

Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

OMNI MEDICAL HOLDINGS INC  
Form 10QSB  
August 18, 2005

U. S. Securities and Exchange Commission  
Washington, D. C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2005

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

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

Commission File No. 000-26177

OMNI MEDICAL HOLDINGS, INC.  
-----

(Name of Small Business Issuer in its Charter)

UTAH  
-----

87-0425275  
-----

(State or Other Jurisdiction of  
incorporation or organization)

(I.R.S. Employer I.D. No.)

1107 Mt. Rushmore Road, Suite 2  
Rapid City, South Dakota 57701  
-----

(Address of Principal Executive Offices)

Issuer's Telephone Number: (605) 718-0380

Indicate by check mark whether the Registrant (1) has filed all reports  
required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
Registrant was required to file such reports), and (2) has been  
subject to such filing requirements for the past 90 days.

(1) Yes X No (2) Yes X No  
--- ---

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Not applicable.

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the Registrant's classes  
of common stock, as of the latest practicable date:

# Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

June 30, 2005

49,944,445

-----

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements.

-----

The Financial Statements of the Registrant required to be filed with this 10-QSB Quarterly Report were prepared by management, and commence on the following page, together with Related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Registrant.

Omni Medical Holdings, Inc.

Condensed Consolidated Financial Statements

June 30, 2005

Omni Medical Holdings, Inc.

Unaudited Condensed Consolidated Balance Sheet

June 30, 2005

### ASSETS

#### Current assets:

|  |    |           |
|--|----|-----------|
| Cash and cash equivalents  | \$ | -         |
| Accounts receivable, net, including unbilled amounts of approximately \$14,000 |    | 1,773,002 |
| Short-term investments, at fair value  |    | 111,091   |
| Employee advances  |    | 5,317     |
| Prepaid expenses   |    | 55,587    |

Total current assets ----- 1,944,997

Property & equipment, net 1,726,703

#### Other assets:

|                          |  |           |
|--------------------------|--|-----------|
| Deposits                 |  | 7,763     |
| Deferred financing costs |  | 25,000    |
| Goodwill                 |  | 3,493,245 |
| Intangible assets, net   |  | 1,886,117 |

Total other assets ----- 5,412,125

TOTAL ASSETS ----- \$ 9,083,825

=====

See notes to condensed consolidated financial statements

F-2

Omni Medical Holdings, Inc.

Unaudited Condensed Consolidated Balance Sheet [continued]

June 30, 2005

### LIABILITIES AND STOCKHOLDERS' EQUITY

#### Current liabilities:

|                  |    |         |
|------------------|----|---------|
| Accounts payable | \$ | 533,292 |
|------------------|----|---------|

Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

|   |              |
|---|--------------|
| Bank overdraft  | 22,989       |
| Accrued expenses  | 2,150,106    |
| Line of credit  | 160,080      |
| Notes payable, current portion  | 3,181,481    |
|   | -----        |
| Total current liabilities   | 6,047,948    |
| Convertible debt  | 1,315,582    |
| Notes payable   | 2,837,247    |
| Notes payable, net of current portion   | (3,181,481)  |
|   | -----        |
| Total long-term liabilities   | 971,348      |
| Total liabilities   | 7,019,296    |
| Minority interest   | (179,047)    |
| Stockholders' equity:   |              |
| Preferred stock, no par value, 1,000,000 shares authorized,<br>no shares issued and outstanding               | -            |
| Common stock, par value \$0.001 per share; 50,000,000<br>shares authorized; 49,944,445 issued and outstanding | 49,944       |
| Common stock to be issued under reorganization agreement<br>474,659 shares                                    | 475          |
| Capital in excess of par value  | 6,004,900    |
| Unrealized loss on investment   | (167,882)    |
| Accumulated deficit   | (3,643,861)  |
|   | -----        |
| Total stockholders' equity  | 2,243,576    |
|   | -----        |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY  | \$ 9,083,825 |
|   | =====        |

See notes to condensed consolidated financial statements

F-3

Omni Medical Holdings, Inc.

Unaudited Condensed Consolidated Statements of Operations  
For the three month periods ended June 30, 2005 and 2004

|  | 2005         | 2004       |
|--|--------------|------------|
| Revenue  | \$ 1,493,604 | \$ 397,867 |
| Cost of sales                                    | 902,383      | 282,219    |
|  | -----        | -----      |
| Gross operating profit                           | 591,221      | 115,648    |
| General and administrative expenses              | 1,115,132    | 246,045    |
|  | -----        | -----      |
| Income (loss) from operations                    | (523,911)    | (130,397)  |
| Other income (expense):                          |              |            |
| Interest income                                  | -            | -          |
| Interest expense                                 | (121,661)    | (11,468)   |
|  | -----        | -----      |
| Total other income (expense)                     | (121,661)    | (11,468)   |
|  | -----        | -----      |
| Loss from operations before minority<br>interest | (645,572)    | (141,865)  |
| Minority interest                                | 28,804       | -          |
|  | -----        | -----      |
| Loss from operations before<br>income taxes      | (616,768)    | (141,865)  |

Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

|   |              |              |
|---|--------------|--------------|
| Provision for income taxes  | -            | -            |
|   | -----        | -----        |
| Net loss  | \$ (616,768) | \$ (141,865) |
|   | =====        | =====        |
| Other Comprehensive Income:   |              |              |
| Unrealized gain (loss) on investments                                     | (29,454)     | -            |
|   | -----        | -----        |
| Total Comprehensive income (loss)   | \$ (646,222) | \$ (141,865) |
|   | =====        | =====        |
| Loss per share-basic and diluted  | \$ (0.01)    | \$ (0.01)    |
|   | =====        | =====        |
| Weighted average number of common shares<br>outstanding-basic and diluted | 49,166,667   | 16,102,606   |
|   | =====        | =====        |

See notes to condensed consolidated financial statements

F-4

Omni Medical Holdings, Inc.

Unaudited Consolidated Statements of Cash Flows

For the three month periods ended June 30, 2005 and 2004

|   | 2005         | 2004         |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |              |              |
| Net loss  | \$ (616,768) | \$ (141,865) |
| Adjustments to reconcile net loss to net<br>cash used in operations:                                      |              |              |
| Depreciation and amortization   | 202,086      | 51,112       |
| Stock-based compensation expense  | -            | 3,366        |
| Stock issued for services   | -            | 75,600       |
| Minority interest   | (28,804)     | -            |
| Changes in operating assets and<br>liabilities, net of effect of business<br>acquisition and disposition: |              |              |
| Accounts receivable   | (87,212)     | 13,525       |
| Prepaid expenses  | 21,739       | (67,741)     |
| Accounts payable  | 189,512      | 53,124       |
| Bank overdraft  | 22,989       | -            |
| Accrued expenses  | 258,491      | (39,838)     |
|   | -----        | -----        |
| Net cash used in operating<br>activities  | (37,967)     | (52,717)     |
| CASH FLOWS FROM INVESTING ACTIVITIES  |              |              |
| Purchase of property and equipment  | (96,569)     | (519)        |
| Software development  | (97,004)     | -            |
|   | -----        | -----        |
| Net cash used in<br>investing activities  | (193,573)    | (519)        |
| CASH FLOWS FROM FINANCING ACTIVITIES  |              |              |
| Borrowing (payments) on line of credit  | (3,373)      | 41,684       |
| Proceeds from issuance of debt  | 250,000      | -            |
| Net payments of notes payable   | (29,936)     | (9,035)      |
| Proceeds from the issuance of common stock  | -            | 14,650       |
|   | -----        | -----        |
| Net cash provided by financing<br>activities  | 216,691      | 47,299       |
|   | -----        | -----        |

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

|                                 |          |         |
|---------------------------------|----------|---------|
| NET INCREASE (DECREASE) IN CASH | (14,849) | (5,937) |
| CASH AT BEGINNING OF PERIOD     | 14,849   | 6,140   |
|                                 | -----    | -----   |
| CASH AT END OF PERIOD           | \$ 0     | \$ 203  |
|                                 | =====    | =====   |

See accompanying notes to financial statements  
F-5

Omni Medical Holdings, Inc.  
Consolidated Statements of Cash Flows [continued]  
For the three month periods ended June 30, 2005 and 2004

|   | 2005         | 2004      |
|---|--------------|-----------|
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: |              |           |
| Cash paid for interest                            | \$ 64,132    | \$ 11,468 |
| Cash paid for income taxes                        | -            | -         |
| BUSINESS ACQUISITIONS:                            |              |           |
| Fair value of assets acquired                     | \$ 1,357,006 | \$ -      |
| Issuance of debt/assumption of liabilities        | (357,006)    | -         |
| Common stock issued at acquisition                | (1,000,000)  | -         |
|   | -----        | -----     |
| Cash paid   | \$ 0         | \$ 0      |
|   | =====        | =====     |

See accompanying notes to financial statements  
F-6

Omni Medical Holdings, Inc.  
Notes to Condensed Consolidated Financial Statements  
June 30, 2005

### Note 1 BUSINESS, ORGANIZATION AND INTERIM FINANCIAL STATEMENTS

Business - Omni Medical Holdings, Inc. ("Omni"), a Utah corporation, provides medical billing and transcription services, and electronic medical record solutions to medical practitioners.

Organization- The company was previously organized as Piezo Instruments, Inc. ("Piezo"), a Utah corporation. Effective September 5, 2003, Piezo and Omni Medical of Nevada, Inc., a Nevada Corporation ("Omni Nevada") executed an Agreement and Plan of Reorganization (the "Reorganization Agreement"), whereby Piezo agreed to acquire 100% of the issued and outstanding shares of common stock of Omni Nevada in exchange for up to 16,000,000 newly issued shares of common stock of Piezo, (of which 12,913,815 were issued as of March 31, 2004, 480,753 shares were issued in July 2004 and 474,659 shares are to be issued as of June 30, 2005 for a total of 13,869,227 shares,) or approximately 86% of the post-Reorganization Agreement outstanding securities of Piezo. The transaction was accounted for as a reverse acquisition of Piezo by Omni Nevada. Shares of common stock authorized and issued have been retroactively restated to present the capital structure of Piezo. Concurrent with the merger, Piezo changed its name to Omni Medical Holdings, Inc.

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

Interim financial statements-The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10QSB and Item 310 (b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by accounting principles for complete financial statements generally accepted in the United States of America. In the opinion of management, the accompanying consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the Company's financial position as of June 30, 2005. There has not been any change in the significant accounting policies of Omni Medical Holdings, Inc. for the periods presented. It is suggested that these unaudited condensed consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005.

### Note 2 BUSINESS ACQUISITIONS

Effective March 1, 2005, Omni, entered into a share exchange agreement ("the agreement") with DataFuzion, Inc. a Colorado corporation and provider of practice management, billing and collection services, and electronic medical records solutions to medical practitioners. The agreement calls for Omni to offer a shareholder exchange to the DataFuzion shareholders in which they may transfer to Omni at closing 100% of the outstanding common stock of DataFuzion in exchange for 23,019,215 shares of common stock of Omni. The exchange will constitute a 50% ownership of Omni for the shareholders of DataFuzion in the event all shareholders of DataFuzion agree to exchange their respective common shares. As of August 15, 2005 approximately 90% of the DataFuzion shareholders had exchanged their shares for shares of Omni and Omni had issued 21,772,966 shares of its common stock, with an additional 352,339 to be issued for a total issuance of 22,125,305 shares of common stock.

The following table summarizes the estimated fair values of the DataFuzion assets acquired and liabilities assumed as of March 1, 2005, the date of acquisition:

F-7

Omni Medical Holdings, Inc.  
Notes to Consolidated Financial Statements  
June 30, 2005

### Note 2 BUSINESS ACQUISITIONS-[continued]

|                          |             |
|--------------------------|-------------|
| Cash                     | \$ 4,208    |
| Accounts receivable, net | 170,300     |
| Property and equipment   | 1,545,547   |
| Intangible assets        | 1,462,640   |
| Other assets             | 26,470      |
| Accounts payable         | (138,158)   |
| Accrued expenses         | (1,206,843) |
| Notes payable            | (1,941,264) |
| Convertible debt         | (1,265,582) |
| Minority interest        | 134,268     |
| Goodwill                 | 3,420,945   |
|                          | -----       |

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

Net assets acquired                   \$ 2,212,531  
=====

Effective April 15, 2005, the Company entered into an Stock Purchase Agreement ("the Plum Creek agreement") whereby the Company acquired 100% of the outstanding shares of Plum Creek Outpatient, Inc., ("Plum Creek") an Illinois corporation and provider of medical supplies in exchange for 1,000,000 shares of the Company's common stock that are "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission. The Plum Creek agreement calls for a Revenue Bonus to be paid to the sellers based on annual calculations of the combined revenue of the Company and its affiliates relating to medical supplies during two revenue bonus periods ending April 15, 2006 and 2007. The Company also entered into a Put Option agreement whereby anytime during the two year period from the date of acquisition the Company, at the request of the seller, may be required to purchase some or all of the 1,000,000 issued shares at a price of \$0.20 per share or issue additional shares of the Company's common stock equal in number to the shortfall in payment of the Put Price plus ten percent divided by the closing price per share at the close of business on the last day of the payment period.

The following table summarizes the estimated fair values of the Plum Creek assets acquired and liabilities assumed as of April 15, 2005, the date of acquisition:

|                          |            |
|--------------------------|------------|
| Accounts receivable, net | \$ 426,960 |
| Equipment                | 40,000     |
| Accounts payable         | (5,000)    |
| Accrued expenses         | (261,960)  |
|                          | -----      |
| Net assets acquired      | \$ 200,000 |
|                          | =====      |

F-8

Omni Medical Holdings, Inc.  
Notes to Consolidated Financial Statements  
June 30, 2005

### Note 2                   BUSINESS ACQUISITIONS-[continued]

On April 15, 2005 the Company also entered into an Asset Purchase Agreement ("the Stat agreement") whereby the Company acquired the assets of Stat Anesthesia, P.C., ("Stat") an Illinois corporation and medical provider, in exchange for 4,000,000 shares of the Company's common stock that were also "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission. Additionally, Stat signed an Administrative Services Agreement with the Company in which the Company will provide financial and administrative services for all of Stat's operations. While the Company will have complete control over the administrative and financial affairs of Stat, the Company will not be involved in any way in the practice of medicine. The Stat agreement also calls for a Revenue Bonus to be paid to the sellers based on annual calculations of the combined revenue of the Company and its affiliates relating to medical services during two revenue bonus periods ending April 15, 2006 and 2007. The Company also entered into a Put Option agreement whereby anytime during the two year period from the date of acquisition the Company, at the request of the seller, may be required to purchase some or all of the 4,000,000 issued shares at a price of \$0.20 per share or issue additional shares of the Company's common stock equal in number to the shortfall in payment of the Put Price plus ten percent divided by the closing price per share at the close of business

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

on the last day of the payment period.

The following table summarizes the estimated fair values of the Stat assets acquired and liabilities assumed as of April 15, 2005, the date of acquisition:

|                          |            |
|--------------------------|------------|
| Accounts receivable, net | \$ 850,046 |
| Equipment                | 40,000     |
| Accrued expenses         | (90,046)   |
|                          | -----      |
| Net assets acquired      | \$ 800,000 |
|                          | =====      |

The DataFuzion, Plum Creek and Stat acquisitions were accounted for as purchases and their results of operations are included in the Company's financial statements from the date of acquisition.

The following proforma financial information presents results as if the DataFuzion Plum Creek and Stat acquisitions had occurred at the beginning of the three month periods ended June 30, 2005 and 2004:

|                                  | 2005        | 2004        |
|----------------------------------|-------------|-------------|
| Revenues                         | \$1,626,600 | \$1,410,890 |
| Net loss                         | (575,991)   | (54,144)    |
| Basic and diluted loss per share | \$ (0.01)   | \$ (0.01)   |

F-9

Omni Medical Holdings, Inc.  
Notes to Condensed Consolidated Financial Statements  
June 30, 2004

Note 3 GOING CONCERN

The Company's financial statements for the periods ended June 30, 2005 and 2004 show incurred net losses of \$616,768 and \$141,865, respectively, and has a working capital deficiency of \$4,102,951, as of June 30, 2005, raising substantial doubt about the company's ability to continue as a going concern. Management's plans to address concerns raised by this issue include:

a. Through the acquisition of Plum Creek Outpatient and administrative services agreement with Stat Anesthesia, P.C., the Company believes it has already acquired significant asset and adequate liquid assets for operation. Furthermore, management believes these companies will provide significant cash flow to provide for all corporate needs.

b. The Company also plans to raise additional capital and is working with a number of financial sources to achieve this.

There is no assurance that these or any efforts will be successful. However, management believes that these measures will enable the Company to have adequate funds to support operations for the next twelve months.

F-10

Item 2. Management's Discussion and Analysis

"SAFE HARBOR" STATEMENT UNDER THE UNITED STATES PRIVATE SECURITIES LITIGATION



## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

REFORM ACT OF 1995.

This Form 10-QSB contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Omni Medical Holdings, Inc. is referred to herein as "we" or "our". The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties. Statements made herein are as of the date of the filing of this Form 10-QSB with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Except as may otherwise be required by applicable law, we do not undertake, and specifically disclaim, any obligation to update any forward-looking statements contained in this Form 10-QSB to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

### Overview:

Omni Medical Holdings (ONMH:OTCBB) provides a turn key back office suite of products and services to doctors, clinics and hospitals throughout the country. Omni continues to grow through its acquisition strategy and unique combination of product offerings.

Omni Medical has positioned itself to offer a complete back office solution of products and services for all medical practitioners.

Omni's DataFuzion subsidiary provides a complete line of integrated back-office products including GE Centricity and Misys practice management and electronic medical records solutions, and a proprietary web based decision support reporting tools for physicians and hospitals (InfoBridge™). Our ASP hosted products are designed to maximize practice performance by identifying revenue enhancement and cost savings opportunities, while eliminating the up front costs and ongoing expense of owning, upgrading, staffing and maintaining multiple in-house operations and reporting systems.

When practitioners provide patient care, those actions must be documented, usually by electronic dictation. Government and insurance regulations are such that these important medical records, which effect patient health, must be in readable form. Through our transcription division, this service can be delivered to any practitioner in the world through our proprietary digital web based system. All of our services are performed in the United States.

Medical billing and collections are the lifeblood of any healthcare facility, with accurate and timely collections insuring an effective practice and high standard of care. The billing process is automated through either of Omni's Centricity or Misys based hubs. Our nearly twenty years of experience extends to most medical areas, especially anesthesiology.

Omni's complete back office solution gives:

- \* New revenue opportunities to our customers;
- \* More streamlined workflow;
- \* Executive managers the ability to use disease management benchmarking data, increasing revenue and providing better patient outcomes;
- \* Elimination of costly data errors;
- \* Ability to integrate hardware and software with other systems; and
- \* "Drill down" from multiple servers, and provides greater analytical solutions.

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

The opportunities in the healthcare services market are enormous and the next ten years will bring dramatic changes in how healthcare practitioners manage and operate their practices. Omni Medical Holdings, along with its DataFuzion subsidiary, is currently positioned to take advantage of those opportunities now.

### RESULTS OF OPERATIONS

Three months ended June 30, 2005.  
-----

During the quarterly period ended June 30, 2005, we recorded revenue of \$1,493,604, an increase from revenue of \$397,867 in the quarter ended June 30, 2004.

Cost of sales totaled \$902,382, versus \$282,219 in the first fiscal quarter of 2005.

During the first fiscal quarter of 2005, we recorded general and administrative expenses of \$1,115,132. These expenses totaled \$246,045 in the year-ago period.

Interest expense was \$121,661 and \$11,468 for the three-month period ended June 30, 2005, and June 30, 2004, respectively.

For the three-month period ended June 30, 2005, we incurred a loss of \$616,768, as compared to a loss of \$141,865 for the three-month period ended June 30, 2004.

Revenue increased 275% during the three months ended June 30, 2005, compared to the three month period ended June 30, 2004, due to the acquisitions of DataFuzion, Stat Anesthesia and Plum Creek Outpatient. Expenses increased 353% versus the prior year due to higher operating costs associated with DataFuzion. This included a 295% increase in depreciation expense and an 10 fold increase in interest expense over the previous year. Net loss increased 335% for the previously stated reason. We expect continued high levels of depreciation as DataFuzion takes a conservative accounting approach to its equipment and intangible assets. Interest expense will continue to remain high until such time as the convertible bondholders exchange their debt for equity.

### CAPITAL RESOURCE REQUIREMENTS

#### LIQUIDITY

As of June 30, 2005, Omni's working capital deficit was \$4,102,951. Our cash and cash equivalents at June 30, 2005, was \$0, and we had a bank overdraft of \$22,989.

We currently have a commitment under an Employment Agreement with one of the former owners of McCoy Business Services through November 30, 2005, guaranteeing annual compensation of \$30,000 plus a performance based bonus.

We currently lease office space under an operating lease for \$6,000 per month, which terminates July 31, 2006.

Effective March 1, 2005, Omni entered into an Employment Agreement with Arthur D. Lyons, its chief executive officer and Douglas Davis, President through March 1, 2010. The agreement provides compensation at an annual base salary of \$180,000, a \$1,000 a month auto allowance, fully paid health insurance and a bonus of 1% of gross revenue, paid quarterly to each.

During December 2003, Omni entered into a Loan Agreement and Security

## Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

Agreement with Presidential Financial Corporation allowing Omni to borrow up to 80% of its accounts receivable or \$300,000, whichever is less. The loan is secured by accounts receivable and other tangible assets of Omni and accrues interest at prime plus 2%. As of June 30, 2005, \$160,080 was owed on the line of credit.

### Item 3. Controls and Procedures.

-----

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our President and Treasurer, of the effectiveness of our disclosure controls and procedures. Based on this evaluation, our President and Treasurer concluded that our disclosure controls and procedures are effectively designed to ensure that information required to be disclosed or filed by us is recorded, processed or summarized, within the time periods specified in the rules and regulations of the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, we reviewed our internal controls over financial reporting, and there have been no changes in our internal controls or in other factors in the last fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

-----

None; not applicable.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

-----

In April 2005, the Company entered into a Stock Purchase Agreement whereby the Company acquired Plum Creek Outpatient, Inc. a provider of medical supplies in exchange for 1,000,000 "restricted" shares of the Company's common stock.

We issued all of these securities to persons who were either "accredited investors," or "sophisticated investors" who, by reason of education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities were exempt from the registration requirements of the Securities Act, pursuant to Sections 4(2) and 4(6) thereof, and Rule 506 of Regulation D of the Securities and Exchange Commission and from various similar state exemptions.

### Item 3. Defaults Upon Senior Securities.

-----

None; not applicable.

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

-----

None; not applicable.

### Item 5. Other Information.

Edgar Filing: OMNI MEDICAL HOLDINGS INC - Form 10QSB

-----  
None; not applicable.

Item 6. Exhibits.  
-----

(a) Exhibits.

31 302 Certification of Arthur D. Lyons.

32 906 Certification.

SIGNATURES

Pursuant to the requirements 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.

OMNI MEDICAL HOLDINGS, INC.

Date: 8/17/05  
-----

By: /s/ Arthur D. Lyons  
-----

Arthur D. Lyons, CEO, Secretary  
and Chairman of the Board

Date: 8/17/05  
-----

By: /s/ Douglas Davis  
-----

Douglas Davis, President,  
Treasurer and Director