

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

20/20 NETWORKS INC  
Form 10KSB/A  
May 23, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-KSB/A

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended December 31, 2005

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 000-29935

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.  
(Exact name of Registrant as specified in its charter)

Nevada

33-0677140

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer  
Identification Number)

27430 Riverside Lane, Valencia, CA 91354  
(Address of principal executive offices) (Zip Code)

Company's telephone number, including area code: (661) 287-3772

Securities registered pursuant to Section 12(b) of the Act: None.

Name of each exchange on which registered: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Check whether the Issuer (1) has filed all reports required to be filed by  
Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or such  
shorter period of that the Registrant was required to file such reports), and  
(2) has been subject to such filing requirements for the past 90 days. Yes   
No

Check if there is no disclosure of delinquent filers to Item 405 of Regulation  
S-B contained in this form, and if no disclosure will be contained, to the best  
of the Registrant's knowledge, in definitive proxy or information statements  
incorporated by reference in Part III of this Form 10-K.

The number of shares outstanding of the Company's \$.001 Par Value Common Stock,  
as of December 31, 2005 were 4,824,465. The aggregate number of shares of the  
voting stock held by non-affiliates on March 21, 2006 was 1,366,525. The market  
value of these shares, computed by reference to the market closing price on  
March 21, 2006 was \$2,733,050. For the purposes of the foregoing calculation  
only, all directors and executive officers of the registrant have been deemed  
affiliates.

DOCUMENTS INCORPORATED BY REFERENCE: None.

PART I

ITEM 1. BUSINESS

A) General

Micro Bio-Medical Waste Systems, Inc. Formerly known as 20/20 Networks, Inc. (the "Company") was incorporated on August 31, 1995 as "Visioneering Corporation" under the laws of the State of Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. None of the proposed business activities for which the Company's name was changed produced any revenues or created any appreciable business activities for the Company.

In November, 2003, the Company entered into an agreement with its majority shareholder, Crown Partners, Inc. ("Crown"), wherein the Company agreed to purchase Crown's wholly-owned subsidiary Sanitec(TM) Services of Hawaii, Inc. ("SSH") for \$550,000, assumption of all liabilities of SSH. In return, Crown will receive five percent (5%) of the issued and outstanding shares of the Company, non-dilutable for twenty four months. The Company paid a non-refundable deposit of \$45,520 to Crown towards the purchase price, of which \$20,000 was advanced to SSH for use in its operations. Crown agreed to let the Company retain the balance of the deposit for use in funding the Company's operations. In May, 2005, SSH ceased operations and the Company will not acquire it. It is unlikely that the Company will not be able to recoup its advance to SSH but the Company still owes \$45,520 to Crown. The Company is still seeking a suitable acquisition candidate.

The Company's office is located at 27430 Riverside Lane, Valencia, CA 91354.

As of December 31, 2005, the Company had no employees.

Item 2. Properties.

The Company presently shares office space with a related entity and its attorney. The Company pays no rent. The Company anticipates that this space is sufficient for the near future.

Item 3 Legal Proceedings.

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Market for Registrant's Common Equity and Related Shareholder Matters.

The Company's common stock is currently traded on the OTC Electronic Bulletin Board in the United States, having the trading symbol "MBWS" and CUSIP #59479X204. The Company's stock is traded on the OTC Electronic Bulletin Board. As of December 31, 2005, the Company had 4,824,465 shares of its common stock issued and outstanding, of which 1,366,525 were held by non-affiliates.

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

The following table reflects the high and low quarterly bid prices for the fiscal year ended December 31, 2005.

Period	High Bid	Low Bid
1st Qtr 2005	.20	.07
2nd Qtr 2005	.59	.14
3rd Qtr 2005	.56	.42
4th Qtr 2005	.51	.26

The Internet provided the above information to the Company. These quotations may reflect inter-dealer prices without retail mark-up/mark-down/commission and may not reflect actual transactions.

As of December 31, 2005, the Company estimates there are 50 "holders of record" of its common stock and estimates that there are approximately 150 beneficial shareholders of its common stock. The Company has authorized 500,000,000 shares of common stock, par value \$.001.

Item 6. Management's Discussion and Analysis or Plan of Operation.

### FORWARD-LOOKING STATEMENTS MAY NOT PROVE ACCURATE

When used in this Form 10-KSB, the words "anticipated", "estimate", "expect", and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions including the possibility that the Company's will fail to generate projected revenues. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected.

### LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has experienced no significant change in liquidity or capital resources or stockholders' equity other than receipts of proceeds from offerings of its capital stock. The Company received \$230,000 from an offering conducted under Rule 504 of Regulation D in 1999. The Company also raised \$158,354 from the issuance of 7,200,000 shares of the Company's common stock prior to 1997. In 1997, the Company raised an additional \$345,000 from the sale of its common stock. The Company's balance sheet as of December 31, 2004 reflects very limited assets and substantial liabilities. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

3

At December 31, 2005, the Company had negative working capital of approximately (\$268,000) which consisted of no assets and current liabilities of approximately \$268,000. At December 31, 2004, the Company had no assets and current liabilities of approximately \$242,000, resulting in negative working capital of approximately (\$242,000). The current liabilities of the Company at December 31, 2005 are composed primarily of accounts payable for legal and accounting expenses of approximately \$172,000 and amounts owed to its majority shareholder, Crown, of approximately \$90,000.

The Company will attempt to carry out its plan of business as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan. The Company needs to pay for its

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

proposed acquisition of SSH and will need additional capital to fund that proposed operation.

### RESULTS OF OPERATIONS

During the period from August 31, 1995 (inception) through December 31, 2005, the Company engaged in limited operations and attempted to commence operations in a number of different fields, none of which was ultimately successful or resulted in any appreciable revenues for the Company. For the years ended December 31, 2005 and 2004, the Company had no revenues. For the year ended December 31, 2005, the Company had general and administrative expenses of approximately \$46,000 resulting in a net loss of approximately (\$46,000). For the year ended December 31, 2004, the Company had general and administrative expenses of approximately \$1,527,680, resulting in a net loss of approximately (\$1,527,680). The difference in expenses between the two periods resulted from the Company hiring consultants in 2004 in an effort to develop various business opportunities presented and helping the Company move forward with its acquisition of SSH. The net loss per share was (\$.01) and (\$.33), respectively, for the years ended December 31, 2005 and 2004.

For the year ended December 31, 2005, the Company had no assets and current liabilities of approximately \$268,000. For the year ended December 31, 2004, the Company had no assets and current liabilities of approximately \$242,000. Shareholders' (deficit) for the year ended December 31, 2005 was approximately (\$268,000) compared to shareholders' (deficit) of approximately (\$242,000) at December 31, 2004. The increase in shareholders' deficit from 2004 to 2005 is due to the Company's expenses for the year.

The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues and may operate at a loss after completing a business combination, depending upon the performance of the acquired business.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition, changes in financial condition and results of operations of the Company for the fiscal years ended December 31, 2005 and 2004 should be read in conjunction with the financial statements of the Company and related notes included therein.

4

The Company was incorporated on August 31, 1995 as Visioneering Corporation. On January 12, 1996, the Company amended its Articles of Incorporation to change its name to Asiamerica Energy Corporation, to Care Financial Corporation in April 29, 1996 and to Trump Oil Corporation on May 15, 1997. In March, 1999, the Company entered into a letter of intent to acquire 20/20 Web Design, Inc., a Colorado corporation wholly owned by Stein's Holdings, Inc. fka Multi-Source Capital, Ltd. As part of that transaction, the Company issued 8,620,000 shares of its common stock to Stein's with the result that Stein's owns 80% of the issued and outstanding shares of the Company. The Company also approved a ten-for-one reverse stock split as part of that transaction.

Since the agreements described above, the Company has financed its activities through the distribution of equity capital, including private placements of its common stock resulting in the Company raising capital of \$749,494 from 1995 to the present. The Company used the proceeds from these offerings to fund its proposed operations, to pay salaries, to pay general and administrative expenses and any necessary expenses.

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

The Company entered into an agreement to acquire Sanitec(TM) Services of Hawaii, Inc. ("SSH") from its majority shareholder, Crown Partners, Inc., in November, 2003. The Company was unable to secure the funding necessary to complete this transaction and SSH ceased operations in May, 2005. The Company paid a non-refundable deposit to Crown Partners of \$45,520, of which \$20,000 was advanced to SSH and Crown allowed the Company to retain the remaining \$25,000 to pay the Company's obligations. The Company still owes Crown this amount although it is unlikely that SSH will repay any monies to the Company.

The Company will attempt to carry out its business plan as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

### NEED FOR ADDITIONAL FINANCING

The Company's existing capital is not sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. Once a business combination is completed, the Company's needs for additional financing are likely to increase substantially. It is anticipated that Crown will likely advance any funds necessary to insure that the Company is able to meet its reporting obligations under the 1934 Act and that these loans will be repaid either when the Company merges or acquires a business. However, Crown has not agreed in writing to provide these funds and can only provide these funds to the extent that it has available funds to loan to the Company.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any funds will be available to the Company to allow it to cover its expenses.

The Company might seek to compensate providers of services by issuances of stock in lieu of cash.

5

The Company is presently inactive and since inception has experienced no significant change in liquidity or capital resources or stockholders' equity other than the receipt of proceeds from offerings conducted under Rule 504 of Regulation D. The Company's balance sheet as of December 31, 2005 reflects no assets and extensive liabilities. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

### Effect of Inflation

Inflation did not have any significant effect on the operations of the Company during the year ended December 31, 2005. Further, inflation is not expected to have any significant effect on future operations of the Company.

### Item 7. Financial Statements.

Financial statements are audited and included herein beginning on Exhibit 1, page 1 and are incorporated herein by this reference.

### Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no disagreements with accountants on accounting and financial

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

disclosure during the relevant period.

Item 8A. Controls and Procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. The evaluation was undertaken in consultation with our accounting personnel. Based on that evaluation, the President and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

There were no significant changes in our internal controls over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting.

Part III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers of the Company

The following table sets forth the names and ages of all directors and executive officers of the Company and all persons nominated or chosen to become a director, indicating all positions and offices with the Company held by each such person and the period during which he has served as a director:

6

The principal executive officers and directors of the Company are as follows:

Name	Age	Positions Held and Tenure
Charles Smith	54	CFO, CEO and Director since May 15, 2000
Steven Onoue	49	Director since July, 2002
Dr. Sadegh Salmassi	59	Director since November, 2003

The Directors named above will serve until the next annual meeting of the Company's stockholders. Thereafter, Directors will be elected for one-year terms at the annual stockholders' meeting. Officers will hold their positions at the pleasure of the Board of Directors, absent any employment agreement, of which none currently exist or is contemplated. There is no arrangement or understanding between the Directors and Officers of the Company and any other person pursuant to which any Director or Officer was or is to be selected as a Director or Officer of the Company.

There is no family relationship between or among any Officer and Director.

The Directors and Officers of the Company will devote their time to the Company's affairs on an "as needed" basis. As a result, the actual amount of time which each will devote to the Company's affairs is unknown and is likely to vary substantially from month to month.

The Company has no audit or compensation committee.

Business Experience. The following is a brief account of the business experience

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

during at the least the last five years of the directors and executive officers, indicating their principal occupations and employment during that period, and the names and principal businesses of the organizations in which such occupations and employment were carried out.

CHARLES SMITH. Mr. Smith graduated from Boston University, Boston, Massachusetts in 1979 and since that time has been a Certified Public Accountant involved in all phases of business, including the audit of companies and tax matters. He is a consultant to various companies ranging from an art distribution company to a junior resource company which is developing a gold property in Sinaloa State, Mexico. Mr. Smith has significant experience in accounting and securities matters.

Mr. Smith's business affiliations during the last five years are as follow: Chairman - Dynacap Group, Ltd. - a consulting and management firm - 1992 to the present. Sole proprietor as a Certified Public Accountant - 1983 to the present. Sole officer and Director - MC Cambridge, Inc. - a financial consulting firm - 1997 to present. Sole officer and director - Asset Servicing Corporation - a leasing company - 1998 to present. Chief Financial Officer and Director - Electrical Generation Technology Corporation - April 2000 to present. CEO, CFO and Director - National Healthcare Technology, Inc. since 2002.

7

Mr. Smith is an officer and director of Crown Partners, Inc., the majority shareholder of the Company and a publicly traded company traded on the OTC Electronic Bulletin Board under "CRWP."

STEVEN ONOUE. Mr. Onoue has been employed as vice president and manager of Sanitec Services of Hawaii, Inc. since 2000. Prior to that, Mr. Onoue was the president of Cathay Atlantic Trading Company in Honolulu, Hawaii which trades in hard commodities and acted as a consultant to many construction and renovation projects. Mr. Onoue acts as a community liaison and legislative analyst to Rep. Suzuki of the State of Hawaii. Mr. Onoue was a registered securities professional as well as being involved in real estate in Hawaii for more than 15 years.

Mr. Onoue is an officer and director of Crown Partners, Inc., the majority shareholder of the Company and a publicly traded company traded on the OTC Electronic Bulletin Board under "CRWP."

SADEGH SALMASSI, M.D. Dr. Salmassi is a physician in private practice in Delano, California. Dr. Salmassi graduated from Pahlavi University School of Medicine in 1973 and came to the United States in 1975 to complete his residency training at the University of Illinois in Chicago, Illinois. Dr. Salmassi began practicing medicine in Illinois in 1978. Dr. Salmassi is Board Certified by the American Board of Pathology in Anatomic and Clinical Pathology as well as being Board certified by the American Board of General Practice in General Medicine and Surgery. Dr. Salmassi is a Fellow in the College of American Pathologists, a Fellow of the American College of International Physicians and a Fellow in the American Academy of Family Physicians.

Dr. Salmassi is a director of Crown Partners, Inc., the majority shareholder of the Company and a publicly traded company traded on the OTC Electronic Bulletin Board under "CRWP."

### CONFLICTS OF INTEREST

The Officers and Directors of the Company will devote only a small portion of their time to the affairs of the Company, estimated to be no more than

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

approximately 5 hours per month. There will be occasions when the time requirements of the Company's business conflict with the demands of their other business and investment activities. Such conflicts may require that the Company attempt to employ additional personnel. There is no assurance that the services of such persons will be available or that they can be obtained upon terms favorable to the Company.

There is no procedure in place which would allow the Officers and Directors to resolve potential conflicts in an arms-length fashion. Accordingly, they will be required to use their discretion to resolve them in a manner which they consider appropriate.

The Company's Officers and Directors may actively negotiate or otherwise consent to the purchase of a portion of their common stock as a condition to, or in connection with, a proposed merger or acquisition transaction. It is anticipated that a substantial premium over the initial cost of such shares may be paid by

8

the purchaser in conjunction with any sale of shares by the Company's Officers and Directors which is made as a condition to, or in connection with, a proposed merger or acquisition transaction. The fact that a substantial premium may be paid to the Company's Officers and Directors to acquire their shares creates a potential conflict of interest for them in satisfying their fiduciary duties to the Company and its other shareholders. Even though such a sale could result in a substantial profit to them, they would be legally required to make the decision based upon the best interests of the Company and the Company's other shareholders, rather than their own personal pecuniary benefit.

Identification of Certain Significant Employees. The Company does not employ any persons who make or are expected to make significant contributions to the business of the Company.

Item 10. Executive Compensation.

During fiscal 2005, and as of the date of the filing of this report, none of the Company's officers were paid any compensation by the Company.

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meeting of the Board of Directors.

The Company has no material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to the Company's directors or executive officers.

The Company has no compensatory plan or arrangements, including payments to be received from the Company, with respect to any executive officer or director, where such plan or arrangement would result in any compensation or remuneration being paid resulting from the resignation, retirement or any other termination of such executive officer's employment or from a change-in-control of the Company or a change in such executive officer's responsibilities following a change-in-control and the amount, including all periodic payments or installments where the value of such compensation or remuneration exceeds \$100,000 per executive officer.

During the last completed fiscal year, no funds were set aside or accrued by the Company to provide pension, retirement or similar benefits for Directors or Executive Officers.



## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

The Company has no written employment agreements.

In August, 2005, the Company adopted the Micro Bio-Medical Waste Systems, Inc. Non-employee Directors, Advisors and Consultants Retainer Stock Plan for 2005. Under the Plan, 500,000 shares are reserved for issuance to non-employee directors, advisors and consultants. The Company registered the shares under the Plan but no shares have been issued under the Plan as of December 31, 2005.

9

Termination of Employment and Change of Control Arrangement. Except as noted herein, the Company has no compensatory plan or arrangements, including payments to be received from the Company, with respect to any individual named above from the latest or next preceding fiscal year, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such individual's employment with the Company, or from a change in control of the Company or a change in the individual's responsibilities following a change in control.

Section 16(a) Beneficial Ownership Reporting Compliance. During the year ended December 31, 2005, the following persons were officers, directors and more than ten-percent shareholders of the Company's common stock:

Name	Position	Filed Reports
-----	-----	-----
Charles Smith	CEO, CFO, Director	No
Steven Onoue	Director	No
Dr. Sadegh Salmassi	Director	No

### Item 11. Security Ownership of Certain Beneficial Owners and Management.

There were 4,824,465 shares of the Company' common stock issued and outstanding on December 31, 2005. There are no preferred shares authorized. The following tabulates holdings of shares of the Company by each person who, subject to the above, at the date of this Report, holds or record or is known by Management to own beneficially more than five percent (5%) of the Common Shares of the Company and, in addition, by all directors and officers of the Company individually and as a group.

Names and Addresses	Number of Shares Owned Beneficially	Percent of Beneficially Owned Shares
-----	-----	-----
Charles Smith (1) 27430 Riverside Lane Valencia CA 91354	20,000	0.0%
Steven Onoue (1) 27430 Riverside Lane Valencia CA 91354	20,000	0.0%
Sadegh Salmassi (1) 27430 Riverside Lane Valencia CA 91354	10,000	0.0%
Crown Partners, Inc.(2) 27430 Riverside Lane Valencia CA 91354	3,407,940	68.71%

All directors and officers

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

as a group (3) 50,000 1.00%

10

-----

- (1) Denotes officer or director. All directors are also officers and directors of Crown Partners, Inc. which is the majority shareholder of the Company.
- (2) The control persons of Crown are the directors of the Company: Steven Onoue, Dr. Sadegh Salmassi and Charles Smith. These persons have both investment and voting power for the 3,407,940 shares beneficially owned by Crown.

Changes in Control. There are no arrangements known to the Company, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change of control of the Company, except the proposed acquisition of SSH.

### Item 12. Certain Relationships and Related Transactions.

The Company shares office space with its attorney and with a shareholder of the Company who has loaned the Company money to fund its operations for the past year.

The Company received \$45,520 from an unrelated third party in 2004 which was to be paid as a non-refundable deposit to Crown Partners, Inc., the majority shareholder of the Company, who had entered into an agreement with the Company in 2003 to sell Sanitec Services of Hawaii, Inc. to the Company. In return for the deposit, Crown agreed to allow the Company more time to raise the funds necessary to purchase SSH. The Company advanced \$20,000 to SSH to fund its operations and Crown allowed the Company to retain the balance of the deposit to fund the Company's operations. The Company was unsuccessful in raising the funds necessary and SSH ceased operations in 2005. It is doubtful that the Company will be repaid the advance of \$20,000 from SSH but the Company still owes \$45,520 to Crown. In addition, the Company owes an additional \$45,000 to Crown for monies paid on its behalf by Crown.

### Item 13. Exhibits and Reports on Form 8-K.

#### (a) Financial Statements and Schedules

The following financial statements and schedules are filed as part of this report:

Independent Auditors' Report dated March 28, 2006  
Balance Sheet for the Fiscal Year Ended December 31, 2005  
Statements of Operations for the Years Ended December 31, 2005 and 2004  
Statement of Stockholders' Deficit for the Years Ended December 31, 2005 and 2004  
Statements of Cash Flows for the Years Ended December 31, 2005 and 2004  
Notes to Financial Statements

#### List of Exhibits

The following exhibits are filed with this report.

Financial Statements.

11

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

(b) There were no Reports filed on Form 8-K during the fourth quarter of the Company's fiscal year ended December 31, 2005.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

May 19, 2006

/s/ Charles Smith

-----  
Charles Smith, CEO, CFO, Director

May 19, 2006

/s/ Steven Onoue

-----  
Steven Onoue, Director

May 19, 2006

/s/ Dr. Sadegh Salmassi

-----  
Dr. Sadegh Salmassi, Director

12

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Micro Bio-Medical Waste Systems, Inc.  
Woodland Hills, California

We have audited the accompanying balance sheet of Micro Bio-Medical Waste Systems, Inc. as of December 31, 2005, and the related statements of operations, stockholders' deficit, and cash flows for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Micro Bio-Medical Waste Systems, Inc. as of December 31, 2005, and the results of its operations and its cash flows for each of the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Company's recurring

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

losses from operations and the need to raise additional financing in order to satisfy its vendors and other creditors and execute its Business Plan raise substantial doubt about its ability to continue as a going concern. Management's plans as to these matters are also described in Note 2. The 2005 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Lopez, Blevins, Bork & Associates, LLP  
Houston, Texas

March 28, 2006

Micro Bio-Medical Waste Systems, Inc.  
BALANCE SHEET  
December 31, 2005

ASSETS

Total Assets	\$	--
		=====

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	\$	178,630
Advances - related party		89,549
		-----
Total current liabilities		268,179
		-----

STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 500,000,000 shares authorized, 145,899,000 shares issued and outstanding		4,824
Additional paid in capital		2,626,646
Accumulated deficit		(2,899,649)
		-----
Total Stockholders' Deficit		(268,179)
		-----

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	--
		=====

See accompanying summary of accounting policies  
and notes to financial statements.

Micro Bio-Medical Waste Systems, Inc.  
STATEMENTS OF OPERATIONS  
Years Ended December 31, 2005 and 2004

	2005	2004
	-----	-----
Costs and Expenses:		

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

General and administrative	\$ 45,848	\$ 1,527,680
	-----	-----
Net loss	\$ (45,848)	\$ (1,527,680)
	=====	=====
Net loss per share:		
Net loss basic and diluted	\$ (0.01)	\$ (0.33)
	=====	=====
Weighted average shares outstanding:		
Basic and diluted	4,829,291	4,658,150
	=====	=====

See accompanying summary of accounting policies  
and notes to financial statements.

Micro Bio-Medical Waste Systems, Inc.  
STATEMENTS OF STOCKHOLDERS' DEFICIT  
Years Ended December 31, 2005 and 2004

	Common stock		Additional paid in capital	Accumulated deficit
	Shares	Amount		
	-----	-----	-----	-----
Balance, December 31, 2003	4,394,133	\$ 4,394	\$ 1,148,700	\$ (1,326,121)
Issuance of common stock for services	565,833	566	1,477,810	--
Net loss	--	--	--	(1,527,680)
	-----	-----	-----	-----
Balance, December 31, 2004	4,959,966	4,960	2,626,510	(2,853,801)
Cancelled shares	(133,501)	(136)	136	--
Net loss	--	--	--	(45,848)
	-----	-----	-----	-----
Balance, December 31, 2005	4,824,465	\$ 4,824	\$ 2,626,646	\$ (2,899,649)
	=====	=====	=====	=====

See accompanying summary of accounting policies  
and notes to financial statements.

Micro Bio-Medical Waste Systems, Inc.  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2005 and 2004

	2005	2004
	-----	-----

Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (45,848)	\$ (1,527,680)
Adjustments to reconcile net deficit to cash used by operating activities:		
Common stock issued for services	--	1,478,376
Provision for advances-related party	20,000	--
Net change in:		
Accounts payable	6,829	23,784
	-----	-----
CASH FLOWS USED IN OPERATING ACTIVITIES	(19,019)	(25,520)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to a related party	--	(20,000)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from advances-related party	19,019	45,420
	-----	-----
NET DECREASE IN CASH	--	--
Cash, beginning of period	--	--
	-----	-----
Cash, end of period	\$ --	\$ --
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ --	\$ --
Income taxes paid	\$ --	\$ --

See accompanying summary of accounting policies and notes to financial statements.

Micro Bio-Medical Waste Systems, Inc.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Nature of business

Micro Bio-Medical Waste Systems, Inc. (Formerly 20/20 Networks, Inc.) referred to as "Micro Bio-Medical" was incorporated in August 1995 in Nevada. Micro Bio-Medical is in the business of managing and acquiring subsidiary corporations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Basic Loss Per Share

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

Basic loss per share has been calculated based on the weighted average number of shares of common stock outstanding during the period.

### Income Taxes

The asset and liability approach is used to account for income taxes by recognizing deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Micro Bio-Medical record a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized.

### Fair Value of Financial Instruments

The Company's financial instruments consist of cash and debt. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

### Recent Accounting Pronouncements

Micro Bio-Medical does not expect the adoption of recently issued accounting pronouncements to have a significant impact on Micro Bio-Medical's results of operations, financial position or cash flow.

### Reclassification

Certain amounts in the 2004 financial statements have been reclassified to conform with the 2005 financial statements.

### NOTE 2 - GOING CONCERN

Micro Bio-Medical has incurred losses totaling \$2,899,649 through December 31, 2005 and has a working capital deficit of \$268,179 at December 31, 2005. Because of these conditions, Micro Bio-Medical will require additional working capital to develop business operations. Micro Bio-Medical intends to raise additional working capital either through private placements, public offerings and/or bank financing.

There are no assurances that Micro Bio-Medical will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain additional financing through private placements, public offerings and/or bank financing necessary to support Micro Bio Medical's working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, Micro Bio Medical will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to Micro Bio Medical. If adequate working capital is not available Micro Bio Medical may not increase its operations.

These conditions raise substantial doubt about Micro Bio Medical's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should Micro Bio Medical be unable to continue as a going concern.

### NOTE 3 - INCOME TAXES

The Company follows Statement of Financial Accounting Standards Number 109 (SFAS 109), "Accounting for Income Taxes." Deferred income taxes reflect the net

## Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

effect of (a) temporary difference between carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carryforwards. No net provision for refundable Federal income tax has been made in the accompanying statement of loss because no recoverable taxes were paid previously. Similarly, no deferred tax asset attributable to the net operating loss carryforward has been recognized, as it is not deemed likely to be realized.

The provision for refundable Federal income tax consists of the following:

	December 31, 2005
Refundable Federal income tax attributable to:	
Current Operations	\$ 519,000
Less, Change in valuation allowance	(519,000)
Net refundable amount	\$ --

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows:

	December 31, 2005
Deferred tax asset attributable to:	
Net operating loss carryover	\$ 689,000
Less, Change in valuation allowance	(689,000)
Net deferred tax asset	\$ --

At December 31, 2005, we had an unused net operating loss carryover approximating \$2,000,000 that is available to offset future taxable income; it expires beginning in 2020.

#### NOTE 4 - COMMON STOCK

The initial authorized common stock of Micro Bio-Medical consisted of 500,000,000 shares \$.001 par value. In 2003, the State of Nevada approved the Company's restated articles of incorporation which increased the authorized shares of common stock from 100,000,000 common shares to 500,000,000 common shares.

In 2004, 14,075,000 shares of common stock were issued to various consultants for services provided. The shares were valued at \$1,478,376 based on the fair market value as of the trade date.

The board of directors approved a 20 for 1 stock split in January 2004. The board of directors approved a 30 for one reverse stock split in August, 2004. All stock information is shown post split on these financial statements.

#### NOTE 5 - RELATED PARTY TRANSACTIONS

Micro Bio-Medical neither owns nor leases any real or personal property. An officer has provided office services without charge. Such costs are immaterial to the financial statements and accordingly are not reflected herein. The officers and directors are involved in other business activities and most likely will become involved in other business activities in the future. If a specific business opportunity becomes available, such persons may face a conflict of interest.



Edgar Filing: 20/20 NETWORKS INC - Form 10KSB/A

NOTE 6 - ADVANCES RECEIVABLE RELATED PARTY

Micro Bio-Medical advanced to Sanitec Services of Hawaii, Inc., a subsidiary of Crown Partners, Inc., the sum of \$20,000, as part of the consideration to be paid to Crown in connection with Micro Bio-Medical's planned purchase of Crown's Sanitec subsidiary. In the event that the transaction had been consummated, the advance would have been credited toward the purchase price of \$550,000. In July 2005, Sanitec ceased operations and Micro Bio-Medical will no longer proceed with this transaction.

As of 12/31/05 an allowance of \$20,000 was recorded due to the unstable business of Sanitec Services of Hawaii, Inc.

NOTE 7 - ADVANCES PAYABLE AND ACCOUNTS PAYABLE RELATED PARTY

Crown Partners, Inc., the majority shareholder of Micro Bio-Medical, has advanced the sum of \$89,549 to fund Micro Bio-Medical's operations.

NOTE 8 - STOCK BASED COMPENSATION

On August 17, 2005 Company approved a stock-based compensation plan. The plan was not yet implemented at the balance sheet date.