

**LABWIRE INC.**

**ISSUER INFORMATION STATEMENT  
PURSUANT TO  
RULE 15c2-11(a)(5)**

May 27, 2005

**Item 1. The exact name of the issuer and its predecessor (if any).**

Labwire Inc.

**Item 2. The address of its principal executive offices.**

14133 Memorial Drive  
Suite 1  
Houston, TX 77079  
Telephone: 281-597-1611  
Facsimile: 281-597-1261  
www.labwire.com

Person responsible for issuer's investor relations:  
Dexter Morris  
14133 Memorial Drive  
Suite 1  
Houston, TX 77079  
Telephone: 281-597-1611

**Item 3. The state of incorporation, if it is a corporation.**

The issuer was organized under the corporate laws of the State of Nevada as Labwire Inc. on October 8, 2004.

**Item 4. The exact title and class of the security.**

Common Stock  
CUSIP number: 50545 W 10 6  
Trading symbol: LBWR

**Item 5. The par or stated value of the security.**

\$0.001 par value per share

**Item 6. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year.**

**A. As of the most recent fiscal year (12/31/04):**

Authorized shares of Common Stock: 150,000,000  
Shares issued: 123,477,665  
Shares in the public float: 0  
Number of shareholders: 44

**B. As of the most recent fiscal quarter (3/31/05):**

Authorized shares of Common Stock: 150,000,000  
Shares issued: 125,277,665  
Shares in the public float: 1,800,000  
Number of shareholders: 44

**C. As of the date of this disclosure statement:**

Authorized shares of Common Stock: 150,000,000  
Shares issued: 125,277,665  
Shares in the public float: 1,800,000  
Number of shareholders: 44  
Number of "free-trading" shareholders: 14

**D. Offerings:**

**1. As of the most recent fiscal year (12/31/04):**

12/03/04	72,000,000	\$0.01	\$72,000	Sec. 4(2)	Texas
12/03/04	24,000,000	\$0.01	\$24,000	Sec. 4(2)	Washington
12/03/04	12,000,000	\$0.01	\$12,000	Sec. 4(2)	Washington
12/03/04	12,000,000	\$0.01	\$12,000	Sec. 4(2)	California
12/21/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas

12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas

2. As of the date of this disclosure statement:

<u>Date</u>	<u>Common Shares Sold</u>	<u>Price Per Share</u>	<u>Amount of Offering</u>	<u>Exemption</u>	<u>State</u>
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	250,000	\$0.01	\$2,500	Rule 504	Texas
3/24/05	250,000	\$0.01	\$2,500	Rule 504	Texas
3/24/05	50,000	\$0.01	\$500	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	250,000	\$0.01	\$2,500	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
3/24/05	100,000	\$0.01	\$1,000	Rule 504	Texas
12/03/04	72,000,000	\$0.01	\$72,000	Sec. 4(2)	Texas
12/03/04	24,000,000	\$0.01	\$24,000	Sec. 4(2)	Washington
12/03/04	12,000,000	\$0.01	\$12,000	Sec. 4(2)	Washington
12/03/04	12,000,000	\$0.01	\$12,000	Sec. 4(2)	California
12/21/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/15/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas

12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Georgia
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas
12/16/04	5,000	\$0.01	\$500	Sec. 4(2)	Texas

The company has issued shares for services in the past two-year period.

<u>Date</u>	<u>Common Shares</u>	<u>Trading Status</u>	<u>Recipient</u>	<u>Services Provided</u>
4/13/05	2,000,000	Restricted	Positive Results, LLC	Consulting

**Item 7. The name and address of the transfer agent.**

Interwest Transfer Co., Inc.  
Attn: Kurt Hughes  
1981 East 4800 South  
Suite 1800  
Salt Lake City, Utah 84117  
801-272-9294

Interwest Transfer Co., Inc. is registered with the Securities and Exchange Commission, which is the appropriate regulatory authority of the transfer agent.

**Item 8. The nature of the issuer's business.**

**A. Business Development.**

Labwire, Inc. ("Labwire" or the "Company") was founded in 2004 and is headquartered in Houston, Texas. Labwire, Inc. is a leading provider of third party administrator ("TPA") of security and regulatory driven employee screening services, including background screening, specimen collection, onsite testing, test processing by federally certified labs, and medical review officer ("MRO") processing. Labwire is an innovative Web-based application that streamlines the complex regulatory and record management activities associated with Labwire's drug testing.

The Labwire team, management and client service, is made up of experienced personnel (see Biography / Officers) along with two senior client service directors. This core team has managed the sale of over \$110M in drug testing, backgrounds, and related services before forming Labwire Inc. and going forward with this new business opportunity.

Labwire was developed at a cost of \$1.2 million based upon the experience and expertise of Dexter Morris and other key management, including their in depth knowledge of the Department of Transportation ("DOT") testing requirements. As a result of these efforts, Labwire: (i) enables clients to effectively manage drug testing programs over the Internet; (ii) provides clients with secure and centralized, collection and analysis of highly confidential data produced by drug testing; and (iii) allows for Web-enabled access to individual test results and other

detailed compliance reports. Through the implementation of Labwire's technology, the Company anticipates evolving from a traditional TPA service provider to a leading substance abuse program application service provider ("ASP").

As of this date, Labwire has secured the largest D.O.T. (Department of Transportation) regulated contract ever let in this industry; Laidlaw Transportation (approx. \$2.4M annually) and is in discussions with a number of potential customers, including two Fortune 500 companies with which the Company expects to announce multi-year contracts representing approximately \$2.5 million in additional annual revenue to the Company. The purpose of raising capital, as described herein, is to support the Company's sales and marketing activities and for general corporate purposes.

1. The issuer is a corporation.
2. The issuer was organized under the corporate laws of the State of Nevada as Labwire Inc. on October 8, 2004.
3. The issuer's fiscal year end date is December 31st.
4. The issuer and/or any predecessor has not been in bankruptcy, receivership, or any similar proceeding.
5. The issuer has not effectuated a reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.
6. The issuer has not defaulted on any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments.
7. The issuer has not effectuated a change of control.
8. The issuer has not effectuated an increase in its authorized common stock.
9. There are no past, pending or anticipated stock splits, stock dividends, recapitalizations, mergers, acquisitions,

spin-offs, or reorganizations.

10. The issuer securities have not been delisted by any securities exchange or NASDAQ.

11. There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations.

B. Business of Issuer.

1. Primary SIC Code: 8742  
Secondary SIC Code: 7371

2. The issuer is currently conducting operations.

3. The issuer has one wholly-owned subsidiary, Workplace Screening Services, Inc. ("WSS"). The issuer purchased WSS on October 31, 2004 in a stock purchase of 120,000,000 shares that was valued at \$120,000. Along with the assets of WSS, the issuer assumed \$161,232 in short-term debt and \$306,128 in long-term debt.

The issuer has no parent or affiliate.

4. Existing U.S. Department of Transportation regulations (49 CFR, Part 40) require mandated drug testing which accounts for approximately 60% of the company's revenues.

The issuer does not anticipate any adverse effect from existing or probable governmental regulations of its business.

5. The issuer has spent no monies during each of the last two fiscal years on research and development activities.

6. The issuer does not expect to incur any costs or effects resulting from compliance with federal, state, and local environmental laws.



7. Number of employees: 30  
Number full-time employees: 5

C. Investment Policies.

1. *Investments in real estate or interests in real estate.*

None.

2. *Investments in real estate mortgages.*

None.

3. *Securities of or interests in persons primarily engaged in real estate activities.*

None.

**Item 9. The nature of products or services rendered.** (See attached executive summary).

**Item 10. The nature and extent of the issuer's facilities.**

Labwire Inc. has its principal and sole office located in Houston, Texas where it occupies space in a small office building with approximately 3,500 sq. ft. leased to Labwire Inc. to house daily management operations. Labwire Inc. holds no title to the above referenced property.

Labwire Inc. has a three year lease at a current rate of \$3,901 per month, with an escalation to \$4,350 per month in the third year. No renovations, improvements, or developments are required or anticipated on the above property. Commercial real estate in Houston is minimally competitive at this time with more than adequate options available (in regards to both location and costs).

Labwire Inc. carries both General Liability and renters loss coverage which management feels is adequate and prudent.

Labwire Inc. has no improved property.

**Item 11. The name of the chief executive officer, members of the board of**

**directors, as well as counsel, accountant and public relations consultant.**

Business addresses are in care of the issuer.

**A. Officers, Directors, and Advisors.**

**1. Executive Officers**

Dexter Morris      President and CEO

Gary Butler      Vice President

Charles Munson      Vice President

**2. Directors**

Dexter Morris

John Maring

**3. General Partners**

Not applicable.

**4. Investment Banker**

None.

**5. Promoters**

None.

**6. Control Persons**

Dexter Morris

Gary Butler

Charles Munson

John Maring

7. Securities counsel

David B. Stocker, Esq.  
2425 East Camelback Road  
Suite 1075  
Phoenix, Arizona 85016  
Telephone: 602-852-5445  
E-mail: david.stocker@azbar.org

Mr. Stocker has been licensed to practice law since 1993, and has owned his own firm since that time. He does not own shares of the issuer.

8. Accountant or auditor

David Neidhart, CPA, P.C.  
908 Town & Country Boulevard  
Suite 120  
Houston, Texas 77024  
Telephone: 713-894-7520  
E-mail: david@neidhartcpa.com

Mr. Neidhart provides compilation review services for the issuer. Mr. Neidhart has been a licensed CPA since 1992. From 2001 until the present, Mr. Neidhart has worked in his own firm. From 1998 until 2001, Mr. Neidhart was vice president of corporate finance for Velocity Express, Inc. From 1996 until 1998, Mr. Neidhart was an acquisition coordinator for USA Waste Services, Inc. From 1991 until 1996, Mr. Neidhart was group controller for Aramark Corporation. Mr. Neidhart does not own shares of the issuer.

9. Public Relations Consultant

None.

10. There are no other advisors or other persons that assisted, advised, prepared or provided information with respect to this

disclosure documentation.

B. Legal/Disciplinary History. None of the foregoing persons have, in the last five years, been the subject of:

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

C. Beneficial Owners. The ownership of anyone known to the Issuer to own beneficially more than five percent (5%) of the outstanding common shares, and the beneficial ownership of the officers and directors:

Dexter Morris	72,000,000
Gary Butler	0
Charles Munson	0
John Maring	24,000,000
Thomas Maring	12,000,000
Janet Kowalski	12,000,000

John Maring and Thomas Maring are father and son, respectively.

D. Disclosure of Certain Relationships.

The issuer knows of no other relationships or affiliations among and between the shareholders and the issuer, its predecessors, its present and prior officers and directors, and other shareholders.

**Item 12. The Issuer's most recent balance sheet and profit and loss and retained earnings statement.**

Pursuant to the guidelines promulgated by the Pink Sheets, the issuer intends to comply with all interim reporting obligations, including without limitation, the posting of updated financial statements on a quarterly basis.

The financial statements attached as an exhibit are certified by the signing officer of the Company that they present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

**Item 13. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**

The financial statements attached as an exhibit are certified by the signing officer of the Company that they present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

**Item 16. Whether any quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, or at the request of any promoter for the issuer, and if so, the name of such person, and the basis for any**

**exemption under the federal securities laws for any sales of such securities on behalf of such person.**

None.

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OBTAINED FROM THE COMPANY IN ACCORDANCE WITH RULE 15c2-11(a)(5) PROMULGATED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED.

The undersigned hereby certifies that the information herein is true and correct to the best of their knowledge and belief.

LABWIRE INC.

By:

  
Dexter Morris  
President

## **EXECUTIVE SUMMARY**

### *Business Opportunity*

Over the last fifteen years, adoption of Workplace drug testing increased significantly, in large part due to the Drug-Free Workplace Act of 1988 and the United States Department of Transportation's random drug testing requirement for certain employees. Drug testing further benefited in the late 1980s and early 1990s when the Supreme Court and other courts upheld the constitutionality of drug testing programs against challenges from labor organizations and civil liberties groups. The Company believes that drug testing will continue to be a fixture in corporate America as it gives rise to the following short term and long term benefits:

- Increased security as to employee's true identity and previous work history;
- Improved employee morale and productivity;
- Cost savings and incentive programs offered by: (i) medical and Screening Services insurance carriers; (ii) property, casualty, and liability insurance carriers; and (iii) workers compensation insurance carriers;
- Decreased legal costs and costs of hiring and training new employees; and,
- Fewer accidents and disciplinary actions.

Regrettably, the traditional service delivery model in the drug testing industry faces the following new challenges: (i) an increase in scrutiny by companies with regards to the performance of their drug testing programs in terms of cost efficiency and informational effectiveness; (ii) an increase in onsite drug testing products resulting in the loss of valuable data typically used to manage drug testing programs and to provide useful statistics on drug use trends; and (iii) an increase in the complex and rigorous reporting requirements of the DOT testing regime, the "gold standard" of drug testing. Significantly, most TPAs are too small to have the expertise and resources to effectively respond to these challenges. As a result, the Company seeks to capitalize on Labwire™ as an attractive solution for addressing the above-mentioned challenges and for providing an affordable, easy to use, and effective solution for managing TPA activities.

### **1. Principal products or services, and their markets:**

Labwire Inc. assists primarily Fortune 500 organizations with customized full service drug and alcohol testing and other employment screening including billing,



customized reports, collection site identification and management, Medical Review Officer (MRO) services, education, client support systems, background checks, physicals, K-9 surveillance and more.

### *Market Opportunity*

Virtually unheard of less than fifteen years ago, drug testing experienced explosive growth throughout the 1990's and is now a \$5.9 billion industry, according to estimates from Standard & Poors. Under President Ronald Reagan, federal employees were required to undergo mandatory drug testing with a zero tolerance policy, followed in 1988 by Congressional passage of the Drug-Free Labwire, Inc. Act, requiring all federal contractors to maintain a drug free Labwire, Inc.. This was followed by the Omnibus Transportation Employee Testing Act of 1991, which implemented compulsory and random drug testing for employees in sensitive transportation positions such as mass transit operators, commercial truck drivers, and airline pilots. With these massive federal drug testing programs in place, private employers soon followed suit. The economic cost of drug and alcohol abuse in the Labwire, Inc. is tremendous, estimated at between \$100 billion and \$200 billion each year. It has been proven that employed drug users are more prone to accidents, have higher absenteeism rates, higher medical costs, and perform only at about 67% of their ability. All told, 87% of the nation's largest companies test their employees or applicants for drugs, according to a 2001 survey by the American Management Association.

### **2. Distribution methods of the products or services;**

Labwire, a proprietary internet platform, delivers a sophisticated, state of the industry, program management operating system, that allows for both standardization and customization of administration, records, random, MRO, and reporting function on a secure web-based platform.

### **3. Status of any publicly announced new product or service;**

All publicly announced Labwire products are fully deployed.

### **4. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;**

Testing for drug use and abuse has evolved at a dramatic rate from a small minority of companies testing employees for substance abuse in the mid-1980s to the practice becoming standard in almost all government agencies and large corporate firms in the 1990s. Legislation requiring the testing of all transportation industry workers, as well as court decisions upholding the legality of testing high school students, is making drug testing commonplace in all segments of society. Overall, the

drugs of abuse market is projected to witness average annual growth of about 4.7% from 2002 to 2007. (Business Communications Company – July 2002) The Labwire Inc. team has provided client oriented "service philosophy" substance abuse management services for the past 21 years. The LABWIRE operating platform, which provides modular delivery systems, procedures compliant with HIPAA protocols (unique within the industry), and live user-friendly access to all clients, all while adhering to ISO 9001:2000 certification standards (also unique within the industry). Labwire specifically addresses the concerns generated by the growing "commodity philosophy" currently prevalent within the industry. With the recent acquisition of traditional third party administrators by corporate entities not previously involved in substance abuse management, the need for a return to a service based philosophy is apparent. Labwire's experienced staff and compliant platform are ready to provide its clients with "Great Service...Period."

Labwire's methods of competition consists of traditional marketing ventures, including direct mail campaigns, selective media advertising, and participation in targeted conferences and trade shows. In addition, Labwire Inc. is uniquely able to draw upon the extensive experience of its management to capitalize on personal contacts with key industry players. Joint marketing ventures with key suppliers are also utilized.

### *Strategic Relationships*

The Company intends to promote Labwire to large and mid-sized corporations, which conduct their own internal drug screening programs or currently utilize a TPA [third party administrator]. To this end, the Company has developed strategic relationships with a variety of industry organizations, such as the Substance Abuse Program Administrators Association (SAPAA), the premier substance abuse prevention industry organization comprised of TPAs, in-house administrators, MROs, SAPs, collection sites and government agencies. Labwire™ is aggressively marketing its services through these organizations, and has developed discount and group pricing plans to increase sales. The Company has also established relationships with leading laboratories, including LabCorp, Quest Diagnostics, and LabOne, as well as with more than 8,000 collection sites nationally, and with a network of accredited MROs.

### **5. Sources and availability of raw materials and the names of principal suppliers;**

Laboratory Analysis – Laboratory analysis of the specimen is provided by only SAMHSA certified facilities such as Laboratory Corporation of America (LabCorp) which will have responsibility for internal procedures.

Medical Review – Labwire Inc utilizes only licensed physicians certified by the American Association of Medical Review Officers to review laboratory results and determine the final result of the drug test.

**6. Dependence on one or a few major customers;**

Labwire Inc. targets clients in a variety of fields and is not dependent on one particular client or industry for growth.

**7. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and**

The Labwire management system is proprietary and Labwire Inc. maintains all appropriate trademarks for the company and system. No other patents, licenses, franchises, concessions, royalty agreements or labor contracts apply.

**8. The need for any government approval of principal products or services. Discuss the status of any requested government approvals.**

The US Department of Transportation reserves the right to restrict non-compliant service providers from performing services for programs covered under 49 CFR, Part 40. Labwire is in full compliance with all such regulations.

## **BIOGRAPHIES OF OFFICERS AND DIRECTORS**

### **G. Dexter Morris, *Chairman and CEO***

Mr. Morris has been involved in the drug testing industry since its inception. He was one of the five (5) founding Members of SAPAA [1989] (Substance Abuse Program Administrators Association), the industry's trade and lobbying arm. Since founding DISA [Drug Intervention Services of America/1987; one of the industries premier TPA's, that he grew to 7 offices and over 100 employees nationwide – Mr. Morris left to pursue this opportunity. He has no contractual or non-compete issues], Mr. Morris has developed a reputation as an expert on drug testing issues, including "The Drug Free Workplace Act of 1988," the D.O.T. [Department of Transportation] drug testing regime [49 CFR, Part 40], and state regulation of drug testing. He has written various training and educational texts on drug testing and compliance and has served as a spokesman for the industry both nationally and internationally. Mr. Morris is a pioneer in the development of non-DOT corporate drug testing policies and programs and the aggregation of workers data for large, disparate groups [consortia; oil & gas, contracting, etc.] utilizing data collection and analysis to enhance the cost-effectiveness of drug testing programs. He has recently served as the United States' representative to the First International Symposium on Workplace Drug Testing [held March 23-25 in Sao Paulo and Rio De Janeiro, Brazil], which began to set international standards and credentials for drug testing worldwide. Over 20 countries from Europe, Asia, and North and South America attended. Mr. Morris now voluntarily serves as the Chairman of the nonprofit IODW [International Organization for Drugfree Workplaces] and will speak this summer both in Stockholm, Sweden and Dublin, Ireland in that capacity as many nations attempt to standardize drug testing rules allowing both multinational and local companies to reduce drug use in their workforces. Mr. Morris graduated from Texas Tech University with a bachelor's degree in Business Administration where he has participated in a visiting professor program for several years.

### **Charles E. Munson, *Vice President Client Services***

Mr. Munson brings both national and international experience to the team. After serving as Manager of Special Projects for Singapore's National Kidney Foundation [1994], Mr. Munson entered the drug and alcohol testing industry in 1996 and began working with Dexter Morris at DISA, Inc. During Mr. Munson's 7 year tenure with DISA, he served in many key rolls in the daily management of DISA's operations; ultimately culminating in the position of Director of Client Services. In this position, Mr. Munson streamlined the work processes of more than 4 different departments, supervised the daily operations of over 20 employees, as well as managed the program administration for over 3,000 clients, including some of the nation's largest oil and gas corporations. Mr. Munson's experience combined with the Labwire platform allows Labwire to operate with the lowest operational cost per test in the industry. Mr.

Munson is a graduate of Texas A&M University with a bachelor's degree in Psychology.

**Gary Butler, *Vice President of Sales.***

A former U.S. Air Force captain and flight instructor, Mr. Butler started his sales career in the pharmaceutical industry (Pfizer). After becoming one of the top national sales persons for Pfizer, he joined Dexter Morris at DISA in 1995 as a sales executive, eventually moving up to Director of Business Development in 1997 and Vice President of Sales in 2001. During his tenure at DISA, he successfully sold in excess of \$1 MM/YR personally and managed a complete sales and sales support organization numbering up to 16 individuals nationally. Heavily experienced in the oil/gas and transportation industries, he has worked with clients such as Rental Services, Valero, Shell Oil, and Quality Carriers. With his talent for mathematics and structure Mr. Butler lobbied for and spearheaded Labwire's successful campaign to become the first and only industry provider to earn the coveted ISO9001:2000 certification for process management in data storage and retrieval processes. He graduated in 1981 from Louisiana College with a bachelor's degree in Mathematics and in 1987 from Texas A&M Commerce with a master's degree in Industrial Technology.

**John S. Maring, *Director***

Mr. Maring the is Chairman of Cowlitz Bank and Director of Cowlitz Bancorporation, a community bank located in Longview, Washington with branches in Portland, Oregon and Bellevue, Washington. Also, Mr. Maring serves as Chairman of the bank's audit committee and on the compensation and governance committees. Mr. Maring is Chairman of Marshall Christensen Foundation for higher education worldwide. Mr. Maring is also General Partner of Endeavour, LP, a real estate and development company with substantial holdings in the Portland, Oregon area. In addition to his involvement with Endeavour, LP, Mr. Maring serves as a Director of Labwire. As a Director of Labwire he has been involved with the establishment of e-commerce systems and processes for the delivery of drug-testing products. He is past Chairman of Marquam Farms Corporation. Mr. Maring is past Vice Chairman of High Technology Solutions. High Technology Solutions was a defense contractor located in San Diego, California. He also works closely with the financial community, arranging potential financing opportunities. Possessing a depth of management skills and a breadth of experience with start-up and entrepreneurial organizations, Mr. Maring is a critical member of Anakam, LLC's Board of Advisors. Mr. Maring holds degrees in Chemistry and Business from Oregon State University. He is a Director and a Founder of The Kazak-American University in Ust-Kamenogorsk, Kazakstan. In 1996, Mr. Maring was awarded an Honorary Doctorate in Business Humanities from The Kazak-American University.

**DAVID B. STOCKER, LTD.**  
Attorney at Law  
Suite 1075 Camelback Esplanade  
2425 East Camelback Road  
Phoenix Arizona 85016  
Telephone: 602-852-5445  
Facsimile: 602-852-5446  
E-mail: david.stocker@azbar.org

May 27, 2005

Pink Sheets, LLC  
304 Hudson Street  
Second Floor  
New York, NY 10013

**Re: Application of SEC Rule 504 to the Sale of 1,800,000 of Common  
Stock of Labwire, Inc.**

To Whom It May Concern:

This letter supersedes my opinion dated April 28, 2005. The undersigned is corporate securities counsel for Labwire, Inc. (the "Company"), which has retained me to provide a legal opinion with respect to the Company's proposed sale and issuance of 1,800,000 shares of common stock (the "Shares"), to persons residing and/or domiciled in the State of Texas (the "Purchasers" as identified in Exhibit "A") in an offering exempt from registration under the Securities Act of 1933 (the "Securities Act" ) pursuant to Rule 504 of Regulation D promulgated thereunder, Sections 5.H, 5.I, 5.T and 7 of the Texas Securities Act, Rules 109.3(c), 139.16 and 139.19 of the Texas Administrative Code, and the regulations promulgated thereunder, and related matters.

Pink Sheets, LLC ("Pink Sheets") is entitled to rely on this opinion in determining whether to permit quotations in the Company's Shares in the Pink Sheets quotation venue.

In connection with this opinion, I have reviewed applicable federal and state laws, rules, and regulations and have made such investigations and examined such corporate documents and materials related to the Company and the purchasers as I have deemed necessary and appropriate under the circumstances, including, but not limited to, the following:

1. SEC Regulation D, specifically, Rules 501, 502, 503, and 504 thereunder.

**Re: Labwire, Inc.**

2. Sections 5.H, 5.I, 5.T and 7 of the Texas Securities Act (the "Texas Act"), Rules 109.3(c), 139.16 and 139.19 of the Texas Administrative Code.

3. Various corporate books and records, including a resolution of the Company's Board of directors related to the authorization and issuance of the Shares.

4. A certificate of the Company's president stating that the Company;  
(a) is not a reporting company under the 1934 Securities Exchange Act;  
(b) is an operating company with a specific business plan; and  
(c) has not sold securities pursuant to exemption under Rule 504 within the past twelve (12) calendar months in an aggregate dollar amount that would preclude the contemplated sales of the Shares under that rule.

5. The form of the Subscription Agreement to be executed by the Company and the respective Purchasers, including various representations of the parties therein.

## **The Law**

*Rule 504 Exemption.* Section 5 of the Securities Act requires with certain exceptions, that all securities involved in an original distribution by the issuer must be registered. Regulation D promulgated under Section 3(b) of the Securities Act provides several means by which an issuer which is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act and is neither an investment company nor a blank check company, may make an offer and sale of securities without registration upon satisfaction of certain requirements.

Specifically, Rule 504 of Regulation D provides an exemption from registration for eligible issuers who make a limited offer and sale of securities not exceeding an aggregate amount to \$1 million in any twelve (12) month period. Rule 504 was amended effective April 7, 1997 to provide that in a Rule 504 offering made in compliance with one or more exemptions from registration in states which permit general solicitation and general advertising where sales are

**Re: Labwire, Inc.**

made only to "accredited investors" as defined in Rule 501(a) of Regulation D, there will be no restriction on the resale of the securities sold in the offering.

*Texas Law.* Section 5.H of the Texas Securities Act exempts offers and sales to specified types of institutional buyers. No filings are required. There is no requirement that the purchaser purchase with investment intent nor is there any requirement that the sale be made without the use of general advertising or general solicitation.

Section 5.T of the Texas Securities Act exempts such other transactions that the Texas Securities Board may adopt by rule or order.

The introductory language of Section 5 provides an exemption from dealer and salesperson registration requirement for persons engaging in such transactions unless otherwise specified.

Rule 109.3(c) of the Texas Blue Sky Regulations exempts offers and sales of securities to entities which qualify as accredited investors as that term is defined in SEC Rule 501(a)(1)-(4), (7), and (8). Subsection (4) of Rule 501(a) includes as accredited investors: directors, executive officers or general partners of the issuer or general partners of such general partners. Not exempted under this provision are sales to individuals who are accredited investors under SEC Rule 501(a)(5) and (6). Also not exempt are sales made to self-directed employee benefit plans whose investment decisions are made by individuals who are accredited investors. No filings are required and there is no restriction prohibiting general advertising or general solicitation or requiring investment intent. Other provisions of Rule 109.3 require that the purchaser must be acting for its own account or as a trustee of a trust organized other than for the purpose of investing in the offered securities. A purchaser under 5.H or under Rule 109.3 may act as an agent for another purchaser if such other purchaser qualifies as a purchaser to whom sales may be made to under Section 5.H or under Rule 109.3.

Rule 139.16 exempts sales to "individual accredited investors" as that term is defined in the Rule. The definition under the Rule is equivalent to individuals who are accredited investors under SEC Rule 501(a)(5) and (6) and also includes self-directed employee benefit plans whose investment decisions are made by individuals who are accredited investors. The exemption may be combined with



**Re: Labwire, Inc.**

exemptions under Section 5.H and Rule 109.3(c). The exemption is not available to issuers who are subject to certain disqualification. Investment intent of purchasers is not required. The exemption is not available for securities of the issuer which have been registered under the Texas Securities Act or which are the subject of a pending application for registration thereunder. The securities must be sold without "advertisement". Subsection (c) of the Rule defines "limited use advertisement" which may be distributed to the public without violating the restriction against "advertisement". If "limited use advertisement" is to be used by the issuer it must be filed with the Texas Securities Board 10 days prior to use. There is no other filing requirement in connection with the use of this exemption. However, the Commissioner upon written request may require the filing of any offering material given to investors. Records must be kept for at least 3 years after the closing of the offering. Whether such "limited use advertisement" satisfies the requirement of Rule 504 of Regulation D that the securities be sold under a state exemption that permits general advertising is a question that needs to be addressed. In support of the view that it does the following should be noted: (1) the "limited use advertisements" can be distributed to the public; and (2) subsection (h) of Rule 139.16 states:

"Because this exemption permits limited use advertisements, use of this exemption under certain circumstances could result in other exemptions not being advisable for other sales due to prohibitions in such exemptions against public solicitation and advertisements."

Rule 139.19 permits sales to accredited investors as that term is defined under Regulation D Rule (501(a)). A "General Announcement" of the offering may be made but it can contain only the information specified in the Rule. The exemption is not available to issuer's subject to disqualifications specified in the Rule ["bad boys"], nor is it available to developmental stage issuers. The exemption requires that the issuer reasonable believe all purchasers purchase with investment intent. Furthermore, the exemption requires that a notice of transaction on the Model Accredited Investor Exemption Uniform Notice of Transaction form, a Consent to Service of Process on behalf of the issuer, and a copy of the General Announcement be filed with the Texas Securities Board within 15 days after the first sale of the securities in Texas.

**Re: Labwire, Inc.**

## **Legal Opinion**

Regulation D Rule 504 requires a filing within 15 days of the date of the initial offering. However there is no penalty for a late filing.

The Company is not a reporting company under the 1934 Securities Exchange Act and intends to make an offering to a limited number of "accredited investors," as defined in Regulation D, Rule 501 (a), who reside or are domiciled in Texas and who purchase for investment in accounts which, if aggregated with all securities purchase in the offering and with any securities sold under Section 3(b) of the Securities Act and/or in violation of Section 5(a) of the Securities Act during the preceding 12 months, will not exceed \$1,000,000. Assuming that within the Board of Directors last 12 months, the Company has not issued securities in reliance on an exemption promulgated under Section 3(b) of the Securities Act, the issuance of the Shares by the Company to the Purchasers will qualify for an exemption from registration under Rule 504 of the Securities Act.

It is my opinion that there will be no restriction on resale of the securities sold in the offering if the purchasers do, in fact, qualify as "accredited investors."

My opinion is that the Shares may be sold immediately in the public market by the holders thereof without registration under the Securities Act in reliance on an exemption from registration thereunder, and assuming that the purchaser of such Shares is neither the Issuer, an underwriter or dealer, such purchasers may resell such Shares freely without registration under the Securities Act in reliance on the exemption from registration provided under Section 4(1) of the Securities Act.

My opinion is that the holders of the Shares are not (i) the Issuer, (ii) an underwriter with respect to the Shares (within the meaning of Section 2(11) of the Securities Act) or (iii) an affiliate of the Issuer (within the meaning of the Rule 144(a)(1) under the Securities Act.

My opinion is that no seller of the Shares is required to provide a Form 144 in connection with the sales of the Shares.

I have reviewed the Wulff - Worm letter dated January 21, 2000, and have

**Re: Labwire, Inc.**

considered the manner in which the Shares were issued to the holders of the Shares and such holders' current intentions to sell the Shares through quotations in the Pink Sheets quotation venue, and based on such review in light of the facts concerning such issuances and proposed sales, I am of the opinion that (i) none of the scenarios described in such letters (or similar scenarios) are being used by the Issuer of the Shares, any promoter of the Issuer, the current holders of the Shares, or any affiliate of any of them, to distribute the Shares in violation of the registration requirements of the Securities Act, and (ii) any sales of such Shares as intended would not be part of a plan by any of such persons to distribute or re-distribute securities to the public in violation of the registration requirements of the Securities Act, although in technical compliance with the rules providing exemptions from such registration requirements.

I am admitted to practice law in the State of Arizona. I am permitted to practice before the Securities and Exchange Commission, and have not been prohibited from practice thereunder.

As to matters of fact, I have relied on information obtained from public officials, officers of the Issuer, and other sources, and I represent that all such sources were believed to be reliable. I have relied on the issuer's assurances that it has made a reasonable inquiry to determine that the purchasers have a legitimate investment intent in purchasing the securities. I have made no independent attempt to verify the facts provided to me and set forth herein and this opinion is limited to, and conditioned on, the facts as stated herein.

Current public information is available concerning the Shares, within the meaning of Rule 144(c)(2) under the Securities Act, and such information has been posted on the Pink Sheets News Service.

To the best of my knowledge, the Issuer and counsel undersigned are not currently under investigation by any federal or state regulatory authority for any violation of federal or state securities laws.

///

///

Pink Sheets, LLC  
May 27, 2005  
Page 7

**Re: Labwire, Inc.**

This opinion is solely for the use of the Company, its transfer agent, and Pink Sheets, and only those parties are entitled to rely on this opinion. Pink Sheets is granted permission to post the opinion on the Pink Sheets News Service for viewing by the public and regulators.

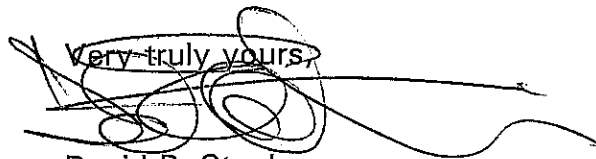
  
Very truly yours,  
David B. Stocker

EXHIBIT "A"

LBR Group, Inc.	100,000
Hyde Investments, Inc.	250,000
Curtis-Case, Inc.	250,000
Jumpstart Capital, Inc.	50,000
Johnscott Buerger	100,000
Flora Caylor	100,000
Kelly Loter	100,000
Page Properties, LP	250,000
Breyman Beurger	100,000
Janan Page	100,000
Trevor Page	100,000
Martin Cantu	100,000
Cynthia Tait	100,000
Krystal Rocha	100,000