fashion. Poor service provided by our ILEC could result in the loss of customers to our Company.

The Financial Difficulties of Other Competitive Communications Providers Could Adversely Affect our Financial Results - Many competitive local exchange carriers and other emerging communications providers have experienced substantial financial difficulties over the past year, in some cases leading to bankruptcies and liquidations. The financial difficulties of these companies could reflect poorly on the Company's financial stability, may diminish its ability to obtain further working capital and may adversely affect the willingness of potential customers to move their communications services to a competitive local carrier like The Company.

Competition and Markets

The telecommunications industry is highly competitive. The Company believes that the principal competitive factors affecting its business are pricing levels and clear pricing policies, customer service, accurate billing and, to a lesser extent, variety of services. The Company's ability to compete effectively depends upon its continued ability to maintain high quality, market-driven services at prices generally equal to or below those charged by our competitors. To maintain its competitive posture, the Company believes it must be in a position to reduce its prices in order to meet reductions in rates, if any, by others. Any such reductions could materially adversely affect the Company. Many of the Company's current and potential competitors have financial, personnel and other resources, including brand name recognition, substantially greater than we do or expect to have in the near term.

Telephone service providers like THE COMPANY are subject to competition from other providers including those incumbent local exchange carriers from which THE COMPANY purchases phone lines. As a result of the Telecommunications Act of 1996, telephone companies are no longer afforded exclusive franchise service areas. Under that Act, competitors can offer telephone services to THE COMPANY subscribers. The Act contemplates that various regulations will be promulgated by the Federal Communications Commission (FCC) and state regulatory agencies to implement various parts of the Act, such as regulations setting out the procedures and methodologies for implementing and promoting competition in the telephone industry. The regulations could have a material adverse effect, and the Act does open the opportunity for others to be competitive for the same markets.

The Act of 1996 has significantly increased the level of competition in our local exchange markets. One of the purposes of the 1996 Act was to ensure, and accelerate, the emergence of competition in local exchange markets. Toward this end, the 1996 Act requires most existing local exchange carriers (incumbent local exchange carriers, or ILECS's), to permit competitive local exchange carriers, or CLEC's, including our Company, to purchase service from the ILEC for resale to

CLEC customers and interconnect the CLEC's network with the ILEC's network. As a result, competition in the local exchange markets is expected to continue to increase.

Governmental and Other Regulations

THE COMPANY is subject to regulation by the Public Utility Commission, FCC and each of the Utilities Boards in each state in which THE COMPANY holds a license/certificate. THE COMPANY operates our telephone businesses pursuant to license/certificates and various rules and regulations promulgated by these agencies. Although not anticipated to occur, these agencies have the authority to terminate THE Company's right to provide services if they fail to comply with those rules and regulations.

Agencies, like the FCC, require us to file periodic reports, pay various fees and assessments, and comply with rules governing quality of service, consumer protection, and similar issues. Although the specific requirements vary from state to state, they tend to be more detailed than the FCC's regulation because of the strong public interest in the quality of basic local exchange service. We intend to comply with all applicable state regulations, and as a general matter do not expect that these requirements of industry-wide applicability will have a material effect on our business. However, no assurance can be given that the imposition of new regulatory burdens in a particular state will not affect the profitability of our services in that state.

Under the Telecommunications Act, any entity, including cable television companies, electric and gas utilities, may enter any telecommunications market, subject to reasonable state regulation of safety, quality and consumer protection. Because of the implementation of the Telecommunications Act, THE COMPANY is subject to numerous federal and state policy rulemaking proceedings and judicial review. There is still uncertainty as to what impact such legislation will have on us.

The Telecommunications Act is intended to increase competition. This Act was designed to open the local services market by requiring incumbent local carriers to permit interconnection to their networks and establishing incumbent local carriers' obligations with respect to:

Existing or Probable Governmental Regulations May Adversely Affect Our Business

We May be Subject To The "Penny Stock" Rules Which May Negatively Affect Your Ability To Sell Our Securities Or The Price You Could Receive.

If we are subject to penny stock rules, your ability to sell our securities or the price you receive may be adversely affected. The Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than \$5.00 per share (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that the system which provides current price and volume information with respect to transactions in such securities). The penny stock rules require broker-dealers to deliver, prior to any transaction in a penny stock, certain information to their customers and to comply with other requirements which may have the effect of reducing the level of trading activity in a penny stock and make it more difficult to sell such stock.

Part E Issuer History:

17. List of securities offerings and shares issued for the past two years:

	Shares
Balance December 31,2006	8,840,000
Stock Issued 2007	40,000
Net Loss through December 31,2007	
Balance December 31,2007	8,880,000
Stock issued through December 31, 2008	220,000
Net Loss through December 31, 2008	
Balance December 31, 2008	9,100,000
Stock issued through December 31, 2009	40,751,465
Balance December 31, 2009	49,851,465

Notes

1. Prior to January 1, 2005 EPC Issued the following:
 - a. 9/13/03 4,510,000 were issued utilizing the Reg "D" exemption under rule 504
 - b 10/09/03 10,000 shares were issued utilizing the Reg "D" exemption under rule 504
2. No shares were issued in fiscal years 2004/05
3. 9/15/06 4,320,000 shares were issued utilizing the Reg "D" exemption under rule 504
4. 7/12/07 40,000 shares were issued utilizing the Reg "D" exemption under rule 504
5. 12/31/08 220,000 were issued utilizing the Reg "D" exemption under rule 504
6. Stock issued through December 31, 2009 40,751,465 utilizing the Reg "D" exemption under rule 504

18. Material Contracts

See Contracts

A copy of the service provider certificate of operating authority (SPCOA) issued on or about July 25, 2007 by the Public Utility Commission of Texas.

A copy of the signature page of the Resale Agreement between Everybody's Phone Company and Southwestern Bell d/b/a AT&T Texas by AT&T Operations, Inc. its authorized agent dated February 23, 2009.

19. Articles of Incorporation and By-Laws

See Articles of Incorporation and By-Laws

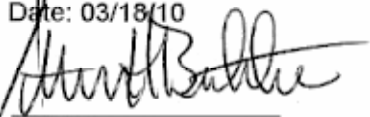
20. Purchases of Equity Securities by The Issuer and Affiliated Purchases

None

21. I, Steven H. Bethke, certify that:

1. I have reviewed this annual disclosure statement of Everybody's Phone Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement fairly presents in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 03/18/10



Steven H. Bethke
President