

TRUCEPT INC.

A Nevada corporation

Quarterly Report

September 30, 2017

Item 1 The exact name of the Issuer and its predecessors (if any)

“TRUCEPT INC.” since January 3, 2013

Smart-Tek Solutions, Inc. since 2005

Item 2 The Issuers principal place of office:

18881 Von Karman Avenue, Suite 1440

Irvine, CA 92612

Phone: (858) 798-1644

Fax: (858) 277-5379

State of Incorporation: Nevada, March 22, 1995

Item 3 Security Information

Common Stock

Symbol: TREP

CUSIP: 89778T 109

The number of shares or total amount of the securities outstanding for each class of securities authorized:

Period end date: September 30, 2017

Common Stock

- i) as of September 30, 2017
- ii) 500,000,000 authorized
- iii) 52,762,123 issued and outstanding
- iv) 24,012,517 freely tradable shares
- v) 2 beneficial shareholders
- vi) 395 shareholders of record

Preferred Stock

- i) as of September 30, 2017
- ii) 5,000,000 authorized
- iii) 0 issued and outstanding

Period end date: December 31, 2016

Common Stock

- i) as of December 30, 2016
- ii) 500,000,000 authorized
- iii) 52,762,123 issued and outstanding
- iv) 24,012,517 freely tradable shares
- v) 2 beneficial shareholders
- vi) 391 shareholders of record

Preferred Stock

- i) as of December 31, 2016
- ii) 5,000,000 authorized
- iii) 0 issued and outstanding

Transfer Agent:

Corporate Stock Transfer Inc.
3200 Cherry Creek Drive South, Suite 4300
Denver, CO 80209
Office: 303-282-4800
Fax: 303-282-5800

Registered under the Exchange Act and regulated by the SEC.

Item 4

Issuance History

No shares issued in the Quarter ending September 30, 2017 and 2016

Item 5

Financial Statements

**TRUCEPT INC.
Financial Statements
September 30, 2017**

Trucept, Inc.
Consolidated Balance Sheets
As of September 30, 2017 and December 31, 2016

	September 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 1,000	\$ 1,000
Accounts receivable, net	231,947	558,937
Notes Receivable	981,506	1,003,547
Prepaid expenses and deposits	<u>1,246,293</u>	<u>1,060,195</u>
Total current assets	2,460,746	2,622,679
Equipment, net of accumulated depreciation	-	17,683
Prepaid workers compensation	18,685,819	15,732,432
Other assets	-	-
Goodwill	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 21,146,565</u>	<u>\$ 18,379,794</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	\$ 160,865	\$ 721,479
Accrued payroll taxes	987,881	26,149,331
Disputed 3 rd party liabilities	28,539,954	-
Other Liabilities	44,667	906,656
Notes payable	<u>3,043,474</u>	<u>2,649,682</u>
Total current liability	32,776,841	30,427,148
Other long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>32,776,841</u>	<u>30,427,148</u>
Stockholders' Deficit		
Preferred stock: \$0.001 par value, 5,000,000 shares authorized, zero shares issued and outstanding at September 30, 2017 and December 31, 2016	-	-
Common stock: \$0.001 par value, 500,000,000 shares authorized, 52,762,123 issued and outstanding at September 30, 2017 and at December 31, 2016, respectively	52,763	52,763
Additional paid in capital	7,274,644	7,274,644
Accumulated deficit	<u>(18,957,683)</u>	<u>(19,374,761)</u>
Total stockholders' deficit	<u>(11,630,276)</u>	<u>(12,048,354)</u>
Total liabilities and stockholders' deficit	<u>\$ 21,146,565</u>	<u>\$ 18,378,794</u>

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Operations and Comprehensive Loss
For the Nine Months Ended September 30, 2017 and 2016

	2017	2016
Revenue	\$ 3,668,113	\$ 4,775,374
Cost of revenue and service delivery	<u>1,612,812</u>	<u>2,763,322</u>
Gross profit	2,055,301	2,012,042
Depreciation	(1,608)	1,588
Selling, general and administrative expenses	<u>1,639,846</u>	<u>905,503</u>
Total operating expense	1,638,238	907,091
Operating Income	417,063	1,104,951
Other income (expense)		
Interest expense	-	-
Tax and Tax penalties	-	(2,408)
Bad Debt Write-off	-	(606,000)
Other income	<u>15</u>	<u>2,135,006</u>
Total other (expense)/income	15	1,526,598
Net Income	<u>417,078</u>	<u>2,631,549</u>
Comprehensive Income	<u>\$ 417,078</u>	<u>\$ 2,631,549</u>
Net income per share of common stock, basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.05</u>
Weighted average shares of common stock outstanding, basic and diluted	<u>52,762,123</u>	<u>50,262,123</u>

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Changes in Stockholders' Deficit
For the Nine Months Ended September 30, 2017

	<u>Common Stock</u>		Additional		Accumulated	
	Shares	Amount	Paid in	Capital	Deficit	Total
Balance - December 31, 2015	50,262,123	\$ 50,262	\$ 7,276,145	\$ (23,198,746)	\$ (15,872,339)	
Stock Purchase Agreement	2,500,000	2,500	(1,500)			1,000
Net Income - December 31, 2016					3,823,985	3,823,985
				-		
Balance - December 31, 2016	52,762,123	\$ 52,762	\$ 7,274,645	\$ (19,374,761)	\$ (12,047,354)	
Net Income – September 30, 2017 YTD					417,078	417,078
				-		
Balance – September 30, 2017	52,762,123	\$ 52,762	\$ 7,274,645	\$ (18,957,683)	\$ (11,630,276)	

See accompanying notes to the consolidated financial statements.

Trucept, Inc.
(Formerly Smart-tek Solutions Inc.)
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2017

	2017
Operating Activities	
Net Income	\$ 417,078
Adjustments to reconcile net loss to cash	
provided by (used in) operating activities	
Depreciation and amortization	(1,607)
Other assets	-
Provision for doubtful accounts	-
Changes in operating assets and liabilities	-
Accounts receivable – decrease (increase)	326,990
Notes Receivable	-
Notes Payable	-
Prepaid expenses and deposits – decrease, (increase)	(186,098)
Accrued workers compensation	(2,947,387)
Accounts payable and accrued liabilities - increase	(1,422,603)
Net cash provided by (used in) operating activities	(3,813,627)
Investing activities	
Purchase of equipment	19,290
Net cash provided by investing activities	19,290
Financing activities	
Notes Payable – related party	415,833
Payroll taxes payable (decrease)	3,378,504
Payments of long-term payable	-
Net cash used in financing activities	3,794,337
Net increase (decrease) in cash	0
Cash and cash equivalents, beginning of the year	1,000
Cash and cash equivalents, end of the year	\$ 1,000
Supplemental cash flow information	
Interest paid	\$ -
Income taxes paid	\$ -
Non cash supplemental information	

See accompanying notes to the consolidated financial statements.

1. Summary of significant accounting policies

Nature of operations, basis of financial statement presentation

The Company was incorporated in the State of Nevada on March 22, 1995 as Royce Biomedical Inc.

In August 2005, the Company changed its name from Royce Biomedical Inc. to Smart-tek Solutions Inc. It changed names to “TRUCEPT INC.” on January 3, 2013 to better reflect new business activities

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the following significant accounting policies:

Liquidity

At September 30, 2017, the Company had cash and cash equivalents of \$1,000, a working capital deficit of approximately \$30.3 million and an accumulated deficit of approximately \$19.0 million. As of September 30, 2017, the Company had disputed 3rd party liabilities of \$28.5 million previously classified as delinquent payroll taxes including accrued penalties.

The Company earned a net profit of approximately \$417,078 for the nine months ended September 30, 2017.

Principles of consolidation

The consolidated financial statements include the accounts of Trucept Inc. Significant inter-company transactions have been eliminated in consolidation.

Use of estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management’s estimates and judgment includes assumptions pertaining to credit worthiness of customers, interest rates, useful lives of assets, future cost trends, tax strategies, and other external market and economic conditions. Actual results could differ from estimates and assumptions made.

Cash and equivalents

Cash and cash equivalents consist of cash on hand and bank deposits. For financial reporting purposes, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses related to this concentration of risk. At June 30, 2017 and 2016, the Company did not have any deposits in excess of federally insured limits.

1. Summary of significant accounting policies - continued

Accounts Receivable

Accounts receivables are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts, as needed. The Company uses the allowance method to account for uncollectible accounts receivable balances. Under the allowance method, if needed, an estimate of uncollectible customer balances is made based upon specific account balances that are considered uncollectible. Factors used to establish an allowance include the credit quality and payment history of the customer. The allowance for doubtful accounts was \$0 as of June 30, 2017 and 2016, respectively.

Workers compensation insurance

The Company maintains reserves in the form of prepaid cash deposits for known workers' compensation claims which are made up of estimated collateral required to pay claims and estimated expenses to settle the claims. The collateral amounts are determined by the insurance carrier and are not recoverable by the Company until all claims related to a policy period are settled. The cash deposits will not be recoverable in the near term and accordingly, they are classified as a long term asset with a balance of \$18,685,819 and \$15,732,432 as of September 30, 2017 and December 31, 2016, respectively.

Concentration of credit risk

Credit risk arises from the potential that a counterpart will fail to perform its obligations. The Company minimized credit risk by requiring clients to wire in advance of services being provided. The Company's receivables are comprised of a number of debtors which minimizes the concentration of credit risk. It is management's opinion that the Company is not exposed to significant credit risk associated with its accounts receivable.

Equipment

Equipment is recorded at cost and depreciated on a straight-line basis using accelerated methods over the estimated useful lives of the related assets ranging from 3 to 5 years. The Company reviews the carrying value of long-term assets to be held and used when events and circumstances warrant such a review. If the carrying value of a long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. The cost of normal maintenance and repairs is charged to operations as incurred. Major overhaul that extends the useful life of existing assets is capitalized. When equipment is retired or disposed, the costs and related accumulated depreciation are eliminated and the resulting profit or loss is recognized in income.

Income taxes

The Company recognizes consolidated deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

1. Summary of significant accounting policies - continued

Deferred tax assets are recognized for deductible temporary differences and for carry forwards. Deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related financial statement implications. Unrecognized tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is “more-likely-than-not” to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Company to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. The Company files U.S. federal and U.S. state tax returns.

Revenue recognition

The Company recognizes professional employment organizations (PEO) revenues when each periodic payroll is delivered. The Company’s net PEO revenues and cost of PEO revenues do not include the payroll cost of its worksite employees. Instead, PEO revenues and cost of PEO revenues are comprised of all other costs related to its worksite employees, such as payroll taxes, employee benefit plan premiums and workers’ compensation insurance.

PEO revenues also include professional service fees, which are primarily computed as a percentage of client payroll or on a per check basis.

In determining the pricing of the markup component of its billings, the Company takes into consideration its estimates of the costs directly associated with its worksite employees, including payroll taxes, benefits and workers’ compensation costs, plus an acceptable gross profit margin. As a result, the Company’s operating results are significantly impacted by the Company’s ability to accurately estimate, control and manage its direct costs relative to the revenues derived from the markup component of the Company’s gross billings.

Share-based compensation

The Company measures the cost of employee services received in exchange for equity awards based on the grant date fair-value of the awards. Fair value is typically the market price of the shares on the date of issuance. Costs are measured at the grant date and recognized as compensation expense over the employer’s requisite service period (generally the vesting period of the equity award).

Net earnings per share

The basic income per common share is computed by dividing the net income by the weighted average shares of common stock outstanding during the periods. Net income per share on a diluted basis is computed by dividing the net income for the periods by the weighted average number of common and dilutive common stock equivalent shares outstanding during the periods.

1. Summary of significant accounting policies - continued

Fair Value of Financial Instruments

Fair value is determined to be the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Company follows a fair value hierarchy that prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3—Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort.

At September 30, 2017 and December 31, 2016, the carrying amounts of financial instruments, including cash, accounts and other receivables, accounts payable and accrued liabilities, and notes payable approximate fair value because of their short maturity.

Recent Accounting Pronouncements

The Company has reviewed accounting pronouncements and interpretations thereof that have effective dates during the periods reported and in future periods. The Company believes that the following impending standards may have an impact on its future filings. The applicability of any standard will be evaluated by the Company and is still subject to review by the Company.

The Company has adopted FASB ASC 220 “Comprehensive Income”, which establishes standards for reporting and display of comprehensive income (loss), its components and accumulated balances. The Company had no components of comprehensive income (loss) for the periods presented.

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles—Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment* (“ASU 2012-02”). ASU 2012-02 is intended to reduce the cost and complexity of the annual indefinite-lived intangible assets impairment testing by providing entities an option to perform a “qualitative” assessment to determine whether further impairment testing is necessary. As such, there is the possibility that quantitative assessments would not need to be performed if it is more likely than not that no impairment exists. This new update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company has adopted ASU 2012-02 as of December 31, 2012 for its annual impairment testing. The adoption has no impact on the Company’s consolidated financial position, results of operations, or cash flows.

Management does not believe any other recent accounting pronouncements issued by the FASB, the AICPA, or the SEC have a material impact on the Company's present or future consolidated financial statements.

2. Equity

At September 30, 2017, the Company is authorized to issue:

1. 5,000,000 shares of preferred stock, par value \$0.001 per share.
2. 500,000,000 shares of common stock, par value \$0.001 per share.

Common Stock

At September 30, 2017, there are 52,762,123 shares of common stock outstanding.

There are no stock options outstanding at September 30, 2017 and December 31, 2016.

Preferred Shares

There are no preferred shares issued or outstanding.

5. Net earnings per share

	September 30, 2017	December 31, 2016
Net Income	\$ 417,078	\$ 3,823,985
Weighted number of shares outstanding	52,762,123	52,762,123
Net income per share	\$ 0.01	\$ 0.07

RESULTS OF OPERATIONS

The nine months ending September 30, 2017 and 2016

Revenue

For the six month period ending June 30, 2017 and 2016, revenues were \$3,668,113 and \$4,775,374 respectively, for a decrease of \$1,107,261 (23.2%) over the same period in 2016.

Expenses

Our expenses for the nine months ended September 30, 2017 and 2016 are outlined in the table below:

	The nine months ended September 30,		Percentage Increase/ (Decrease)
	2017	2016	
Cost of Revenue	\$ 1,612,812	\$2,763,322	(41.6)%
Selling, General and Administrative expenses	1,639,846	905,503	81.1%
Depreciation Expense	(1,608)	1,588	(201.3)%
Interest Expense and Tax Penalties	-	-	(100.0)%
Total Expenses	\$3,251,050	\$ 3,670,413	11.4%

Cost of revenue

Cost of revenue for the nine months ended September 30, 2017 and 2016 were \$1,612,812 and \$2,763,322 respectively, for a decrease of \$1,150,510 (41.6%) over the same period in 2016. The decrease in cost of revenue was directly as result of loss of clients. .

Selling, General and Administrative

Selling, general and administrative expenses of \$1,639,846 for the nine months ended September 30, 2017 increased by \$734,343 or (81.1%) over the same period prior year the amount of \$905,503.

Liquidity and Capital Resources

Working Capital

	Quarter Ended September 30, 2017	Year Ended December 31, 2016	Percentage Increase/ (Decrease)
Current Assets	\$ 2,460,746	\$ 2,622,679	4.7%
Current Liabilities	32,776,841	30,427,148	5.0%
Working Capital (Deficiency)	\$ (30,316,095)	\$ (27,804,469)	5.9%

Cash Flows

	Nine Months Ended September 30, 2017
Cash from (used in) Operating Activities	(3,813,627)
Cash (used in) Investing Activities	19,290
Cash provided by financing Activities	3,794,337
Net Increase (Decrease) in Cash	0

We had cash on hand of \$1,000 and working capital deficit of \$30,316,095 as of September 30, 2017 compared to cash on hand of \$1,000 and working capital deficit of \$27,804,469 for the year ended December 31, 2016.

Future Financings

The Company's short-term plan is to utilize its common stock where possible to pay for services and to seek further shareholder loans. In the longer term, the Company is actively seeking additional merger, acquisition or venture relationships with operating enterprises in order to generate long-term growth opportunities for the Company, permit the Company to meet its financial obligations and to provide increased value to the Company's shareholders. In the past we have obtained our required cash resources principally through loans from shareholders and our sole executive officer.

Management's plans to improve our financial condition are as follows:

- Continued growth in outsourcing business line (PEO);
- We intend to increase profitability by offering various insurance and other products and services to our co-employer and staffed clients.
- We will continue to look for opportunities to grow organically where feasible as well as evaluate potential acquisition opportunities that may present themselves in the next 12 months.
- Management has and will continue to outsource repetitive and labor-intensive functions that will reduce payroll and ensure prompt payment of trust fund liabilities.

There can be no assurance that our planned activities will be successful.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Item 6 Nature of the Issuer's Business

A. A description of the issuer's business operations;

Trucept, Inc. (the "Company") has employment-related business lines. We provide professional employer organization (PEO) services. In a PEO co-employment contract, the Company becomes the employer of record for client company employees for tax and insurance purposes. The client company continues to direct the employees' day-to-day activities, and the Company charges a service fee for providing services.

B. Date and State of Incorporation

The Company was incorporated in the State of Nevada on March 22, 1995

C. The Issuer's Primary SIC Code:

Primary: SIC Code 7363

NAICS Code 561330

D. The Issuer's Fiscal Year End Date:

Fiscal year end is December 31st

E. Principal Products or Services, and Their Market;

We provide integrated and cost-effective management solutions in the area of human resources services to small and medium-size businesses, relieving our clients from many of the day-to-day tasks that negatively impact their core business operations, such as payroll processing, human resources support, workers' compensation insurance, safety programs, employee benefits, and other administrative and aftermarket services predominantly related to staffing - staff leasing, temporary staffing and co-employment.

F. Issuer's Facilities

Executive Offices

The Company maintains an executive office at 600 La Terraza Blvd., Second Floor, Escondido, CA 92025.

Item 8 Officers, Directors and control Persons

A. Officers, Directors and Control Persons. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement.

Brian Bonar
18881 Von Karman Avenue, Suite 1440
Irvine, CA 92612

Norman Tipton (CEO)
18881 Von Karman Avenue, Suite 1440
Irvine, CA 92612

B. Legal – Disclaimer History

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other misdemeanor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None.

C. Beneficial Shareholders

Name and Address		Number of Shares	
Title of Class	of Beneficial Owner	Beneficially Owned ⁽¹⁾	Percentage of Class ⁽¹⁾
Directors and Officers:			
	Brian Bonar 18881 Von Karman, Suite 1440 Irvine, CA 92612	10,397,999	19.71%
Common Stock	Norman Tipton 18881 Von Karman, Suite 1440 Irvine, CA 92612	5,000,000	9.47%
Common Stock	Directors and Officers as a group ⁽¹⁾	5,000,000	9.47%

Notes

- (1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. The percentage of class is based on 52,762,123 shares of common stock issued and outstanding as of June 30, 2017.

Item 9 Third Party Providers

The name, address, telephone number and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker:

None.

2. Promoters:

Pacific Equity Alliance LLC
4770 LEATHERS STREET
SAN DIEGO, CA 92117
President Zachary R. Logan
Pacific Equity at 858 886-7237

3. Counsel:

Legal Counsel:
Naccarato & Associates
18881 Von Karman Avenue
Suite 1440
Irvine, CA 92612
Phone: (949) 851-9261
Email: owen@owenn.com

4. Accountant or Auditor:

None

5. Public Relations Consultant:

None

6. Investor Relations Consultant:

None

10. Advisory:

None

Item 10 Issuer's Certification

November 17, 2017

To Whom It May Concern:

I, Norman Tipton, CEO and Director, certify that:

1. I have reviewed this disclosure statement of Trucept, Inc.
2. Based on my knowledge this disclosure statement does not contain any misleading statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not 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 present in all material the financial condition results of operations and cash flows of the issuer as of and for the periods presented in this disclosure statement.

/s/ Norman Tipton

President/CEO