

Edgar Filing: MICRO BIO-MEDICAL WASTE SYSTEMS, INC. - Form 10QSB

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

Form 10QSB

August 14, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

OR

TRANSITION REPORT UNDER SECTION 13 OF 15(D) OF THE EXCHANGE ACT OF 1934

From the transition period from _____ to _____.

Commission File Number 0-29935

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

Nevada
(State or other jurisdiction of
incorporation or organization)

33-0677140
(IRS Employer Identification No.)

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

(661) 287-3772
(Issuer's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since
last report)

Indicate by check mark whether the registrant (1) filed all reports
required to be filed by Section 13 or 15(d) of the Exchange Act during the past
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:

Yes : No:

As of August 1, 2006 there were 5,324,465 shares of Common Stock of the issuer
outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
BALANCE SHEETS
(UNAUDITED)

	June 30, 2006	December 31, 2005
	-----	-----
ASSETS		
Assets	\$ --	\$ --
	-----	-----
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 21,515	\$ 178,630
Advances - related party	95,851	89,549
	-----	-----
Total current liabilities	117,366	268,179
	-----	-----
STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 500,000,000 shares authorized, 5,324,465 and 4,825,465 shares issued and outstanding, respectively	5,324	4,824
Additional paid in capital	2,808,317	2,626,646
Accumulated deficit	(2,931,007)	(2,899,649)
	-----	-----
Total Stockholders' Deficit	(117,366)	(268,179)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ --	\$ --
	=====	=====

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
STATEMENTS OF EXPENSES
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	-----	-----	-----	-----
Costs and Expenses:				
General and administrative	\$ 22,438	\$ 26,061	\$ 31,358	\$ 26,061
	-----	-----	-----	-----
Net loss	\$ (22,438)	\$ (26,061)	\$ (31,358)	\$ (26,061)
	=====	=====	=====	=====

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Net loss per share:				
Net loss basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic and diluted	5,107,798	4,825,465	4,966,132	4,825,465
	=====	=====	=====	=====

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
 STATEMENTS OF CASH FLOWS
 SIX MONTHS ENDED JUNE 30, 2006 AND 2005
 (UNAUDITED)

	2006	2005
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (31,358)	\$ (26,061)
Adjustments to reconcile net deficit to cash used by operating activities:		
Write off of advances receivable - related party	--	20,000
Net change in:		
Increase (decrease) in Accounts payable and accrued expenses	25,056	6,061
	-----	-----
CASH FLOWS USED IN OPERATING ACTIVITIES	(6,302)	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advances from a related party	6,302	--
	-----	-----
NET DECREASE IN CASH	--	--
Cash, beginning of period	--	--
	-----	-----
Cash, end of period	\$ --	\$ --
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	--	--
Income taxes paid	--	--
NON-CASH FLOW INFORMATION		
Common stock issued for accounts payable	\$ 182,171	--

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2006
 (UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

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The accompanying unaudited interim financial statements of Micro Bio-Medical Waste Systems, Inc. ("Micro Bio-Medical") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's registration statement filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end December 31, 2005 as reported in Form 10-KSB, have been omitted.

NOTE 2 - STOCK ISSUED IN EXCHANGE FOR ACCOUNTS PAYABLE

During May 2006, Micro Bio-Medical issued 500,000 shares valued at \$182,171 to a vendor for \$182,171 of accounts payable owed to the vendor.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

THIS REPORT CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH ON THE FORWARD LOOKING STATEMENTS AS A RESULT OF THE RISKS SET FORTH IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, GENERAL ECONOMIC CONDITIONS, AND CHANGES IN THE ASSUMPTIONS USED IN MAKING SUCH FORWARD LOOKING STATEMENTS.

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" in Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

In December, 2003, the Company entered into an Agreement with its majority shareholder, Crown Partners, Inc. ("Crown") to acquire Crown's wholly owned subsidiary, Sanitec Services of Hawaii, Inc. ("SSH"). The Company was obligated to pay Crown the sum of \$550,000 and issue five percent of its common stock to Crown. As part of this transaction, the Company made a non-refundable deposit to Crown of \$45,521. From this deposit, Crown agreed to allow the Company to advance \$20,000 to SSH and to use the balance of the deposit to fund the Company's operations. The Company is obligated to repay this \$45,521 to Crown. The Company was unable to raise the funds necessary to complete this transaction and SSH was forced to cease operations. The Company is seeking other acquisition candidates. Additionally, the Company owes an additional \$50,330 to Crown for expenses Crown has paid on the Company's behalf.

The Company presently shares office space provided to it at no cost by a shareholder of the Company.

As of June 30, 2006, the Company had no employees.

RESULTS OF OPERATIONS

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For the three month periods ended June 30, 2006 and 2005, the Company had no revenues. The Company's expenses for the three months ended June 30, 2006 were approximately \$22,438, representing general and administrative expenses. The Company recorded a net loss of \$22,438 for the period ended June 30, 2006. The Company's expenses for the three months ended June 30, 2005 were \$26,061. The Company recorded a net loss of \$26,061 for the period ended June 30, 2005. The net loss per share was (\$0.00) and (\$0.01) for the three month periods ended June 30, 2006 and 2005, respectively.

For the six month periods ended June 30, 2006 and 2005, the Company had no revenues. The Company's expenses for the six months ended June 30, 2006 were approximately \$31,358, representing general and administrative expenses. The Company recorded a net loss of \$31,358 for the period ended June 30, 2006. The Company's expenses for the six months ended June 30, 2005 were \$26,061. The Company recorded a net loss of \$26,061 for the period ended June 30, 2005. The net loss per share was (\$0.01) for the six month periods ended June 30, 2006 and 2005.

At June 30, 2006, the Company had no assets. The Company's liabilities at June 30, 2006 were approximately \$117,366. Shareholders' deficit for the three months ended June 30, 2006 was approximately \$117,366. The Company reduced its accounts payable by approximately \$182,000 during the quarter ended June 30, 2006 through the issuance of its common stock in satisfaction of certain of the Company's debts.

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.

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.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has experienced no significant change in liquidity or capital resources or stockholders equity other than the receipts of proceeds from offerings of its capital stock. The Company received \$250,000 from an offering conducted under Rule 504 of Regulation D in 1999. The Company also raised approximately \$158,000 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 June 30, 2006 reflects no assets and limited 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.

The Company will attempt to carry out its plan of business and hopes to raise the capital to complete the Crown transaction as soon as possible. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan.

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 need for additional financing will

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increase substantially.

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 issuing common stock in lieu of cash.

DESCRIPTION OF PROPERTIES

The Company presently shares office space provided by a shareholder at no cost to the Company.

EMPLOYEES

As of June 30, 2006, the Company had no employees.

ITEM 3. CONTROLS AND PROCEDURES

Based on the evaluation of the Company's disclosure controls and procedures by Mr. Charles Smith, chief executive officer and chief accounting officer of the company, as of a date within 90 days of the filing date of this quarterly report, such officer has concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time period specified by the Securities and Exchange Commission's rules and forms.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II

Items No. 1, 2, 3, 4 and 5 - Not Applicable.

Item No. 6 - Exhibits and Reports on Form 8-K

(a) No reports on Form 8-K were filed during the quarter ended June 30, 2006.

(b) Exhibits

None

SIGNATURES

In accordance with 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.

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

By /s/ Charles Smith

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Charles Smith, CEO, CFO

Date: August14, 2006

FORM OF CERTIFICATION
PURSUANT TO RULE 13A-14 AND 15D-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

CERTIFICATION

I, Charles Smith, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Micro Bio-Medical Waste Systems, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

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6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 14, 2006

/s/ Charles Smith

Name: Charles Smith
Title: CEO, CFO

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Micro Bio-Medical Waste Systems, Inc. on Form 10-QSB for the period ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

/s/ Charles Smith

Charles Smith, CEO, CFO

Dated: August 14, 2006.