

Charmed Homes Inc.  
Form 424B3  
August 14, 2009

PROSPECTUS

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-159272

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

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

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

On behalf of the Board of Directors and management teams of both Charmed and Iveda, we are pleased to deliver this joint information statement/prospectus for the merger involving Charmed Homes Inc. ("Charmed") and IntelaSight, Inc., dba Iveda Solutions ("Iveda"). Upon completion of the merger, holders of Iveda common stock will be entitled to receive 1 share of Charmed common stock for each share of Iveda common stock they hold at that time. Charmed common stock trades on the OTC Bulletin Board under the trading symbol "CHDH.OB." A total of 9,036,800 shares of common stock, options to purchase 1,195,229 shares of common stock, warrants to purchase 559,278 shares of common stock, and the 1,754,507 shares of common stock underlying the options and warrants are being offered by Charmed in the merger.

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

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

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

Thank you for your support.

Sincerely,

/s/ Ian Quinn

/s/ David Ly

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Ian Quinn  
President and CEO of Charmed Homes  
Inc.

David Ly  
President and CEO of IntelaSight, Inc.

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

This joint information statement/prospectus is dated August 14, 2009, and is first being mailed to shareholders of each of Charmed and Iveda on or about August 21, 2009.

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ADDITIONAL INFORMATION

Charmed has filed a registration statement on Form S-4 to register with the Securities and Exchange Commission up to 9,036,800 shares of its common stock, options to purchase up to 1,195,229 shares of its common stock, warrants to purchase up to 559,278 shares of its common stock, and up to 1,754,507 shares of its common stock issuable upon exercise of options and warrants. This document is a part of that registration statement. As permitted by Securities and Exchange Commission rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy these documents at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. Statements contained in this document as to the contents of any contract or other document referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See "Where You Can Find More Information."

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

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

In order for you to receive timely delivery of the documents in advance of the closing of the merger, Charmed should receive your request no later than September 1, 2009.

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

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

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

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NOTICE OF CONSENT IN LIEU OF A SPECIAL MEETING OF SHAREHOLDERS

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Actions Taken: Holders of a majority of Charmed Homes Inc. common stock have approved the following two actions by written consent in lieu of a special meeting of the shareholders dated November 21, 2008:

1. an Amendment to the Charmed Homes Inc. Articles of Incorporation to change the company's name to "Iveda Corporation;" and

2. a reverse split of the Charmed Homes Inc. common stock whereby each two shares of issued and outstanding common stock as of December 5, 2008 shall be exchanged for one share of common stock.

Record Date: The record date for the consent in lieu of special meeting and for determining shareholders eligible to receive this Notice was the close of business on November 21, 2008.

Dissenters Rights: No dissenters rights are available for Charmed Homes Inc. shareholders under Nevada law for the merger (which does not require shareholder approval), the name change or the reverse split.

By Order of the Board of Directors,

By: /s/ Ian Quinn  
Ian Quinn, President

August 14, 2009  
Calgary, Alberta

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

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NOTICE OF CONSENT IN LIEU OF A SPECIAL MEETING OF SHAREHOLDERS

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Action Taken: Holders of a majority of the outstanding Iveda common stock have approved and adopted the Merger Agreement among Charmed Homes Inc., Charmed Homes Subsidiary, Inc., certain shareholders of Charmed Homes Inc., and IntelaSight, Inc., and have approved the merger contemplated by the Merger Agreement by written consent in lieu of a special meeting of the shareholders. The written consent was dated January 8, 2009.

Record Date: The record date for the consent in lieu of special meeting and for determining shareholders eligible to receive this Notice was the close of business on January 8, 2009.

Dissenters Rights Each holder of Iveda shares has the right to dissent from the proposed merger and to demand payment of the fair value of his or her shares in the event the merger is completed. To preserve the right to exercise these dissenters rights, a holder of Iveda shares must not have voted his or her shares in favor of the merger agreement and the merger through the written consent, and also must deliver to Iveda, before September 21, 2009, a written notice to demand payment for his or her shares in the manner provided under the Washington Business Corporation Act (a copy of the relevant portions of which is attached as Annex B to the accompanying joint information statement/prospectus). To preserve the right to exercise dissenters rights, a holder of Iveda shares must also otherwise comply with all requirements of Washington law. These dissenter's rights are more fully explained under "The Merger – Dissenters Rights" in the accompanying joint information statement/prospectus. If 1% or more of the outstanding shares of Iveda common stock dissent, then the merger may not be consummated in the discretion of the Iveda Board of Directors.

By Order of the Board of Directors,

By: /s/ David Ly  
David Ly, CEO

August 14, 2009  
Mesa, Arizona

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

General Questions and Answers

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

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

- Iveda provides remote video monitoring services and currently has clients in Arizona, California, and Minnesota. Charmed previously developed a single residential property in Calgary, Alberta, Canada, which was sold in the summer of 2008. See "Summary of the Terms of the Merger - Parties to the Merger" on page 5 and "Information About Iveda" on page 54 below.
- Charmed Homes Subsidiary, Inc. (the "Merger Sub"), a wholly-owned subsidiary of Charmed formed specifically to engage in the Merger, will merge with and into Iveda, resulting in Iveda becoming a wholly-owned subsidiary of the Company. See "The Merger – General Terms of the Transaction" on page 30 below.
- The former shareholders of Iveda will receive a number of shares of Charmed's common stock such that they will own not less than 90% of Charmed's common stock post-Merger. The former option and warrant holders of Iveda will also receive replacement options and warrants to purchase 1,754,507 shares of Charmed's common stock with substantially equivalent value to Iveda's outstanding options and warrants. See "The Merger – General Terms of the Transaction" on page 30 below.
- The consummation of the Merger is subject to: (i) Iveda shareholder approval of the transactions contemplated by the Merger Agreement (already obtained by written consent), with the number of dissenting shares not exceeding 1% of Iveda's outstanding stock; (ii) Charmed shareholder approval of a reverse split and an amendment to the Company's articles of incorporation to change the Company's name to "Iveda Corporation" (already obtained by written consent); (iii) the sale by Ian Quinn and Kevin Liggins of 5 million pre-reverse split shares of Charmed's common stock to Iveda for cash consideration of \$200,000; (iv) the adoption by Charmed's Board of a stock option plan substantially similar to Iveda's existing stock option plan and the authorization by Charmed's Board of warrants to purchase Charmed stock with substantially similar terms as the Iveda warrants. See "The Merger – Summary of Principal Conditions to Completing the Merger" on page 34 below.
- The Merger Agreement contains representations and warranties made by Iveda, Charmed, the Merger Sub, and Ian Quinn and Kevin Liggins, Charmed's principal shareholders. Iveda, Charmed and the Merger Sub also made certain covenants relating to the conduct of their respective businesses between the time the Merger Agreement was signed and the closing of the Merger, including providing the other parties with access to their records. See "The Merger – Representations and Warranties" on page 32, "The Merger – Conduct of Iveda's Business Before Completion of the Merger" on page 34, and "The Merger – Conduct of Charmed's Business Before Completion of the Merger" on page 34 below.
- The Board of Directors of Charmed following the Merger will consist of four directors selected by Iveda. The officers of Charmed following the Merger will also be selected by Iveda. See "The Merger – Directors and Executive Officers of Charmed Following the Merger" on page 36 below.

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

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

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

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

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

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

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

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

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

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

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

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

Q: What should I do now?

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



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### Questions and Answers for Charmed Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

### Questions and Answers for Iveda Shareholders

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

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

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

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

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

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

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

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

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

A: Upon completion of the Merger, holders of Iveda common stock will be entitled to receive one share of Charmed common stock for each share of Iveda common stock owned at the effective time of the Merger. Upon completion of the Merger, holders of options and warrants to purchase Iveda common stock will receive an option or warrant to purchase Charmed common stock in exchange for cancellation of their Iveda options/warrants at the same exchange ratio as the common shareholders.

Q: What are the material federal income tax consequences of the Merger to me? (see page 36)

A: The Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this information statement/prospectus as the Code. For U.S. federal income tax purposes, shareholders of Iveda whose shares of Iveda stock are exchanged in the Merger for shares of Charmed stock will not recognize gain or loss. See the section entitled "The Merger—Federal Income Tax Considerations" beginning on page 36.

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

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

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

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

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

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

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

Email: [bbrilon@ivedasolutions.com](mailto:bbrilon@ivedasolutions.com)

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

SUMMARY

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

The Merger and the Merger Agreement (see page 30)

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

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

Parties to the Merger

IntelaSight, Inc. (see page 54)

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

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

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

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



Charmed Homes Inc. (see page 48)

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

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

Charmed Homes Subsidiary, Inc.

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

Risk Factors (see page 20)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Charmed and Iveda are Prohibited from Soliciting Other Offers

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

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

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

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



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The Merger is Intended to Qualify as a Reorganization for United States Federal Income Tax Purposes (see page 36)

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

Accounting Treatment of the Merger (see page 37)

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

## SUMMARY SELECTED HISTORICAL

## FINANCIAL DATA OF CHARMED

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

	For the three months ended April 30, 2009	For the year ended January 31, 2009	For the year ended January 31, 2008	Inception (June 27, 2006) through January 31, 2009
<b>Income Statement Data:</b>				
Total revenue	\$ 0	\$ 505,665	\$ 0	\$ 505,665
Cost of goods sold	\$ 0	\$ 490,598		\$ 490,598
Total expenses	\$ 15,356	\$ 51,568	\$ 50,569	\$ 121,023
Net loss	\$ (15,356)	\$ (36,501)	\$ (50,569)	\$ (105,956)
<b>Per Share Data:</b>				
Basic and diluted net loss per share	-	\$ (.01)	\$ (.01)	
Basic and diluted weighted average shares outstanding	6,690,000	6,690,000	\$ 5,972,000	
<b>Balance Sheet Data:</b>				
Current assets	\$ 83,531	\$ 86,957	\$ 512,592	
Total assets	\$ 83,531	\$ 86,957	\$ 512,592	
Current liabilities	\$ 13,843	\$ 3,413	\$ 398,547	
Total liabilities	\$ 13,843	\$ 3,413	\$ 398,547	
Stockholders' equity	\$ 69,688	\$ 83,544	\$ 114,045	

## SUMMARY SELECTED HISTORICAL

## FINANCIAL DATA OF IVEDA

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

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

PRO FORMA FINANCIAL DATA

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

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

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

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

Unaudited Pro Forma Condensed Balance Sheets	Iveda Solutions		Charmed Homes			
	December 31, 2008	January 31, 2009	Pro Forma Adjustments	Notes	Pro Forma Combined	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 335,189	\$ 86,957	(86,957)	(a)	\$ 335,189	
Accounts Receivable	26,971				26,971	
Prepaid Expenses	11,532				11,532	
Inventory	13,530				13,530	
Total Current Assets	387,222	86,957	(86,957)		387,222	
<b>PROPERTY AND EQUIPMENT</b>						
Office Equipment	87,050				87,050	
Furniture and Fixtures	22,712				22,712	
Software	36,634				36,634	
Leased Equipment	213,460				213,460	
Leasehold Improvements	34,495				34,495	
Total Property and Equipment	394,351				394,351	
Less: Accumulated Depreciation	99,099				99,099	
Property and Equipment, Net	295,252				295,252	
<b>OTHER ASSETS</b>						
Deferred Income Taxes	-				-	
Escrow Deposits	50,000		(50,000)	(b)	-	
Deposits	16,523				16,523	
Total Assets	\$ 748,997	\$ 86,957	\$ (136,957)		698,997	
	2008				-	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Current Portion of Capital Lease Obligations	\$ 65,916				65,916	
Notes Payable	-				-	
Accounts Payable	48,465	3,413	(3,413)	(a)	48,465	
Deferred Revenue	21,964				21,964	
Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	-				-	
Accrued Expenses	70,285		150,000	(c)	220,285	
Total Current Liabilities	206,630	3,413	146,587		356,630	
<b>LONG-TERM LIABILITIES</b>						
Capital Lease Obligations, Net of Current Portion	117,162				117,162	
Total Liabilities	323,792	3,413	146,587		473,792	



**STOCKHOLDERS' EQUITY**

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

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

Notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

Note 1—Pro Forma Adjustments

- (a) To eliminate all assets and liabilities of Charmed per merger agreement
- (b) To recognize the \$50,000 escrow deposit to certain Charmed shareholders as a transaction cost
- (c) To record the \$150,000 commitment at closing to certain Charmed shareholders
- (d) Eliminate \$105,956 of Accumulated deficit and reflect \$200,000 of transaction costs to certain Charmed shareholders
- (e) Adjustment to eliminate Charmed Common Shares, Additional Paid-in Capital and Donated Capital
- (f) Adjust Common Stock to reflect the par value of 845,000 shares that remain with Charmed shareholders after merger

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

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

Unaudited Pro Forma Condensed Balance Sheets	Iveda Solutions		Charmed Homes			
	March 31, 2009	April 30, 2009	Pro Forma Adjustments	Notes	Pro Forma Combined	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 24,900	\$ 83,531	(83,531)	(a)	\$ 24,900	
Accounts Receivable	48,839				48,839	
Prepaid Expenses	4,498				4,498	
Inventory	0				-	
Total Current Assets	78,237	83,531	(83,531)		78,237	
<b>PROPERTY AND EQUIPMENT</b>						
Office Equipment	87,589				87,589	
Furniture and Fixtures	27,416				27,416	
Software	36,800				36,800	
Leased Equipment	213,460				213,460	
Leasehold Improvements	36,280				36,280	
Total Property and Equipment	401,545				401,545	
Less: Accumulated Depreciation	118,418				118,418	
Property and Equipment, Net	283,127				283,127	
<b>OTHER ASSETS</b>						
Deferred Income Taxes	-				-	
Escrow Deposits	50,000		(50,000)	(b)	-	
Deposits	16,523				16,523	
Total Assets	\$ 427,887	\$ 83,531	\$ (133,531)		377,887	
		2008			-	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Current Portion of Capital Lease Obligations	\$ 65,916				65,916	
Notes Payable	50,000				50,000	
Accounts Payable	118,515	13,843	(13,843)	(a)	118,515	
Deferred Revenue	-				-	
Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	-				-	
Accrued Expenses	85,428		150,000	(c)	235,428	
Total Current Liabilities	319,859	13,843	136,157		469,859	
<b>LONG-TERM LIABILITIES</b>						
Capital Lease Obligations, Net of Current Portion	104,944				104,944	
Total Liabilities	424,803	13,843	136,157		574,803	

**STOCKHOLDERS' EQUITY**

Common Stock, \$0.001 par value; 40,000,000 shares	8,859		845	(f)	9,704
		67	(67)	(e)	-
issued and outstanding, as of December 31, 2008 and					
Preferred Stock, \$0.001 par value; 10,000,000 shares	-				
Additional Paid-In Capital	3,480,166	173,933	(173,933)	(e)	3,480,166
			(845)	(f)	
Donated Capital		17,000	(17,000)	(e)	-
Accumulated Deficit	(3,485,941)	(121,312)	(78,688)	(d)	(3,685,941)
Total Stockholders' Equity	3,084	69,688	(269,688)		(196,916)
Total Liabilities and Stockholders' Equity	\$ 427,887	\$ 83,531	\$ (133,531)		377,887

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

Notes to the Unaudited Pro Forma Condensed Consolidated Financial Information

Note 1—Pro Forma Adjustments

- (a) To eliminate all assets and liabilities of Charmed per merger agreement
- (b) To recognize the \$50,000 escrow deposit to certain Charmed shareholders as a transaction cost
- (c) To record the \$150,000 commitment at closing to certain Charmed shareholders
- (d) Eliminate \$121,312 of Accumulated deficit and reflect \$200,000 of transaction costs to certain Charmed shareholders
- (e) Adjustment to eliminate Charmed Common Shares, Additional Paid-in Capital and Donated Capital
- (f) Adjust Common Stock to reflect the par value of 845,000 shares that remain with Charmed shareholders after merger

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

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COMPARATIVE HISTORICAL AND  
PRO FORMA PER SHARE DATA

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

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

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

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





## SECURITIES OWNERSHIP PRE- AND POST-MERGER

The following table sets forth the security ownership of Iveda and Charmed prior to the Merger (as of July 31, 2009) and the security ownership of Charmed immediately following the Merger:

	Ownership as of July 31, 2009 (1)	Ownership of Charmed Post-Merger
Iveda (2)	10,791,307 (3)	10,791,307 (92.7%) (3)
Charmed (4)	6,690,000 (5)	845,000 (7.3%) (6)

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

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

(3) Includes 9,036,800 shares of common stock and options and warrants to purchase 1,754,507 shares of common stock.

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

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

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

## STOCK PRICE AND DIVIDEND INFORMATION

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

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

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

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

The last trading day before the Merger was announced was November 14, 2008. On that date the closing price for Charmed shares on the OTC Bulletin Board was N/A as the stock had not been traded. Charmed has never paid cash dividends on its capital stock. Charmed currently intends to retain all earnings, if any, to finance the growth and development of its business. Charmed does not anticipate paying any cash dividends in the foreseeable future. As of July 31, 2009, Charmed had approximately 56 shareholders of record, exclusive of shares held in street name.

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

CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING INFORMATION

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

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

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

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

## RISK FACTORS

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

### Risk Factors Involving Iveda

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

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

#### Iveda Is An Emerging Growth Company.

Iveda began operations in 2005. While Iveda has monthly revenues, there is limited historical, operating or financial information about Iveda to evaluate Iveda's performance. As of July 31, 2009, Iveda had approximately \$15,000 cash on hand. At Iveda's current estimated burn rate of \$60,000 per month, Iveda needs to continue to raise capital to continue its operations. Iveda intends to continue to seek to raise capital following the Merger predominantly to expand its sales and marketing capabilities and hire additional employees to meet the demand for its services. If Iveda does not raise sufficient capital, of which there can be no assurance, it will have a significant impact on the ability of Iveda to expand operations. There can be no assurance that Iveda can be operated profitably or, if profitability is achieved, that it can be sustained.

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

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

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

#### Iveda Depends On Certain Key Personnel.

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

### Rapid Growth May Strain Iveda's Resources.

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

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

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

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

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

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

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





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

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

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

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

- Incur additional indebtedness;
- Make capital expenditures or enter into lease arrangements in excess of prescribed thresholds;
- Make distributions to shareholders, or redeem or repurchase Iveda's shares;
- Make certain types of investments;
- Create liens on Iveda's assets;
- Utilize the proceeds of asset sales; and
- Merge or consolidate or dispose of all, or substantially all, of Iveda's assets.

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

#### Risks Associated with the Surveillance and Remote Security Industry

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

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

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

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

In addition, Iveda has development partner relationships wi