David B. Neidhart, CPA, P.C.
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November 20, 2007

Dexter Morris
Labwire, Inc.
14133 Memorial Drive
Houston, Texas 77079

Dear Mr. Morris:

We have compiled the accompanying comparative balance sheet of Labwire, Inc. as of June 30, 2006, September 30, 2006, June 30, 2007 and September 30, 2007 and the related statements of income, cash flows and equity for the quarters then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on it.

Thank you for your business and please feel free to call me with any questions.

David Neidhart, CPA, P.C.

7058 Lakeview Haven, Ste 111 Houston, Texas 77095
Member: American Institute of Certified Public Accountants

Labwire, Inc. and Subsidiary Companies
Consolidated Comparative Balance Sheet

	Quarters Ended			
	Sep 30, 07	Jun 30, 07	Sep 30, 06	Jun 30, 06
ASSETS				
Current Assets				
Checking/Savings				
Petty Cash	1,000.00	1,000.00	1,000.00	1,000.00
Frost Bank	140,506.99	191,416.40		0.00
EncoreBank - 3247	893.10	45,032.40	69,706.40	119,228.90
Encore Checking	109,960.14	-50,155.92	39,952.86	-77,635.50
Undeposited Funds	0.00	-197,338.51	168,823.10	-122,891.30
Total Checking/Savings	252,360.23	-10,045.63	279,482.36	-80,297.90
Accounts Receivable				
Accrued Revenue	868,105.96	388,784.25	105,719.96	209,479.73
Accounts Receivable	160,719.47	513,832.99	568,091.64	834,764.48
Total Accounts Receivable	1,028,825.43	902,617.24	673,811.60	1,044,244.21
Other Current Assets				
Advances to Affiliates - K-9 Bomb Search	0.00	-86,201.97	185,307.91	146,090.53
PrePaid Rent	4,765.60	4,765.60	0.00	0.00
Employee Advances	0.00	-2,400.00	0.00	0.00
Total Other Current Assets	4,765.60	-83,836.37	185,307.91	146,090.53
Total Current Assets	1,285,951.26	808,735.24	1,138,601.87	1,110,036.84
Fixed Assets				
Fixed Assets - net (note 1)	90,392.85	33,651.95	40,527.89	44,699.51
Total Fixed Assets	90,392.85	33,651.95	40,527.89	44,699.51
Other Assets				
Deferred Tax Asset (note 2)	0.00	0.00	-659.42	-659.42
Goodwill (note 3)	0.00	0.00	20,000.00	20,000.00
Total Other Assets	0.00	0.00	19,340.58	19,340.58
TOTAL ASSETS	1,376,344.11	842,387.19	1,198,470.34	1,174,076.93

See Accountant's Compilation Report
The accompanying notes are an integral part of this financial statement

Labwire, Inc. and Subsidiary Companies
Consolidated Comparative Balance Sheet

	Sep 30, 07	Jun 30, 07	Sep 30, 06	Jun 30, 06
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Expense Accruals	0.00	0.00	119,771.50	23,684.19
Accounts Payable	763,900.72	463,559.71	445,340.10	418,756.61
Total Accounts Payable	763,900.72	463,559.71	565,111.60	442,440.80
Credit Cards				
Credit Cards	70,657.67	69,778.43	93,336.43	91,498.08
Total Credit Cards	70,657.67	69,778.43	93,336.43	91,498.08
Other Current Liabilities				
Payroll Liabilities	0.00	0.00	0.00	0.00
Line of Credit - Frost Bank (note 4)	121,932.71	121,000.00		0.00
Income Tax Payable	24,302.89	24,302.89	6,008.65	6,008.65
Total Other Current Liabilities	146,235.60	145,302.89	6,008.65	6,008.65
Total Current Liabilities	980,793.99	678,641.03	664,456.68	539,947.53
Long Term Liabilities				
Deferred Tax Liability	0.00	0.00	-659.42	-659.42
Notes Payable (note 5)	180,435.10	185,181.54	264,554.93	262,975.83
Total Long Term Liabilities	180,435.10	185,181.54	263,895.51	262,316.41
Total Liabilities	1,161,229.09	863,822.57	928,352.19	802,263.94
Equity				
Paid in Capital in Excess PAR	547,972.25	471,384.00	471,984.00	490,279.00
Common Stock ($.001 PAR value 150,000,000 authorized shares 140,399,001 shares issued)	140,399.00	140,399.00	139,799.00	139,799.00
Retained Earnings	-811,381.96	-811,381.96	-310,400.78	-310,400.78
Net Income	338,125.73	178,163.58	-31,264.07	52,135.77
Total Equity	215,115.02	-21,435.38	270,118.15	371,812.99
TOTAL LIABILITIES & EQUITY	1,376,344.11	842,387.19	1,198,470.34	1,174,076.93
	0.00	0.00	0.00	0.00

See Accountant's Compilation Report
The accompanying notes are an integral part of this financial statement

Labwire, Inc. and Subsidiary Companies

Consolidated Comparative Operating Statement

For the two quarters ended September 30, 2007

	Quarters Ended								Year to Date		Prior Year to Date	
	Sep 07	%	Jun 07	%	Sep 06	%	Jun 06	%	Jan - Sep 07	%	Jan - Sep 06	%
Ordinary Income/Expense												
Income												
Services	1,043,354.99	91.22%	912,117.35	90.37%	717,010.62	92.05%	669,613.68	74.41%	2,973,733.85	89.54%	2,139,901.91	78.22%
K-9 Revenue	95,666.00	8.36%	92,564.30	9.17%	58,998.00	7.57%	219,328.00	24.37%	330,814.54	9.96%	567,623.84	20.75%
Management Fee	4,783.30	0.42%	4,628.22	0.46%	2,949.90	0.38%	10,966.40	1.22%	16,540.74	0.5%	28,381.19	1.04%
Total Income	1,143,804.29	100.0%	1,009,309.87	100.0%	778,958.52	100.0%	899,908.08	100.0%	3,321,089.13	100.0%	2,735,906.94	100.0%
Cost of Goods Sold												
Drug Screening Services	927,083.55	81.05%	563,930.69	55.87%	567,947.50	72.91%	582,249.19	64.7%	2,285,301.83	68.81%	1,835,171.66	67.08%
Total COGS	927,083.55	81.05%	563,930.69	55.87%	567,947.50	72.91%	582,249.19	64.7%	2,285,301.83	68.81%	1,835,171.66	67.08%
Gross Profit	216,720.74	18.95%	445,379.18	44.13%	211,011.02	27.09%	317,658.89	35.3%	1,035,787.30	31.19%	900,735.28	32.92%
Expense												
Automobile Expense	740.62	0.07%	100.30	0.01%	340.12	0.04%	91.75	0.01%	4,308.63	0.13%	577.45	0.02%
Bad Debt Expense	0.00	0.0%	490.00	0.05%	0.00	0.0%	0.00	0.0%	490.00	0.02%	452.50	0.02%
Bank Service Charges	19.40	0.0%	16.79	0.0%	-38.50	-0.01%	0.00	0.0%	794.91	0.02%	-10.00	0.0%
Computer	21,996.50	1.92%	67,638.59	6.7%	67,726.74	8.7%	70,677.74	7.85%	163,770.05	4.93%	198,532.58	7.26%
Contract Labor	1,643.00	0.14%	1,425.00	0.14%	0.00	0.0%	2,245.00	0.25%	3,068.00	0.09%	6,385.50	0.23%
Contributions	2,100.00	0.18%	700.00	0.07%	2,100.00	0.27%	300.00	0.03%	3,000.00	0.09%	3,440.00	0.13%
Depreciation Expense	4,754.94	0.42%	4,754.94	0.47%	4,171.62	0.54%	3,908.30	0.43%	14,070.38	0.42%	11,461.58	0.42%
Dues & Subscriptions	160.32	0.01%	170.94	0.02%	0.00	0.0%	75.00	0.01%	1,757.05	0.05%	75.00	0.0%
Professional Development	230.00	0.02%	1,000.00	0.1%	700.00	0.09%	0.00	0.0%	4,780.00	0.14%	700.00	0.03%
Equipment Rental	2,000.00	0.18%	0.00	0.0%	2,000.00	0.26%	0.00	0.0%	2,000.00	0.06%	2,000.00	0.07%
Insurance	67.73	0.01%	10,475.81	1.04%	12,563.10	1.61%	8,475.35	0.94%	15,716.78	0.47%	26,305.41	0.96%
Internet Access	1,783.74	0.16%	1,237.92	0.12%	892.11	0.12%	624.85	0.07%	4,831.94	0.15%	2,755.76	0.1%
Licenses & Fees	2,352.50	0.21%	0.00	0.0%	1,043.50	0.13%	0.00	0.0%	2,352.50	0.07%	1,838.50	0.07%
Marketing & Advertising	1,750.00	0.15%	279.94	0.03%	1,285.87	0.17%	1,106.03	0.12%	2,938.44	0.09%	3,014.52	0.11%
Office Supplies	1,405.55	0.12%	1,360.17	0.14%	1,274.59	0.16%	7,566.51	0.84%	4,177.53	0.13%	9,668.02	0.35%
Payroll Expenses	154,278.02	13.49%	162,401.60	16.09%	136,996.88	17.59%	136,777.31	15.2%	443,751.70	13.36%	459,147.93	16.78%
Postage and Delivery	1,015.63	0.09%	1,589.38	0.16%	3,347.98	0.43%	1,967.44	0.22%	5,353.33	0.16%	8,266.26	0.3%
Printing & Reproduction	0.00	0.0%	0.00	0.0%	223.54	0.03%	116.33	0.01%	0.00	0.0%	339.87	0.01%
Professional Fees	4,915.00	0.43%	5,717.80	0.57%	4,090.00	0.53%	6,660.49	0.74%	34,167.58	1.03%	22,155.74	0.81%
Property Taxes	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	1,277.65	0.04%	0.00	0.0%
Rent	14,296.80	1.25%	14,642.80	1.45%	15,111.75	1.94%	13,477.70	1.5%	45,655.20	1.38%	41,848.25	1.53%
Repair & Maintenance	118.65	0.01%	-1,200.00	-0.12%	0.00	0.0%	0.00	0.0%	-1,081.15	-0.03%	0.00	0.0%
Telephone	3,143.06	0.28%	2,905.40	0.29%	2,936.31	0.36%	1,448.01	0.16%	8,761.28	0.26%	6,731.44	0.25%
Travel & Ent	34,080.16	2.98%	22,922.65	2.27%	29,868.21	3.83%	29,169.88	3.24%	82,119.15	2.47%	103,316.48	3.78%
Utilities	128.33	0.01%	358.19	0.04%	309.41	0.04%	446.30	0.05%	1,164.99	0.04%	851.25	0.03%
Miscellaneous	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Total Expense	252,980.15	22.12%	298,988.22	29.62%	286,945.23	36.84%	285,133.99	31.69%	849,245.94	25.57%	909,858.04	33.26%
Net Income from Operations	-36,259.41	-3.17%	146,390.96	14.5%	-75,934.21	-9.75%	32,524.90	3.61%	186,541.36	5.62%	-9,122.76	-0.33%
Other Income/Expense												
Other Expense												
Interest Expense	12,645.42	1.11%	6,482.54	0.64%	7,465.63	0.96%	4,154.99	0.46%	25,196.61	0.76%	16,119.23	0.59%
Other Income	-208,866.98	-18.26%	0.00	0.0%	0.00	0.0%	0.00	0.0%	-208,866.98	-6.29%	0.00	0.0%
Other Expense									0.00		0.00	
Total Other Expense	-196,221.56	-17.16%	6,482.54	0.64%	7,465.63	0.96%	4,154.99	0.46%	-183,670.37	-5.53%	16,119.23	0.59%
Net Income before Income Taxes	159,962.15	13.99%	139,908.42	13.86%	-83,399.84	-10.71%	28,369.91	3.15%	370,211.73	11.15%	-25,241.99	-0.92%
Income Tax Provision			32,086.00		0.00		213.43		32,086.00		6,022.08	
Net Income	159,962.15	13.99%	107,822.42	10.68%	-83,399.84	-10.71%	28,156.48	3.13%	338,125.73	10.18%	-31,264.07	-1.14%
Basic Earnings per Share	$ 0.0011		$ 0.0008		$ (0.0006)		$ 0.0002		$ 0.0024		$ (0.0002)	

See Accountant's Compilation Report

The accompanying notes are an integral part of this financial statement

Labwire, Inc. and Subsidiary Companies
Consolidated Comparative Statement of Cash Flows

	Quarters Ended			
	Sep 07	Jun 07	Sep 06	Jun 06
OPERATING ACTIVITIES				
Net Income	159,962.15	107,822.42	-83,399.84	28,156.48
Adjustments to reconcile Net Income				
to net cash provided by operations:				
Accrued Revenue	-479,321.71	-48,360.27	103,759.77	-11,000.26
Accounts Receivable	353,113.52	185,806.02	266,672.84	-23,950.15
Prepaid Rent	0.00	-4,765.60	0.00	0.00
Advances to Affiliates - K-9 Bomb Search	-86,201.97	91,458.76	-39,217.38	-128,897.06
Employee Advances	-2,400.00	0.00	0.00	0.00
Expense Accruals	-31,566.46	-57,625.41	96,087.31	-52,376.81
Accounts Payable Related	332,786.71	-341,664.94	28,421.84	-76,912.57
Deferred Tax Liability	32,086.00	-32,086.00	0.00	0.00
Income Tax Payable	0.00	29,838.00	0.00	0.00
Payroll Liabilities	0.00	0.00	0.00	-19,972.02
Net cash provided by Operating Activities	278,458.24	-69,577.02	372,324.54	-284,952.39
INVESTING ACTIVITIES				
Deferred tax Asset	-32,086.00	32,086.00	0.00	0.00
Fixed Assets:Depreciation	4,754.94	4,754.94	4,171.62	3,908.30
Fixed Assets:Acquired	-57,750.00	0.00	0.00	-9,474.38
Business Acquired	-3,745.84	0.00	0.00	-20,000.00
Net cash provided by Investing Activities	-88,826.90	36,840.94	4,171.62	-25,566.08
FINANCING ACTIVITIES				
Line of Credit - Short Term	932.71	121,000.00	0.00	0.00
Notes Payable - Long Term	-4,746.44	-78,532.35	1,579.10	-63,264.29
Paid In Capital in Excess PAR	76,588.25	0.00	-18,295.00	211,800.00
Common Stock ($.001 PAR value)	0.00	0.00	0.00	3,200.00
Net cash provided by Financing Activities	72,774.52	42,467.65	-16,715.90	151,735.71
Net cash increase for period	262,405.86	9,731.57	359,780.26	-158,782.76
Cash at beginning of period	-10,045.63	-19,777.20	-80,297.90	78,484.86
Cash at end of period	252,360.23	-10,045.63	279,482.36	-80,297.90

See Accountant's Compilation Report
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Labwire, Inc. and Subsidiary Companies
Consolidated Statement of Shareholder's Equity

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Shareholder's Equity October 1, 2004	$ -	$ -	$ -	$ -
Net Earnings			(578,277.20)	(578,277.20)
Common Stock issued	120,125.00	5,625.00		125,750.00
Shareholder's Equity December 31, 2004	120,125.00	5,625.00	(578,277.20)	(452,527.20)
Net Earnings			(24,361.86)	(24,361.86)
Common Stock issued	5,152.67	100,147.33		105,300.00
Shareholder's Equity March 31, 2005	125,277.67	105,772.33	(602,639.06)	(371,589.06)
Net Earnings			(108,753.51)	(108,753.51)
Common Stock issued	28.33	24,971.67		25,000.00
Shareholder's Equity June 30, 2005	125,306.00	130,744.00	(711,392.57)	(455,342.57)
Net Earnings			35,872.24	35,872.24
Common Stock issued	6,713.63	1,814.37		8,528.00
Shareholder's Equity September 30, 2005	132,019.63	132,558.37	(675,520.33)	(410,942.33)
Net Earnings			365,119.55	365,119.55
Common Stock issued	4,212.70	35,787.30		40,000.00
Shareholder's Equity December 31, 2005	136,232.33	168,345.67	(310,400.78)	(5,822.78)
Net Earnings			23,979.29	23,979.29
Common Stock issued	366.67	110,133.33		110,500.00
Shareholder's Equity March 31, 2006	136,599.00	278,479.00	(286,421.49)	128,656.51
Net Earnings			28,156.48	28,156.48
Common Stock issued	3,200.00	211,800.00		215,000.00
Shareholder's Equity June 30, 2006	139,799.00	490,279.00	(258,265.01)	371,812.99

See Accountant's Compilation Report

The accompanying notes are an integral part of this financial statement

Labwire, Inc. and Subsidiary Companies
Consolidated Statement of Shareholder's Equity

Net Earnings			(83,399.84)	(83,399.84)
Common Stock issued	-	(18,295.00)		(18,295.00)
Shareholder's Equity September 30, 2006	139,799.00	471,984.00	(341,664.85)	270,118.15
Net Earnings			(469,717.11)	(469,717.11)
Common Stock issued	600.00	(600.00)		-
Shareholder's Equity December 31, 2006	140,399.00	471,384.00	(811,381.96)	(199,598.96)
Net Earnings			70,341.16	70,341.16
Common Stock issued	-	-		-
Shareholder's Equity March 31, 2007	140,399.00	471,384.00	(741,040.80)	(129,257.80)
Net Earnings			107,822.42	107,822.42
Common Stock issued	-	-		-
Shareholder's Equity June 30, 2007	140,399.00	471,384.00	(633,218.38)	(21,435.38)
Net Earnings			(20,910.84)	(20,910.84)
Common Stock issued	-	76,588.25		76,588.25
Shareholder's Equity September 30, 2007	140,399.00	547,972.25	(654,129.22)	34,242.03

Changes in Number of Shares	**Issued**	**Outstanding**	**In Treasury**	**Average Price/Share**
Balance at October 1, 2004	0	0	0	
Common Stock Issued	120,125,000	120,125,000	0	
Balance at December 31, 2004	120,125,000	120,125,000	0	$ 0.0010
Common Stock Issued	5,152,665	5,152,665		0.0204
Balance at March 31, 2005	125,277,665	125,277,665	0	$ 0.0018
Common Stock Issued	28,333	28,333		0.8824
Balance at June 30, 2005	125,305,998	125,305,998	0	$ 0.0020
Common Stock Issued	6,713,633	6,713,633		0.0013

See Accountant's Compilation Report

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Labwire, Inc. and Subsidiary Companies
Consolidated Statement of Shareholder's Equity

Balance at September 30, 2005	132,019,631	132,019,631	0	$	0.0020
Common Stock Issued	4,212,704	4,212,704			0.0095
Balance at December 31, 2005	136,232,335	136,232,335	0	$	0.0022
Common Stock Issued	366,666	366,666			0.3014
Balance at March 31, 2006	136,599,001	136,599,001	0		0.0030
Common Stock Issued	3,200,000	3,200,000			0.0345
Balance at June 30, 2006	139,799,001	139,799,001	0		-
Common Stock Issued	0	0			-
Balance at September 30, 2006	139,799,001	139,799,001	0		-
Common Stock Issued	600,000	600,000			-
Balance at December 31 2006	140,399,001	140,399,001	0		-
Common Stock Issued	0	0			-
Balance at March 31, 2007	140,399,001	140,399,001	0		-
Common Stock Issued	0	0			-
Balance at June 30, 2007	140,399,001	140,399,001	0		-
Common Stock Issued	0	0			-
Balance at September 30, 2007	140,399,001	140,399,001	0		-

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Labwire, Inc.
Notes to the consolidated Financial Statements
September 30, 2007

1. Summary of Significant Accounting Policies

Nature of Operations - The Company was incorporated in Nevada on October 8, 2004 as Labwire, Inc. (referred to herein as "the Company"). The Company was established as a an employee screening company specializing in drug testing and background investigations with a client base of large US and European corporations which provides compliance services for Department Of Transportation (49cfr part 40) and Security and Exchange Commission (Fair Credit Reporting Act) governed programs.

Basis of Presentation - The financial statements included in this compilation report present the combined activities of Labwire, Inc.

These are compiled statements and have not been audited.

Basis of Accounting - The financial statements are prepared on the accrual basis of accounting. Compensated absences are not reflected in the accompanying financial statements.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Company considers all highly liquid instruments with original maturities of ninety days or less, to be cash equivalents.

Accounts Receivable - The Company follows the allowance method of recognizing uncollectible accounts receivable. The allowance method recognizes bad debt expense as a percentage of accounts receivable based on a review of accounts receivable outstanding and the Company's prior history of uncollectible accounts receivable.

Fair Value of Financial Instruments - The Company's financial instruments includes accounts receivable, accounts payable, notes payable and long-term debt. The fair market value of accounts receivable and accounts payable approximate their carrying values because their maturities are generally less than one year. Long-term notes receivable and debt obligations are estimated to approximate their carrying values based upon their stated interest rates.

Property and equipment - Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided primarily by the straight-line method over the estimated useful lives of the related assets generally of five to seven years.

Computer equipment is being depreciated over three (3) years, equipment and furniture & fixtures over five (5) years using the straight-line method, vehicles over five (5) years using the straight-line method

Asset Description	Historical Cost	Accum Depreciation	Net Book Value
Computer Equipment	$25,244	$18,796	$6,448
Equipment	40,371	23,550	16,821
Furniture & Fixtures	980	408	572
Vehicles	7,000	1,944	5,056
Software Development	57,750	-0-	57,750
Acquisition Costs	3,746	-0-	3,746

Total Assets (net of depreciation) $90,393

Income Taxes -The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount expected to be realized. Income tax expense is payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

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

Revenue Recognition - The Company's revenues are derived principally from the sale of medical testing services to companies and individuals. Revenue is recognized after the test as services have been provided and there are no longer any material commitments to the customer.

Stock Options - The Company accounts for stock options issued to employees in accordance with APB No.25.

The Company has elected to adopt the disclosure requirements of SFAS No.123 "Accounting for Stock-based Compensation". This statement requires that the Company provide proforma information regarding net income (loss) and income (loss) per share as if compensation cost for the Company's stock options granted had been determined in accordance with the fair value based method prescribed in SFAS No. 123. Additionally, SFAS No. 123 generally requires that the Company record options issued to non-employees, based on the fair value of the options.

Earnings (Loss) per Share - Basic earnings per share includes no dilution and is computed by dividing net earnings (loss) available to stockholders by the weighted number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the Company's earnings. During the years ended December 31, 2006 and 2005, there were no dilutive securities. The computation of earnings (loss) per share is as follows:

	September 30, 2007	June 30, 2007
Net Income (Loss)	$ (500,981)	$ 267,876
Weighted average shares outstanding	140,399,001	140,399,001
Basic Earnings (Loss) per share	$ .0011	$ 0.0008

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132R" ("SFAS 158"). SFAS 158 requires employers that sponsor defined benefit pension and postretirement plans to recognize previously unrecognized actuarial losses and prior service costs in the statement of financial position and to recognize future changes in these amounts in the year in which changes occur through comprehensive income. As a result, the statement of financial position will reflect funded status of those plans as an asset or liability. Additionally, employers are required to measure the funded status of a plan as of the date of their year-end statements of financial position and provide additional disclosures. SFAS 158 is effective for financial statements issued for fiscal years ending after December 15, 2006 for companies whose securities are publicly traded. The Company does not expect the adoption of SFAS 158 to have a significant effect on its financial position or results of operation.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. Where applicable, SFAS No. 157 simplifies and codifies related guidance within GAAP and does not require any new fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier adoption is encouraged. The Company does not expect the adoption of SFAS No. 157 to have a significant effect on its financial position or results of operation.

In June 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109", which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company does not expect the adoption of FIN 48 to have a material impact on its financial reporting, and the Company is currently evaluating the impact, if any, the adoption of FIN 48 will have on its disclosure requirements.

In March 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140." This statement requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in any of the following situations: a transfer of the servicer's financial assets that meets the requirements for sale accounting; a transfer of the servicer's financial assets to a qualifying special-purpose entity in a guaranteed mortgage securitization in which the transferor retains all of the resulting securities and classifies them as either available-for-sale securities or trading securities; or an acquisition or assumption of an obligation to service a financial asset that does not relate to financial assets of the servicer or its consolidated affiliates. The statement also requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable, and permits an entity to choose either the amortization or fair value method for subsequent measurement of each class of servicing assets and liabilities. The statement further permits, at its initial adoption, a one-time reclassification of vailable for sale securities to trading securities by entities with recognized servicing rights, without calling into question the treatment of other available for sale securities under Statement 115, provided that the available for sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value and requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. This statement is effective for fiscal years beginning after September 15, 2006, with early adoption permitted as of the beginning of an entity's fiscal year. Management believes the adoption of this statement will have no immediate impact on the Company's financial condition or results of operations.

In February 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 155, "Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140" ("SFAS 155"), to (a) permit fair value re-measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, (b)clarify which interest-only strip and principal-only strip are not subject to the requirements of Statement 133, (c) establish a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, (d) clarify that concentrations of credit risk in the form of subordination are not embedded derivatives, and (e)amend Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is effective for financial statements for fiscal years beginning after September 15, 2006. Earlier adoption of SFAS 155 is permitted as of the beginning of an entity's fiscal year, provided the entity has not yet issued any financial statements for that fiscal year. Management believes SFAS 155 will have no impact on the financial statements of the Company once adopted.

Note 2 – Short Term Line of Credit

Frost Bank $300,000 revolving line of credit originating on 2/13/07 and matures 2/13/08. Interest rate is at prime plus 1% floating. Interest is due on the 24th of each month. The balance as of 9/30/07 is $121,933.

Note 3 – Long-Term Indebtedness

Note Payable – D Morris – 1.71% per annum - payable on demand	$ 53,237
Note Payable – Workplace Health – 4.5% per annum - payable on demand	66,442
Note Payable – J Maring – 1.71% per annum - payable on demand	60,756
Total Long-Term Indebtedness	$180,435

Note 4 – Non-reliance of Historical Financial Statements issued prior to December 31, 2006

The Company has restated its previously issued financial statements as described below and, in view of the restatements, cautions investors not to rely on the Company's historical financial statements issued prior to December 31, 2006. The foregoing determination was made at the completion of the Company's annual audit on September 28, 2007.

The changes to the Income Statement for each respective quarter is as follows:

Description	Dec' 05 prior	Dec' 05 adjusted	Change incr/(decr)	Dec' 06 prior	Dec' 06 adjusted	Change incr/(decr)
Admin Costs	$987,822	$981,434	$ 6,388	$1,178,327	$1,178,327	$ - 0 -
Operating Income	$290,856	$284,468	$ 6,388	$ (29,272)	$(29,272)	$ - 0 -
Other Exp/(Inc)	$ 11,156	$ 11,752	$ 596	$ 26,673	$ 465,687	$ 439,014
Net Income	$274,859	$267,876	$ 6,983	$ (61,967)	$(500,981)	$(439,014)

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Note 5 – Income Taxes

There is no provision for income taxes since the Company has incurred net operating losses. Income taxes at the federal statutory rate are reconciled to the Company's actual income taxes as follows:

Calculation of Net Operating Loss Carryover:

	2004	**2005**	**2006**	**YTD 2007**
Net Operating Profit/(Loss)	$ (578,277)	$ 267,876	$ (500,981)	$ 338,126
2004 loss carryover utilized	578,277	(259,538)	19,387	(338,126)
Remaining Loss Carryover	$ - 0 -	$- 0 -	$(481,594)	$- 0 -

	YTD 2007	**2006**	**2005**
Federal income tax benefit/(expense) at statutory rate (34%	$ (114,963)	$ (168,286)	$ 92,723
Net operating loss carryover	114,963	174,284	(88,243)
Deferred Income Tax valuation allowance	- 0 -	- 0 -	- 0 -
		$ 6,022	$ 4,480

The Company's Deferred Tax Assets are as follows:

	YTD 2007	**2006**	**2005**
Net Operating Loss Carryover	$ 114,963	$ 168,286	$ 105,536
Valuation Allowance	(114,963))	(168,286	(105,536)
Net Tax Asset	- 0 -	- 0 -	- 0 -