**CERTIFICATION**

I, Dexter Morris, CEO of Labwire, Inc., hereby certify that the financial statements filed herewith and any notes thereto, fairly present, 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.

Dexter Morris
CEO

**David B. Neidhart, CPA, P.C.**
Certified Public Accountant
Certified Information Technology Professional
Office 713-463-0700
Fax -713-463-0702

May 10, 2006

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

Dear Mr. Morris:

We have compiled the accompanying balance sheet of Labwire, Inc. as of March 31, 2006 and the related statements of income for the periods 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.

Accordingly, these financial statements are not designed for those who are not informed about such matters.

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

David Neidhart, CPA, P.C.

11211 Katy Freeway, Ste 550 Houston, Texas 77079
Member: American Institute of Certified Public Accountants

# Labwire, Inc. and Subsidiary Companies
## Consolidated Balance Sheet

| | Quarters Ended | | | | |
|---|---|---|---|---|---|
| | Mar 31, 06 | Dec 31, 05 | Sep 30, 05 | Jun 30, 05 | Mar 31, 05 |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Checking/Savings | | | | | |
| Petty Cash | 1,000.00 | 1,000.00 | 0.00 | 0.00 | 0.00 |
| EncoreBank - 3247 | 69,468.90 | 39,901.12 | 328.12 | 1,871.82 | 524.56 |
| Encore Checking | -5,583.05 | 34,552.45 | 63,190.37 | 498.35 | 4,317.35 |
| Undeposited Funds | 0.00 | -13,599.01 | -2,977.45 | 80,402.36 | -15,877.45 |
| Total Checking/Savings | 64,885.85 | 61,854.56 | 60,541.04 | 82,772.53 | -11,035.54 |
| Accounts Receivable | | | | | |
| Accrued Revenue | 198,479.47 | 205,431.14 | 87,894.77 | 63,441.50 | 206,715.50 |
| Accounts Receivable | 810,814.33 | 711,623.77 | 448,986.13 | 142,408.86 | 178,961.39 |
| Total Accounts Receivable | 1,009,293.80 | 917,054.91 | 536,880.90 | 205,850.36 | 385,676.89 |
| Other Current Assets | | | | | |
| Advances to Affiliates - K-9 Bomb Search | 32,976.97 | 15,783.50 | 15,783.50 | 0.00 | 0.00 |
| Employee Advances | 3,900.00 | 3,900.00 | 1,900.00 | 1,900.00 | 350.00 |
| Total Other Current Assets | 36,876.97 | 19,683.50 | 17,683.50 | 1,900.00 | 350.00 |
| Total Current Assets | 1,111,056.62 | 998,592.97 | 615,105.44 | 290,522.89 | 374,991.35 |
| Fixed Assets | | | | | |
| Fixed Assets - net (note 1) | 39,133.43 | 42,515.09 | 45,896.75 | 46,518.10 | 47,340.02 |
| Total Fixed Assets | 39,133.43 | 42,515.09 | 45,896.75 | 46,518.10 | 47,340.02 |
| Other Assets | | | | | |
| Deferred Tax Asset | 100,578.58 | 101,238.00 | 0.00 | 0.00 | 0.00 |
| Goodwill (note 2) | 456,933.22 | 456,933.22 | 456,933.22 | 456,933.22 | 456,933.22 |
| Total Other Assets | 557,511.80 | 558,171.22 | 456,933.22 | 456,933.22 | 456,933.22 |
| TOTAL ASSETS | 1,707,701.85 | 1,599,279.28 | 1,117,935.41 | 793,974.21 | 879,264.59 |

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

# Labwire, Inc. and Subsidiary Companies
## Consolidated Balance Sheet

| | Mar 31, 06 | Dec 31, 05 | Sep 30, 05 | Jun 30, 05 | Mar 31, 05 |
|---|---|---|---|---|---|
| LIABILITIES & EQUITY | | | | | |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | | | | | |
| Expense Accruals | 76,061.00 | 0.00 | 4,224.84 | 300.00 | 300.00 |
| Accounts Payable | 515,778.00 | 617,180.00 | 636,943.90 | 366,081.56 | 388,672.62 |
| Total Accounts Payable | 591,839.00 | 617,180.00 | 641,168.74 | 366,381.56 | 388,972.62 |
| Credit Cards | | | | | |
| Credit Cards | 50,490.69 | 73,482.31 | 88,152.20 | 81,892.06 | 62,615.12 |
| Total Credit Cards | 50,490.69 | 73,482.31 | 88,152.20 | 81,892.06 | 62,615.12 |
| Other Current Liabilities | | | | | |
| Payroll Liabilities | 19,972.02 | 0.00 | 0.00 | 3,295.61 | 3,295.61 |
| Income Tax Payable | 6,008.65 | 4,840.00 | 0.00 | 0.00 | 0.00 |
| Total Other Current Liabilities | 25,980.67 | 4,840.00 | 0.00 | 3,295.61 | 3,295.61 |
| Total Current Liabilities | 668,310.36 | 695,502.31 | 729,320.94 | 451,569.23 | 454,883.35 |
| Long Term Liabilities | | | | | |
| Deferred Tax Liability | 100,578.58 | 101,238.00 | 0.00 | 0.00 | 0.00 |
| Notes Payable (note 3) | 326,240.12 | 324,445.47 | 322,623.58 | 320,814.33 | 319,037.08 |
| Total Long Term Liabilities | 426,818.70 | 425,683.47 | 322,623.58 | 320,814.33 | 319,037.08 |
| Total Liabilities | 1,095,129.06 | 1,121,185.78 | 1,051,944.52 | 772,383.56 | 773,920.43 |
| Equity | | | | | |
| Paid in Capital in Excess PAR | 278,479.00 | 168,345.67 | 132,558.37 | 130,744.00 | 105,772.33 |
| Common Stock ($.001 PAR value 150,000,000 authorized shares 136,599,001 shares issued) | 136,599.00 | 136,232.33 | 132,019.63 | 125,306.00 | 125,277.67 |
| Retained Earnings | 173,515.50 | -101,343.98 | -101,343.98 | -101,343.98 | -101,343.98 |
| Net Income | 23,979.29 | 274,859.48 | -97,243.13 | -133,115.37 | -24,361.86 |
| Total Equity | 612,572.79 | 478,093.50 | 65,990.89 | 21,590.65 | 105,344.16 |
| TOTAL LIABILITIES & EQUITY | 1,707,701.85 | 1,599,279.28 | 1,117,935.41 | 793,974.21 | 879,264.59 |

See Accountant's Compilation Report

The accompanying notes are an integral part of this financial statement

## Labwire, Inc. and Subsidiary Companies
# Consolidated Statement of Earnings
For the three months ended March 31, 2006

| | Quarters Ended | | | | | | | | | | Year to Date | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar 06 | % | Dec 05 | % | Sept 05 | % | Jun 05 | % | Mar 05 | % | Jan-Mar 06 | % |
| **Ordinary Income/Expense** | | | | | | | | | | | | |
| **Income** | | | | | | | | | | | | |
| Services | 753,277.61 | 71.26% | 936,002.76 | 100.0% | 695,137.11 | 100.0% | 581,702.24 | 100.0% | 452,421.88 | 100.0% | 753,277.61 | 71.26% |
| K-9 Revenue | 289,297.84 | 27.37% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 289,297.84 | 27.37% |
| Management Fee | 14,464.89 | 1.37% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 14,464.89 | 1.37% |
| Services | 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 Income** | 1,057,040.34 | 100.0% | 936,002.76 | 100.0% | 695,137.11 | 100.0% | 581,702.24 | 100.0% | 452,421.88 | 100.0% | 1,057,040.34 | 100.0% |
| **Cost of Goods Sold** | | | | | | | | | | | | |
| Drug Screening Services | 684,974.97 | 64.8% | 312,849.82 | 33.42% | 422,587.26 | 60.79% | 396,126.00 | 68.1% | 255,023.34 | 56.37% | 684,974.97 | 64.8% |
| **Total COGS** | 684,974.97 | 64.8% | 312,849.82 | 33.42% | 422,587.26 | 60.79% | 396,126.00 | 68.1% | 255,023.34 | 56.37% | 684,974.97 | 64.8% |
| **Gross Profit** | 372,065.37 | 35.2% | 623,152.94 | 66.58% | 272,549.85 | 39.21% | 185,576.24 | 31.9% | 197,398.54 | 43.63% | 372,065.37 | 35.2% |
| **Expense** | | | | | | | | | | | | |
| Automobile Expense | 145.58 | 0.01% | 0.00 | 0.0% | 93.67 | 0.01% | 0.00 | 0.0% | 315.01 | 0.07% | 145.58 | 0.01% |
| Bad Debt Expense | 452.50 | 0.04% | 110.50 | 0.01% | 682.00 | 0.1% | 1,573.30 | 0.27% | 493.45 | 0.11% | 452.50 | 0.04% |
| Bank Service Charges | 28.50 | 0.0% | 161.57 | 0.02% | 117.99 | 0.02% | 316.31 | 0.05% | 44.00 | 0.01% | 28.50 | 0.0% |
| Computer | 60,128.10 | 5.69% | 32,592.97 | 3.48% | 46,994.07 | 6.76% | 26,735.00 | 4.6% | 20,042.42 | 4.43% | 60,128.10 | 5.69% |
| Contract Labor | 4,140.50 | 0.39% | 9,189.50 | 0.98% | 4,768.94 | 0.69% | 9,950.16 | 1.71% | 8,578.90 | 1.9% | 4,140.50 | 0.39% |
| Contributions | 1,040.00 | 0.1% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 1,040.00 | 0.1% |
| Depreciation Expense | 3,381.66 | 0.32% | 3,381.66 | 0.36% | 3,139.58 | 0.45% | 3,053.30 | 0.53% | 3,018.54 | 0.67% | 3,381.66 | 0.32% |
| Dues & Subscriptions | 0.00 | 0.0% | 250.00 | 0.03% | 160.00 | 0.02% | 75.00 | 0.01% | 545.00 | 0.12% | 0.00 | 0.0% |
| Education | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 2,761.58 | 0.61% | 0.00 | 0.0% |
| Equipment Rental | 0.00 | 0.0% | 0.00 | 0.0% | 2,000.00 | 0.29% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% |
| Insurance | 5,266.96 | 0.5% | 17,042.75 | 1.82% | 0.00 | 0.0% | 9,713.98 | 1.67% | 12,185.96 | 2.69% | 5,266.96 | 0.5% |
| Internet Access | 1,238.80 | 0.12% | 619.40 | 0.07% | 977.33 | 0.14% | 2,099.07 | 0.36% | 388.44 | 0.09% | 1,238.80 | 0.12% |
| Licenses & Fees | 795.00 | 0.08% | 397.00 | 0.04% | 3,041.70 | 0.44% | 0.00 | 0.0% | 0.00 | 0.0% | 795.00 | 0.08% |
| Marketing & Advertising | 622.62 | 0.06% | 4,798.59 | 0.51% | 12,821.06 | 1.84% | 23,879.20 | 4.11% | 23,403.97 | 5.17% | 622.62 | 0.06% |
| Office Supplies | 826.92 | 0.08% | 809.74 | 0.09% | 3,415.32 | 0.49% | 1,428.54 | 0.25% | 2,852.42 | 0.63% | 826.92 | 0.08% |
| Payroll Expenses | 185,373.74 | 17.54% | 114,992.58 | 12.29% | 113,741.10 | 16.36% | 154,680.79 | 26.59% | 94,337.62 | 20.85% | 185,373.74 | 17.54% |
| Postage and Delivery | 2,952.84 | 0.28% | 2,596.84 | 0.28% | 2,977.36 | 0.43% | 2,185.42 | 0.38% | 1,360.20 | 0.3% | 2,952.84 | 0.28% |
| Printing & Reproduction | 0.00 | 0.0% | 979.53 | 0.11% | 2,742.12 | 0.39% | 116.33 | 0.02% | 308.38 | 0.07% | 0.00 | 0.0% |
| Professional Fees | 11,405.25 | 1.08% | 7,146.25 | 0.76% | 2,762.50 | 0.4% | 6,355.73 | 1.09% | 3,075.00 | 0.68% | 11,405.25 | 1.08% |
| Rent | 13,258.80 | 1.25% | 12,222.80 | 1.31% | 7,803.20 | 1.12% | 10,071.88 | 1.73% | 7,803.20 | 1.73% | 13,258.80 | 1.25% |
| Repair & Maintenance | 0.00 | 0.0% | 0.00 | 0.0% | 356.14 | 0.05% | 110.36 | 0.02% | 0.00 | 0.0% | 0.00 | 0.0% |
| Telephone | 2,345.12 | 0.22% | 480.56 | 0.05% | 4,440.08 | 0.64% | 741.45 | 0.13% | 2,851.65 | 0.63% | 2,345.12 | 0.22% |
| Travel & Ent | 44,280.39 | 4.19% | 33,293.43 | 3.56% | 21,405.40 | 3.08% | 36,650.67 | 6.3% | 34,876.81 | 7.71% | 44,280.39 | 4.19% |
| Utilities | 95.54 | 0.01% | 92.84 | 0.01% | 428.80 | 0.06% | 0.00 | 0.0% | 0.00 | 0.0% | 95.54 | 0.01% |
| Miscellaneous | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 2,816.01 | 0.48% | 0.00 | 0.0% | 0.00 | 0.0% |
| **Total Expense** | 337,778.82 | 31.96% | 241,158.51 | 25.77% | 234,868.36 | 33.79% | 292,552.50 | 50.29% | 219,242.55 | 48.46% | 337,778.82 | 31.96% |
| **Net Income from Operations** | 34,286.55 | 3.24% | 381,994.43 | 40.81% | 37,681.49 | 5.42% | -106,976.26 | -18.39% | -21,844.01 | -4.83% | 34,286.55 | 3.24% |
| **Other Income/Expense** | | | | | | | | | | | | |
| **Other Expense** | | | | | | | | | | | | |
| Interest Expense | 4,498.61 | 0.43% | 5,051.82 | 0.54% | 1,809.25 | 0.26% | 1,777.25 | 0.31% | 2,517.85 | 0.56% | 4,498.61 | 0.43% |
| Income Tax Expense | 5,808.65 | 0.55% | 4,840.00 | 0.52% | 0.00 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% | 5,808.65 | 0.55% |
| **Total Other Expense** | 10,307.26 | 0.98% | 9,891.82 | 1.06% | 1,809.25 | 0.26% | 1,777.25 | 0.31% | 2,517.85 | 0.56% | 10,307.26 | 0.98% |
| **Net Income before Income Taxes** | 23,979.29 | 2.27% | 372,102.61 | 39.75% | 35,872.24 | 5.16% | -108,753.51 | -18.7% | -24,361.86 | -5.39% | 23,979.29 | 2.27% |
| **Income Tax Provision** | 0.00 | | 0.00 | | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| **Net Income** | 23,979.29 | 2.27% | 372,102.61 | 39.75% | 35,872.24 | 5.16% | -108,753.51 | -18.7% | -24,361.86 | -5.39% | 23,979.29 | 2.27% |
| **Basic Earnings per Share** | $ 0.0002 | | $ 0.0027 | | $ 0.0003 | | $ (0.0009) | | $ (0.0002) | | $ 0.0002 | |

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

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

| | Quarters Ended | | | | |
|---|---|---|---|---|---|
| | Mar 06 | Dec 05 | Sep 05 | Jun 05 | Mar 05 |
| OPERATING ACTIVITIES | | | | | |
| Net Income | 23,979.29 | 372,102.61 | 35,872.24 | -108,753.51 | -24,361.86 |
| Adjustments to reconcile Net Income | | | | | |
| to net cash provided by operations: | | | | | |
| Accrued Revenue | 6,951.67 | -117,536.37 | -24,453.27 | 143,274.00 | -206,715.50 |
| Accounts Receivable | -99,190.56 | -262,637.64 | -306,577.27 | 36,552.53 | -130,078.93 |
| Advances to Affiliates - K-9 Bomb Search | -17,193.47 | 0.00 | -15,783.50 | 0.00 | 0.00 |
| Expense Accruals | 76,061.00 | -6,224.84 | 3,924.84 | -1,550.00 | 300.00 |
| Accounts Payable Related | -124,393.62 | -34,433.79 | 273,826.87 | -3,314.12 | 227,595.17 |
| Deferred Tax Liability | -5,299.42 | 101,238.00 | 0.00 | 0.00 | 0.00 |
| Income Tax Payable | 5,808.65 | 4,840.00 | 0.00 | 0.00 | 0.00 |
| Payroll Liabilities | 19,972.02 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net cash provided by Operating Activities | -113,304.44 | 57,347.97 | -33,190.09 | 66,208.90 | -133,261.12 |
| INVESTING ACTIVITIES | | | | | |
| Deferred tax Asset | 659.42 | -101,238.00 | 0.00 | 0.00 | 0.00 |
| Fixed Assets:Depreciation | 3,381.66 | 3,381.66 | 3,139.58 | 3,053.30 | 3,018.54 |
| Fixed Assets:Acquired | 0.00 | 0.00 | -2,518.23 | -2,231.38 | 0.00 |
| Business Acquired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net cash provided by Investing Activities | 4,041.08 | -97,856.34 | 621.35 | 821.92 | 3,018.54 |
| FINANCING ACTIVITIES | | | | | |
| Notes Payable | 1,794.65 | 1,821.89 | 1,809.25 | 1,777.25 | 1,745.76 |
| Paid In Capital In Excess PAR | 110,133.33 | 35,787.30 | 1,814.37 | 24,971.67 | 100,147.33 |
| Common Stock ($.001 PAR value) | 366.67 | 4,212.70 | 6,713.63 | 28.33 | 5,152.67 |
| Net cash provided by Financing Activities | 112,294.65 | 41,821.89 | 10,337.25 | 26,777.25 | 107,045.76 |
| Net cash increase for period | 3,031.29 | 1,313.52 | -22,231.49 | 93,808.07 | -23,196.82 |
| Cash at beginning of period | 61,854.56 | 60,541.04 | 82,772.53 | -11,035.54 | 12,161.28 |
| Cash at end of period | 64,885.85 | 61,854.56 | 60,541.04 | 82,772.53 | -11,035.54 |

# 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 | | | (101,343.98) | (101,343.98) |
| Common Stock issued | 120,125.00 | 5,625.00 | | 125,750.00 |
| Shareholder's Equity December 31, 2004 | 120,125.00 | 5,625.00 | (101,343.98) | 24,406.02 |
| 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 | (125,705.84) | 105,344.16 |
| 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 | (234,459.35) | 21,590.65 |
| 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 | (198,587.11) | 65,990.89 |
| Net Earnings | | | 372,102.61 | 372,102.61 |
| Common Stock issued | 4,212.70 | 35,787.30 | | 40,000.00 |
| Shareholder's Equity December 31, 2005 | 136,232.33 | 168,345.67 | 173,515.50 | 478,093.50 |
| 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 | 197,494.79 | 612,572.79 |

**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

| 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 |
| Balance at September 30, 2005 | 132,019,631 | 132,019,631 | 0 | 0.0020 |
| Common Stock Issued | 4,212,704 | 4,212,704 | | 0.0883 |
| Balance at December 31, 2005 | 136,232,335 | 136,232,335 | 0 | 0.0022 |
| Common Stock Issued | 366,666 | 366,666 | | 1.3039 |
| Balance at March 31, 2006 | 136,599,001 | 136,599,001 | 0 | - |

**David B. Neidhart, CPA, P.C.**
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# Notes to the Financial Statements
March 31, 2006

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

These are compiled financial statements and have not been audited.

### Basis of Accounting
The financial statements are prepared on the accrual basis except for accrued bad debt expense. The company is currently writing balances off as they are deemed uncollectible. The inclusion of such amounts would not have a significant effect on the financial statements. Compensated absences are not reflected in the accompanying financial statements.

### Note 1 – Fixed Assets
Fixed assets are valued at booked value from the date of acquisition. Labwire, Inc. acquired Workplace Screening, Inc. on October 31, 2004. Computer equipment is being depreciated over three (3) years, equipment and furniture & fixtures over five (5) years using the straight-line method.

| | | | |
|---|---|---|---|
| Computer Equipment | $15,769 | | |
| Less accumulated depreciation | ( 6,434) | | |
| Net Computer Equipment | | $9,335 | |
| Equipment | $40,371 | | |
| Less accumulated depreciation | ( 11,439) | | |
| Net Equipment | | $28,932 | |
| Furniture & Fixtures | $ 980 | | |
| Less accumulated depreciation | ( 114) | | |
| Net Equipment | | $ 866 | |
| Total Fixed Assets | | | $39,133 |

### Note 2 – Goodwill
The acquisition of Workplace Screening, Inc. resulted in a $456,933.22 charge to goodwill. Per FASB Statement #142, goodwill should remain on the books subject to an annual impairment test.

### Note 3 – Long-Term Indebtedness

| | |
|---|---|
| Note Payable – D Morris – 1.71% - payable when profits allow | $138,926 |
| Note Payable – Workplace Health – 4.5% payable when profits allow | 62,109 |
| Note Payable – J Maring – 1.71% - payable when profits allow | 125,205 |
| Total Long-Term Indebtedness | $326,240 |

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**Note 4 – Subsidiaries**
Labwire, Inc. has one wholly owned subsidiary, Workplace Screening Services, Inc. Labwire, Inc. purchased Workplace Screening Services, Inc. on October 31, 2004 in a stock purchase of 120,000,000 shares. The acquisition was valued at $120,000. Along with the assets of the company, Labwire, Inc. assumed $161,232 in short-term debt and $306,128 in long-debt.

**Note 5 – Restatement of December 31, 2005 Financial Statements**
Due to depreciation timing differences between tax and GAAP financial statements, a $101,238 deferred tax asset and liability has been recognized for the year ended December 31, 2005. As a result, Income Tax expenses was lowered from $$106,078 to $4,840, increasing Net Income by $101,238. The deferred tax asset and liability will be amortized as Labwire reports income on the tax depreciated assets.

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