



Certified Public Accountant
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July 2, 2010

Dexter Morris
Labwire, Inc.
P.O. Box 1246
Brookshire, Texas 77423

Dear Mr. Morris:

We have compiled the accompanying consolidated balance sheet of Labwire, Inc. as of December 31, 2008 and 2009 and the related Comparative Operating Statement, Statement of Cashflows and Statement of Equity for the three months and twelve months 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 them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to these financial statements.

David Neidhart, CPA, P.C.

LABWIRE, INC.
Consolidated Balance Sheets

	12/31/2009	12/31/2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 147,845	\$ 186,144
Accounts Receivable , net	566,162	480,295
Prepaid Expenses	25,849	-
Employee Advances	46,605	26,405
Total Current Assets	<u>786,461</u>	<u>692,844</u>
PROPERTY AND EQUIPMENT:		
Laboratory equipment	59,567	53,781
Vehicles	7,000	7,000
Office furniture and equipment	56,116	56,116
Proprietary software	310,912	267,617
Less: Accumulated Depreciation	<u>(194,078)</u>	<u>(113,609)</u>
Net Property and Equipment	<u>239,517</u>	<u>270,905</u>
OTHER ASSETS:		
Goodwill	<u>455,210</u>	<u>455,210</u>
TOTAL ASSETS	<u><u>\$ 1,481,188</u></u>	<u><u>\$ 1,418,959</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	733,121	316,688
Income taxes payable	-	21,140
Line of credit	300,000	300,000
Notes Payable - Bridge Loan	260,000	280,000
Current portion on long-term debt	250,045	198,290
Notes payable to related parties	-	-
Accrued Interest	33,815	43,297
Accrued Interest payable - related parties	-	-
Total Current Liabilities	<u>1,576,981</u>	<u>1,159,415</u>
LONG-TERM LIABILITIES		
Long-term debt, less current portion above	<u>13,507</u>	<u>283,574</u>
Total Long-term Liabilities	<u>13,507</u>	<u>283,574</u>
TOTAL LIABILITIES	<u><u>1,590,488</u></u>	<u><u>1,442,989</u></u>
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock; \$0.01 par value; 150,000,000 shares authorized, 142,699,001 and 142,699,001 shares outstanding, respectively	142,699	142,699
Additional paid-in capital	670,674	670,674
Accumulated deficit	<u>(922,673)</u>	<u>(837,403)</u>
Total Stockholders' Equity (Deficit)	<u>(109,300)</u>	<u>(24,030)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	<u><u>\$ 1,481,188</u></u>	<u><u>\$ 1,418,959</u></u>

See Accountant's Compilation Report

LABWIRE, INC.
Consolidated Statements of Operations

	For the Three Months Ended December 31, 2009	For the Three Months Ended December 31, 2008	For the Twelve Months Ended December 31, 2009	For the Twelve Months Ended December 31, 2008
REVENUES	\$ 1,136,310	\$ 992,583	\$ 4,779,919	\$ 4,091,031
COST OF SALES	<u>608,548</u>	<u>598,581</u>	<u>2,994,188</u>	<u>2,300,261</u>
GROSS PROFIT	<u>527,762</u>	<u>394,002</u>	<u>1,785,731</u>	<u>1,790,770</u>
OPERATING EXPENSES:				
General and administrative expenses	222,611	203,281	877,997	737,879
Bad debt expense	20	186,516	11,157	188,882
Advertising and marketing expenses	1,628	3,752	12,667	19,648
Payroll expenses	<u>171,055</u>	<u>268,620</u>	<u>824,934</u>	<u>940,479</u>
Total Operating Expenses	<u>395,314</u>	<u>662,169</u>	<u>1,726,755</u>	<u>1,886,888</u>
INCOME FROM OPERATIONS	<u>132,448</u>	<u>(268,167)</u>	<u>58,976</u>	<u>(96,118)</u>
OTHER INCOME (EXPENSES)				
Interest expense	(6,466)	(22,428)	(97,081)	(115,429)
Interest income	<u>-</u>	<u>21</u>	<u>4</u>	<u>99</u>
Total Other Income (Expense)	<u>(6,466)</u>	<u>(22,407)</u>	<u>(97,077)</u>	<u>(115,330)</u>
NET INCOME (LOSS) BEFORE TAXES	125,982	(290,574)	(38,101)	(211,448)
PROVISION FOR INCOME TAXES	-	15,305	13,381	16,945
NET INCOME (LOSS)	<u>\$ 125,982</u>	<u>\$ (305,879)</u>	<u>\$ (51,482)</u>	<u>\$ (228,393)</u>
BASIC EARNINGS (LOSS) PER SHARE	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	<u>142,699,001</u>	<u>142,699,001</u>	<u>142,699,001</u>	<u>142,699,001</u>

LABWIRE, INC.
Consolidated Statements of Stockholders' Equity (Deficit)

	Common Shares	Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholder's Equity (Deficit)
Balance, December 31, 2006	140,399,001	\$ 140,399	\$ 471,384	\$ (811,382)	\$ (199,599)
Cash recieved for prior issued common shares	-	-	5,439	-	5,439
Net Income for year ended December 31, 2007 (restated)	-	-	-	168,585	168,585
Balance, December 31, 2007 (restated)	140,399,001	140,399	476,823	(642,797)	(25,575)
Common shares issued for cash	100,000	100	14,900	-	15,000
Common stock issued for debt	2,200,000	2,200	178,951	-	181,151
Net loss for year ended December 31, 2008	-	-	-	(228,394)	(228,394)
Balance, December 31, 2008	142,699,001	\$ 142,699	\$ 670,674	\$ (871,191)	\$ (57,818)
Common shares issued for cash	-	-	-	-	-
Common stock issued for debt	-	-	-	-	-
Net loss for twelve months ended December 31, 2009	-	-	-	(51,482)	(51,482)
	<u>142,699,001</u>	<u>\$ 142,699</u>	<u>\$ 670,674</u>	<u>\$ (922,673)</u>	<u>\$ (109,300)</u>

LABWIRE, INC.
Consolidated Statements of Cash Flows

	For the three Months Ended December 31, 2009	For the Three Months Ended December 31, 2008	For the twelve Months Ended December 31, 2009	For the Twelve Months Ended December 31, 2008
OPERATING ACTIVITIES				
Net Income (Loss)	\$ 125,982	\$ (305,878)	\$ (51,482)	\$ (194,606)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:				
Depreciation	19,579	17,837	80,469	59,402
Changes in operating activities				
(Increase) decrease in accounts receivable	116,920	511,650	(85,867)	805,046
(Increase) decrease in employee advances	(10,200)	-	(20,200)	(5,709)
(Increase) decrease in prepaid expenses	(20,500)	138,282	(132,571)	
Increase (decrease) in accounts payable and accrued expenses	(185,726)	(144,240)	489,368	(656,830)
Increase (decrease) in accrued interest payable	4,919	8,065	24,246	2,513
Increase (decrease) in income taxes payable	-	3,201	(21,140)	(3,163)
Net Cash Provided by Operating Activities	<u>50,974</u>	<u>228,917</u>	<u>282,823</u>	<u>6,653</u>
INVESTING ACTIVITIES				
Purchase of property and equipment	-	(5,000)	(5,786)	(20,864)
Capitalized software costs	-	(29,914)	(43,295)	(149,067)
Net Cash Used in Investing Activities	<u>-</u>	<u>(34,914)</u>	<u>(49,081)</u>	<u>(169,931)</u>
FINANCING ACTIVITIES				
Repayment of notes payable	(57,208)	(85,344)	(272,041)	(405,005)
Proceeds from line of credit	-	-	-	58,068
Proceeds fro Note Payable	-	-	-	300,000
Sale of common stock for cash	-	-	-	196,151
Net Cash Provided by Financing Activities	<u>(57,208)</u>	<u>(85,344)</u>	<u>(272,041)</u>	<u>149,214</u>
NET INCREASE IN CASH	(6,234)	108,659	(38,299)	(14,064)
CASH AT BEGINNING OF QUARTER	<u>154,079</u>	<u>77,485</u>	<u>186,144</u>	<u>200,208</u>
CASH AT END OF QUARTER	<u>\$ 147,845</u>	<u>\$ 186,144</u>	<u>\$ 147,845</u>	<u>\$ 186,144</u>
CASH PAID FOR:				
Interest	\$ 6,466	\$ 13,381	\$ 9,990	\$ 112,916
Income Taxes	\$ -	\$ -	\$ -	\$ -
NON CASH FINANCING ACTIVITIES:				
Common stock issued for debt	\$ -	\$ -	\$ -	\$ 181,151